Greenko Investment Company (Restricted Group II)
Issuer of US$500 Million 4.875% Senior Notes due 2023

Summary of Contents

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
Orwell, B Wing, 6th Floor, Unit-3
Sy. No. 83/1, Plot No. 2, Raidurg
Hyderabad-500081, India.

Telephone : +91 40 7182 2000
Fax : +91 40 7182 2399

Independent Auditors' Report

To the Board of Directors of Greenko Investment Company

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of the Restricted Group II which consists of the Greenko Investment Company ("the Company"), a wholly owned subsidiary of Greenko Energy Holdings ("the Parent") and certain entities under common control of the Parent, as listed in Note 3.1 to the combined financial statements (collectively known as "the Restricted Group II"), which comprise the combined statement of financial position as at 31 March 2019, the combined statement of profit or loss and other comprehensive income, the combined statement of changes in net parent investment and the combined statement of cash flows for the year then ended, and the related notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 38.

In our opinion, these combined financial statements present fairly, in all material respects, the combined financial position of the Restricted Group II as at 31 March 2019 and of its combined financial performance and its combined cash flows for the year then ended in accordance with International Financial Reporting Standards, as issued by International Accounting Standards Board ("IFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are independent of the Restricted Group II pursuant to the Chartered Accountants Act, 1949 or rules or regulations issued thereunder and 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 and 3 to the combined financial statements, which describes that the Restricted Group II has not formed a separate legal group of entities during the year ended 31 March 2019, which also describes the basis of preparation, including the approach to and the purpose for preparing them. Consequently, the Restricted Group II`s combined financial statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group II that would have occurred if it had operated as a separate standalone group of entities during the period presented, nor may they be indicative of the results of operations of the Restricted Group II for any future period. The combined financial statements have been prepared solely to comply with financial reporting requirements under the indenture governing the Senior Notes as described in Note 2 to the combined financial statements. As a result, the combined financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Independent Auditors' Report to the Board of Directors of Greenko Investment Company (continued)

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the combined financial statements of the current period. These matters were addressed in the context of our audit of the combined financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1) Valuation of derivative financial instruments

Derivative financial assets amounting to USD 77,320,367 included in the combined statement of financial position as at 31 March 2019 measured at fair value. The Company's foreign exchange risk arises from debt investments made in Indian operations. Consequently the Company uses derivative financial instruments such as foreign exchange option and forward contracts to mitigate the risk of changes in foreign currency exchange rates.

The fair value at year end has been determined using the Black-Scholes model, which required the directors to make certain estimates on the inputs used in the fair value determination.

Due to the estimation required by the directors in the determination of the fair value and the work effort from the audit team, the valuation of financial instruments was considered a key audit matter.

The Restricted Group II's disclosures regarding the accounting policy, assumptions and estimates used for valuation for derivative financial instruments are included in Notes 3.7, 3.10, 6.1(i) and 10 to the combined financial statements.

How the matter was addressed in our audit

Our audit procedures included the following:

- Obtained an understanding of the methodologies and input parameters used by the Company in determining fair value in the Black-Scholes model.
- Involved our own specialists to assess and challenge the appropriateness of the model used and inputs in the model by comparing observable inputs against independent sources and externally available market data.
- Performed our own independent fair valuations with the assistance of our own valuation specialists and compared our valuation to the Company's valuation.
- Assessed whether the fair value determination is appropriately disclosed in accordance with the applicable financial reporting framework.

2) Assessment of non-financial assets impairment

As at 31 March 2019, the Restricted Group II recognized intangible assets and goodwill of USD 116,849,056 and property, plant and equipment of USD 586,882,147.

Intangible assets with definite useful life and property, plant and equipment are tested for impairment whenever there is objective evidence of impairment. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment test involves determining the recoverable amounts of every Cash Generation Unit (CGU) based on value-in-use of such assets.

Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of the money and risk specific to the asset or CGU.

Given the significance of the aforementioned items and the use of the management's assumptions and estimates, we consider that assessment of impairment of those non-financial assets is one of the key audit matters.

Key Audit Matters (continued)

2) Assessment of non-financial assets impairment (continued)

The Restricted Group II's disclosures regarding the accounting policy and assumptions and estimates used under assessing impairment of these assets are included in Notes 3.5 (a), 3.6 and 9 to the combined financial statements.

As per such assessment done by the Management, impairment charge of USD 4,475,383 is recognized for the year ended 31 March 2019.

How the matter was addressed in our audit

Our audit procedures included the following:

- Evaluation of procedures used by the Management to identify indication of impairment in non-financial assets.
- Evaluation of the procedures used by the Management in order to prepare reliable business plans through comparing the actual performance in relation to previous projections.
- Involved our own specialists to assess and challenge the appropriateness of the model used and inputs in the model by comparing observable inputs against independent sources and externally available market data.
- Evaluation of the reasonableness of the Management's assumptions and estimates, such as the reasonableness of discount rates used and the application of generally accepted evaluation methods.
- Review of the mathematical precision of discounted cash flow models.
- Assessment of adequacy of the disclosures included in the notes to financial statements regarding this matter.

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

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with the International Financial Reporting Standards as issued by International Accounting Standards Board ("IFRS") and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the Restricted Group II'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 the Restricted Group II or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

Independent Auditors' Report to the Board of Directors of Greenko Investment Company (continued)
Auditors' Responsibilities for the Audit of the Combined Financial Statements (continued)

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Restricted Group II's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Restricted Group II to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the combined financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for **B S R & Associates LLP**
Chartered Accountants
Firm Registration Number: 116231W/W-100024

Sriram Mahalingam
Partner
Membership number: 049642
ICAI UDIN No.: 19049642AAAABU5261

Place: Hyderabad
Date: 12 July 2019

(All amounts in US Dollars unless otherwise stated)

Combined statement of financial position

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	8	586,882,147	648,339,089
Intangible assets and goodwill	9	116,849,056	133,758,846
Bank deposits	15	12,056	30,750
Other receivables	12	158,193	177,798
Derivative financial assets	10	77,320,367	65,402,044
		781,221,819	**847,708,527**
Current assets			
Inventories	13	685,452	721,539
Trade receivables	11	11,591,315	10,820,036
Other receivables	12	2,163,017	2,439,819
Bank deposits	15	4,770,977	4,948,081
Taxation receivable		730,805	1,042,629
Cash and cash equivalents	14	65,848,834	31,587,484
		85,790,400	**51,559,588**
Total assets		**867,012,219**	**899,268,115**
Equity and liabilities			
Equity			
Net parent investment		165,646,046	183,867,637
Non-controlling interests		(2,635,601)	(2,443,562)
Total equity		**163,010,445**	**181,424,075**
Liabilities			
Non-current liabilities			
Retirement benefit obligations	20	208,446	237,014
Borrowings	17	571,724,992	578,246,520
Deferred tax liabilities	18	24,000,268	22,476,901
Other financial liabilities	10	40,345,107	51,571,864
		636,278,813	**652,532,299**
Current liabilities			
Trade and other payables	16	16,447,424	15,537,214
Taxation payable		901,659	51,253
Other financial liabilities	10	14,970,000	16,270,000
Borrowings	17	11,939,096	9,892,989
Borrowings from unrestricted group	25	23,464,782	23,560,285
		67,722,961	**65,311,741**
Total liabilities		**704,001,774**	**717,844,040**
Total equity and liabilities		**867,012,219**	**899,268,115**

The notes are an integral part of these combined financial statements.

(All amounts in US Dollars unless otherwise stated)

Combined statement of profit or loss and other comprehensive income

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	19	100,738,538	73,986,069
Other operating income		24,142	138,100
Power generation expenses		(8,274,844)	(3,864,906)
Employee benefits expense	21	(2,904,788)	(3,025,512)
Other operating expenses		(3,377,027)	(4,452,236)
Impairment of non-financial assets	9	(4,475,383)	-
Impairment loss on trade receivables	11	(207,223)	-
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**81,523,415**	**62,781,515**
Depreciation and amortisation	8&9	(27,204,931)	(26,587,713)
Operating Profit		**54,318,484**	**36,193,802**
Finance income	22	14,324,330	1,660,175
Finance cost	22	(39,470,693)	(41,899,933)
Profit/(Loss) before income tax		**29,172,121**	**(4,045,956)**
Income tax expense	23	(7,238,763)	(3,848,225)
Profit/(Loss) for the year		**21,933,358**	**(7,894,181)**
Attributable to:			
Equity holders of the Restricted Group II		22,125,397	(7,239,930)
Non-controlling interests		(192,039)	(654,251)
		21,933,358	**(7,894,181)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Unrealised gain on available-for-sale financial assets		-	(73,954)
Exchange differences on translating foreign operations		(40,346,988)	(1,938,704)
Total other comprehensive income		**(40,346,988)**	**(2,012,658)**
Total comprehensive income		**(18,413,630)**	**(9,906,839)**
Total comprehensive income attributable to:			
Equity holders of the Restricted Group II		(18,221,591)	(9,252,588)
Non-controlling interests		(192,039)	(654,251)
		(18,413,630)	**(9,906,839)**

The notes are an integral part of these combined financial statements.

(All amounts in US Dollar unless otherwise stated)

Combined statement of changes in net parent investment

	As at 31 March 2019	As at 31 March 2018
Opening	183,867,637	188,252,189
Equity infusion by owners of the Restricted Group II	-	1
Profit/ (Loss) for the year	22,125,397	(7,239,930)
Foreign currency translation adjustments	(40,346,988)	(1,938,704)
Unrealised gains on available-for-sale financial assets, net	-	(73,954)
Share of opening accumulated loss to non-controlling interests*	-	104,805
Transactions with unrestricted entities (Refer note 26)	-	4,763,230
Closing	**165,646,046**	**183,867,637**

* Perla Hydro Power Private Limited has issued 24% equity shareholding to group captive consumers during the year ended 31 March 2018.

The notes are an integral part of these combined financial statements.

(All amounts in US Dollars unless otherwise stated)

Combined statement of cash flows

		Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
A.	**Cash flows from operating activities**			
	Profit/(Loss) before income tax		29,172,121	(4,045,956)
	Adjustments for			
	Depreciation and amortisation	8&9	27,204,931	26,587,713
	Finance income		(14,324,330)	(1,660,175)
	Finance cost		39,470,693	41,899,933
	Impairment of non-financial assets	9	4,475,383	-
	Impairment loss on trade receivables		207,223	-
	Changes in working capital			
	Inventories		(6,922)	(147,089)
	Trade and other receivables		(1,446,805)	16,343,569
	Trade and other payables		3,208,257	(3,596,468)
	Cash generated from operations		**87,960,551**	**75,381,527**
	Taxes paid		(741,130)	(1,336,964)
	Net cash from operating activities		**87,219,421**	**74,044,563**
B.	**Cash flows from investing activities**			
	Purchase of property, plant and equipment and capital expenditure, net		(2,229,032)	(695,970)
	Proceeds from sale of mutual funds		-	907,606
	Acquisition of business, net of cash and cash equivalents acquired (Refer note 26)		-	(1,939,039)
	Bank deposits		(128,692)	25,405,420
	Interest received		2,418,900	1,074,590
	Net cash from investing activities		**61,176**	**24,752,607**
C.	**Cash flows from financing activities**			
	Increase in net parent investment		-	1
	Proceeds from non-controlling interests		-	54,583
	Proceeds from /(Repayment of) borrowings to the Unrestricted Group, net		1,295,826	(46,813,600)
	Proceeds from borrowings		5,859,207	4,654,771
	Repayment of borrowings		(6,567,288)	(333,214)
	Interest paid		(51,461,780)	(49,116,927)
	Net cash used in financing activities		**(50,874,035)**	**(91,554,386)**
	Net increase in cash and cash equivalents		**36,406,562**	**7,242,784**
	Cash and cash equivalents at the beginning of the year	14	31,587,484	24,540,929
	Exchange losses on cash and cash equivalents		(2,145,212)	(196,229)
	Cash and cash equivalents at the end of the year	14	**65,848,834**	**31,587,484**

The notes are an integral part of these combined financial statements.

Notes to the combined financial statements

1. General information

Greenko Investment Company ("Greenko Investment" or "the Company") was incorporated on 04 July 2016 as a public company with limited liability by shares and has its registered office at C/o. SGG Corporate Services (Mauritius) Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius. Greenko Investment is duly registered as Foreign Portfolio Investor Entity with the Securities Exchange Board of India for investing in debt instruments in India on 21 July 2016.

Greenko Energy Holdings ("Greenko" or "the Parent") together with its subsidiaries ("Greenko Group") is in the business of owning and operating clean energy facilities in India. All the energy generated from these plants is sold to state utilities and other customers including captive consumers in India through power purchase agreements ("PPA").

2. Purpose of the Combined Financial Statements

The Company has issued Senior Notes to institutional investors and is listed on Singapore Exchange Securities Trading Limited (SGX-ST). Greenko Investment invested issue proceeds, net of issue expenses in Non-Convertible Debentures ("NCDs") of certain operating Indian subsidiaries of the Parent to replace their existing Rupee debt. These Indian subsidiaries in which Greenko Investment has invested the issue proceeds are individually called as a 'restricted entity' and collectively as 'the restricted entities'. These restricted entities are under common control of Parent and primarily comprise the hydro and wind portfolio. Further, Non-convertible debentures issued to Greenko Investment Company by Indian subsidiaries are secured by pledge of assets of those subsidiaries through an Indian trustee. Greenko Investment and restricted entities (as listed in note 3.1) have been considered as a group for the purpose of financial reporting and is referred hereinafter as "Greenko Investment Company (Restricted Group II)" or "the Restricted Group II".

The combined financial statements presented herein reflect the Restricted Group II results of operations, assets and liabilities and cash flows for the periods presented. The combined financial statements have been prepared in accordance with the accounting principles under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") on a carve-out basis to present fairly the combined financial position and performance of the Restricted Group II. The basis of preparation and significant accounting policies used in preparation of these combined financial statements are set out in note 3.1 below.

The financial periods of the Restricted Group II is based on the periods of the financial statements presented by the parent being parent guarantor of the senior notes.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these combined financial statements are set out below. These policies have been consistently applied to all the periods presented.

3.1 Basis of preparation of the combined financial statements

a) Basis of preparation

The indenture governing the Senior Notes requires Greenko Investment to prepare combined financial statements of the Greenko Investment and the restricted entities for the purpose of submission to the bond holders. These combined financial statements as at and for the years ended 31 March 2019 and 31 March 2018, respectively have been prepared on a basis that combines statements of profit or loss, statements of comprehensive income, financial position, statement of changes in net parent investment and cash flows of the legal entities comprising the restricted entities and Greenko Investment.

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

Greenko Investment and restricted entities are under the common control of Greenko Energy Holdings ("the parent"). The following are the Restricted Group II entities forming part of the parent:

	31 March 2019	31 March 2018
Anantapura Wind Energies Private Limited	100%	100%
Devarahipparigi Wind Power Private Limited*	100%	100%
Greenko Bagewadi Wind Energies Private Limited#	74%	74%
Perla Hydro Power Private Limited#	74%	74%
Rayalaseema Wind Energy Company Private Limited	100%	100%
Sneha Kinetic Power Projects Private Limited	100%	100%
Swasti Power Private Limited	100%	100%
Tanot Wind Power Ventures Private Limited	100%	100%
Vyshali Energy Private Limited	74%	74%

*Acquired by Tanot Wind Power Ventures Private Limited from Unrestricted Group on 29 September 2017 (Refer note 26).
Investment by group captive consumers.

Management has prepared these combined financial statements to depict the historical financial information of the Restricted Group II. The inclusion of entities in the Restricted Group II in these combined financial statements is not an indication of exercise of control, as defined in IFRS 10 Consolidated Financial Statements, by Greenko Investment over the Restricted Group II entities.

The combined financial statements are not necessarily indicative of the financial performance, financial position and cash flows of the Restricted Group II that would have occurred if it had operated as a separate stand-alone group of entities during the period presented nor of the Restricted Group II future performance. The combined financial statements include the operations of entities in the Restricted Group II, as if they had been managed together for the period presented.

The combined financial statements have been prepared in accordance with IFRS on a carve-out basis. As IFRS does not provide guidance for the preparation of combined financial statements, certain accounting conventions commonly used for the preparation of historical financial information have been applied in preparing the combined financial statements. The application of the specific carve-out conventions impacting the presentation of these financial statements, the areas involving a high degree of judgment or where estimates and assumptions are significant to the combined financial statements have been described below.

The combined financial statements have been prepared on a going concern basis under the historical cost convention, except for financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss. All intercompany transactions and balances within the Restricted Group II have been eliminated in full. Transactions between the Restricted Group II and other entities of Greenko Group (hereinafter referred to as "the Unrestricted Group") that are eliminated in the consolidated financial statements of Greenko Group have been reinstated in these combined financial statements.

Transactions that have taken place with the Unrestricted Group have been disclosed in accordance of IAS 24, Related Party Disclosures.

As these combined financial statements have been prepared on a carve-out basis, it is not meaningful to show share capital or provide an analysis of reserves. Net parent investment, therefore, represents the difference between the assets and liabilities pertaining to combined businesses. Share capital of Restricted Group II is ultimately held by the parent. Earnings Per Share have not been presented in these combined financial statements, as Greenko Investment Company did not meet the applicability criteria as specified under IAS 33 – Earnings Per Share.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the combined financial information are disclosed in the critical accounting estimates and judgments section (Note 7).

The Restricted Group II entities operate on its own and there are no material common expenses incurred by the Parent which require allocation to this Restricted Group II.

Notes to the combined financial statements

b) Business combinations by a restricted group entity

In addition, for preparation of these combined financials statements, business combinations by a restricted entity as the acquirer have been accounted for using the principles of IFRS 3 Business combination except transfer of shares of a restricted entity resulting in change of control from an unrestricted entity to a restricted entity as it does not alter the composition of the Restricted Group II and common control transactions.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Restricted Group II. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Restricted Group II's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss. Acquisition related costs are expensed as incurred.

When the consideration transferred by the Restricted Group II in the business combination included assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measure at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

The subsequent accounting for changes in the fair value of the contingent consideration depends on how the contingent consideration is classified. Contingent consideration that is qualified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is re-measured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in the Combined statement of profit or loss.

Goodwill arising from combination represents the excess of the consideration over Restricted Group II's interest in the identifiable assets, liabilities and contingent liabilities measured at fair value of a subsidiary at the date of acquisition.

The differences, if any, between the consideration and the net assets of the entity acquired under common control are presented in net parent investment.

c) Top Down Approach

The combined financial statements have been prepared on carve out basis from its parent's consolidated financial statements using the historical results of operations, assets and liabilities attributable to the restricted group. As part of carve-out principles, the Company segregates those transactions within the parent's financial statements that are related to carve-out (Restricted Group II) entities. This is referred as top-down basis of preparation of carve-out financial statements. The fair value adjustments of assets and liabilities arising on account of business combinations in the Parent's consolidated financial statements are attributed to carve-out entities are allocated based on carrying value of these assets and liabilities.

Management believes that this presentation fairly reflects the financial performance of the Restricted Group II as would be seen by the users of the combined financial statements. The resultant fair value adjustments to these historical combined financials statements are presented in Net parent investment. However these adjustments do not have any impact on Combined Statement of Cash Flows.

3.2 Segment reporting

The Restricted Group II's operations predominantly relate to generation and sale of electricity. The chief operating decision maker of the Greenko Group evaluates the Restricted Group II's performance and allocates resources based on an analysis of various performance indicators at the level of "generation and sale of electricity related benefits". Accordingly, there is only a single operating segment.

Notes to the combined financial statements

3.3 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements in each of the Restricted Group II entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is United States Dollar ("US$") and that of Restricted Group II entities in India is Indian Rupees ("INR"). These combined financial statements of the Company are presented in US$.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except for exchange differences arising on monetary items that form part of a net investment in a foreign operation (i.e., items that are receivable from or payable to a foreign operation, for which settlement is neither planned, nor likely to occur in the foreseeable future), which are recognized as part of net parent investment. Foreign exchange gains and losses that relate to financial liabilities are presented in the income statement within 'Finance costs'.

c) Restricted Group II entities

The results and financial position of all the Restricted Group II entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities presented for each reporting date are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- resulting exchange differences are charged/credited to other comprehensive income and recognised in the net parent investment; and
- statement of cash flows are translated at average exchange rate for the period whereas cash and cash equivalents are translated at closing rate at the reporting date.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that are attributable to the non-controlling interests is derecognised and is not reclassified to profit or loss.

On the partial disposal of a subsidiary that includes a foreign operation, the entity shall re-attribute the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income to the non-controlling interests in that foreign operation.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the end of each reporting date.

3.4 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value. Freehold land is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items and borrowing cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Restricted Group II and the cost of the item can be measured reliably. All repairs and maintenance expenditure are charged to profit or loss during the period in which they are incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Asset category	Useful life
Buildings	30 – 35 years
Plant and machinery	20 – 36 years
Furniture, fixtures and equipment	5 – 10 years
Vehicles	10 years

Notes to the combined financial statements

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

In case of projects constructed on lease hold land, useful life is considered at primary lease period or estimated useful life whichever is earlier. Costs incurred for land rights are amortised over the period of primary lease.

Capital work-in-progress comprises costs of property, plant and equipment that are under construction and not yet ready for their intended use at the reporting date and the outstanding advances given for construction of such property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit or loss in the period the item is derecognised.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.5 Intangible assets

a) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill represents the excess of the cost of an acquisition over the fair value of the Restricted Group II's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

b) Other intangibles

Intangible assets acquired individually, with a group of other assets or in a business combination are carried at cost less accumulated amortisation and any impairment in value. The intangible assets are amortised over their estimated useful lives in proportion to the economic benefits consumed in each period. The estimated useful lives of the intangible assets are as follows:

Asset category	Useful life
Licences	14 – 40 Years
Power purchase agreements ("PPA")	5 Years

Amortisation of intangible assets is included within 'Depreciation and amortisation'.

Notes to the combined financial statements

3.6 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested for impairment annually, or more frequently when there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of the money and risk specific to the asset or CGU. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3.7 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Restricted Group II becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Classification and subsequent measurement:

Financial assets:

Policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at:

i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit and loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Restricted Group II changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Policy applicable before 1 April 2018

The Restricted Group II classified its financial assets (non-derivative financial assets) in the following categories in line with its Parent's classification: loans and receivables, financial assets at fair value through profit and loss (FVTPL) and available for sale. The classification depends on the purpose for which the financial asset was acquired. Management determines the classification of its financial assets at initial recognition.

Notes to the combined financial statements

The Restricted Group II recognised a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Restricted Group II has transferred substantially all risks and rewards of ownership.

The Restricted Group II derecognised a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Restricted Group II neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Restricted Group II recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Restricted Group II retains substantially all the risks and rewards of ownership of a transferred financial asset, the Restricted Group II continues to recognise the financial asset. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in profit or loss.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Restricted Group II's loans and receivables comprise trade and other receivables, bank deposits and cash and cash equivalents in the statement of financial position. Loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

b) Financial assets at fair value through profit or loss

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into FVTPL category. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. Transaction costs which are directly attributable to financial assets at FVTPL is recognised in profit or loss.

c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date. These are classified as non-current assets. Held-to-maturity investments are initially recognised at fair value plus transaction costs. Held-to-maturity investments are carried at amortised cost using the effective interest method.

Financial liabilities:

Financial liabilities are classified as either 'Fair value through profit and loss (FVTPL)' or 'other financial liabilities'.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in profit and loss.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

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

c) De-recognition of financial instruments

i) Financial asset

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

If the Restricted Group II enters into transaction whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

ii) Financial liability

The Restricted Group II derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Restricted Group II also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented when, and only when, the Restricted Group II has a legally enforceable right to set off the amount and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.8 Impairment of non-derivative financial assets

Policy applicable from 1 April, 2018

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Restricted Group II measures loss allowances at an amount equal to lifetime expected credit losses (ECL), except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. For trade receivables, the Restricted Group II applies a simplified approach in calculating ECLs. Therefore, the Restricted Group II does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs. An impairment analysis was performed at each reporting date using a provision matrix to measure Expected Credit Losses. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, ageing, current conditions and forecasts of future economic conditions.

For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within other operating expenses in profit and loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Notes to the combined financial statements

Policy applicable before 1 April 2018

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:
- default or delinquency by a debtor;
- restructuring of an amount due to the Restricted Group II on terms that the Restricted Group II would not consider otherwise.
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial asset.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

Financial assets measured at amortised cost

The Restricted Group II considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Restricted Group II uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Restricted Group II considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3.9 Equity instruments

3.9.1 Classification as debt or equity

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

3.9.2 Equity instruments

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

3.10 Derivative financial instruments

The Restricted Group II enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange risks, including foreign exchange forward contracts. Further details of derivative financials instruments are disclosed in note 10.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

3.10.1 Embedded derivatives

Derivatives embedded in non-derivative host contracts are traded as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not, measured at FVTPL.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

3.10.2 Compound instruments

The compound parts of compound instruments (convertible notes) issued by the Restricted Group II entities are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity instruments of the Restricted Group II entities are equity instruments.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity as determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in net parent investment, net of income tax effects, and is not subsequently re-measured. The balance recognised in equity will remain in net parent investment. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allotted to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in net parent investment. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

3.11 Inventories

Stores and consumables

Inventories of stores and consumables are valued at the lower of cost and net realisable value. Cost includes expenses incurred in bringing each product to its present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

3.12 Bank deposits

Bank deposits represent term deposits placed with banks earning a fixed rate of interest. Bank deposits with maturities of less than a year are disclosed as current assets and more than one year as non-current assets. At the reporting date, these deposits are measured at amortised cost using the effective interest method. Cash and cash equivalents which are pledged with the banks for availing term loans are classified as part of bank deposits.

3.13 Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value. Bank overdrafts that are an integral part of cash management and where there is a legal right of set–off against positive cash balances are included in cash and cash equivalents.

3.14 Net parent investment

In the context of combined financial statements, the traditional captions in equity (share capital, share premium, foreign currency translation reserve, retained earnings etc.) are not relevant. Accordingly, the equity section of the statement of financial position is presented as a single line item called 'net parent investment'.

Notes to the combined financial statements

3.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Restricted Group II has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.16 Taxation

Taxation comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the restricted entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the restricted entities are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual entities in the Restricted Group II. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Restricted Group II expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.17 Employee benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Restricted Group II. The Restricted Group II operates two retirement benefit plans for its employees.

Notes to the combined financial statements

a) Gratuity plan

The Gratuity Plan is a defined benefit plan that, at retirement or termination of employment, provides eligible employees with a lump sum payment, which is a function of the last drawn salary and completed years of service. The liability recognised in the statement of financial position in respect of the gratuity plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government of India securities that have terms to maturity approximating to the terms of the related gratuity liability.

Re-measurement, comprising actuarial gain and losses, the effect of changes to the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Service cost on the net defined benefit liability is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs.

b) State administered Provident Fund

Under Indian law, employees are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. The Restricted Group II has no further obligation under the Provident Fund beyond its contribution, which is expensed when accrued.

3.18 Provisions

Provisions are recognised when the Restricted Group II has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Restricted Group II expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

3.19 Revenue recognition

The Restricted Group II is in the business of generation and supply of electricity. Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Restricted Group II expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

a) Sale of electricity

Revenue from the sale of electricity is recognised on the basis of the number of units of power exported in accordance with joint meter readings undertaken with transmission companies at the rates prevailing on the date of export as determined by the power purchase agreement/feed-in-tariff policy/market rates as applicable less the wheeling and banking charges applicable if any. Claims for delayed payment charges and other claims, if any, are recognised as per the terms of power purchase agreements only when there is no uncertainty associated with the collectability of these claims. Revenue is recognised over time for each unit of electricity delivered at the contracted rate. The transaction price is clearly stated, there are no separate performance obligations to which a portion of the transaction price needs to be allocated, and there is no variable consideration.

b) Generation Based Incentive (GBI)

Revenue from GBI is recognised based on the number of units exported and if the eligibility criteria is met in accordance with the guidelines issued by regulatory authority for GBI Scheme.

Notes to the combined financial statements

3.20 Finance income and finance costs

The Restricted Group II's finance income and finance costs include interest income, interest expense, dividend income, the net gain or loss on financial assets at FVTPL and the foreign currency gain or loss on financial assets and financial liabilities (including derivative assets and liabilities).

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Restricted Group II's right to receive payment is established.

3.21 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

3.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4 Presentation of 'EBITDA' on the Combined statement of profit or loss

The Restricted Group II has included a sub-total 'Earnings before interest, tax, depreciation and amortisation' (EBITDA) in the combined statement of profit or loss. The Directors of the Company believes that EBITDA is meaningful for investors because it provides an analysis of Restricted Group II 's operating results, profitability and ability to service debt and because EBITDA is used by Restricted Group II's chief operating decision makers to track business evolution, establish operational and strategic targets and make important business decisions. EBITDA is calculated as earnings before interest, taxes, depreciation and amortisation.

EBITDA is not a measure of financial performance under IFRS. The calculation of EBITDA by the Restricted Group II may be different from the calculations of similarly labelled measures used by other companies and it should therefore not be used to compare one company against another or as a substitute for analysis of the Restricted Group II 's operating results as reported under IFRS. EBITDA is not a direct measure of the Restricted Group II 's liquidity, nor is it an alternative to cash flows from operating activities as a measure of liquidity, and it needs to be considered in the context of the Restricted Group II 's financial commitments.

5 Recent Accounting Pronouncements

New standards, interpretations and amendments effective and adopted for financial year 31 March 2019

IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, "Financial instruments". IFRS 9 significantly differs from IAS 39, "Financial Instruments: Recognition and Measurement" (IAS 39), and includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting.

The Restricted Group II applied the cumulative retrospective method upon adoption of IFRS 9 on 1 April 2018. This method requires the recognition of the cumulative effect of initially applying IFRS 9 to retained earnings and not to restate prior years. The application of this standard did not have any impact.

Detailed below is the classification and measurement impact of the implementation of IFRS 9:

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or Fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Notes to the combined financial statements

IFRS 15, Revenue from Contracts with Customers

Effective 1 April 2018, the Restricted Group II has applied IFRS 15 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This comprehensive new standard supersedes IAS 18, "Revenue", IAS 11, "Construction contracts" and related interpretations. The new standard amends revenue recognition requirements and establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Restricted Group II has adopted IFRS 15 using the modified retrospective method. This method requires the recognition of the cumulative effect of initially applying IFRS 15 to retained earnings and not to restate prior years. Overall, the application of this standard did not have any impact on the revenue streams from the sale of power and generation based incentives.

Standards issued but not yet effective and not early adopted by the Restricted Group II

IFRS 16, Leases

In January 2016, the IASB issued a new standard, IFRS 16, "Leases". The Restricted Group II is required to adopt IFRS 16, Leases from 1 April 2019. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, IAS 17, Leases.

The Restricted Group II has completed an initial assessment of the potential impact on its combined financial statements and yet to complete its detailed assessment. The quantitative impact of adoption of IFRS 16 on the combined financial statements in the period of initial application is not reasonably estimable as at present.

i) Leases in which the Restricted Group II is a lessee

The Restricted Group II will recognise new assets and liabilities for its operating leases of offices premises, leasehold lands and infrastructure sharing facilities. The nature of expenses related to those leases will now change because the Restricted Group II will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Restricted Group II recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

ii) Transition

The Restricted Group II plans to apply IFRS 16 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Restricted Group II plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 April 2019 and identified as leases in accordance with IAS 17.

IFRIC 23, Uncertainty over Income Tax treatments

On June 7, 2017, the IFRS Interpretations Committee issued IFRIC 23, which clarifies how the recognition and measurement requirements of IAS 12 "Income taxes", are applied where there is uncertainty over income tax treatments.

IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law. The interpretation provides specific guidance in several areas where previously IAS 12 was silent. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

Notes to the combined financial statements

The interpretation is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted. An entity can, on initial application, elect to apply this interpretation either:
_ retrospectively applying IAS 8, if possible without the use of hindsight; or
_ retrospectively, with the cumulative effect of initially applying the interpretation recognized at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate).

The Restricted Group II is in the process of evaluating the impact of IFRIC 23 on the combined financial statements and the period of adoption.

IAS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Restricted Group II does not expect any impact from this amendment.

IAS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies IFRS 9 *Financial Instruments*, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Restricted Group II does not currently have any long-term interests in associates.

6 Financial risk management

The Restricted Group II 's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk. The Restricted Group II 's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Restricted Group II 's financial performance. The financial instruments of the Restricted Group II, other than derivatives, comprise of borrowings, cash and cash equivalents, bank deposits, trade and other receivables, trade and other payables.

6.1 Market risk

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 into (i) foreign exchange risk and (ii) interest rate risk.

i) 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 operations of the Restricted Group II are conducted in functional currency of restricted entities. The restricted entities having INR as functional currency has no significant transactions in currency other than INR. The Restricted Group II's foreign exchange risk arises from debt investments made in Indian operations which is mitigated through use of derivative financial instruments such as foreign exchange options and forward contracts.

The translation of INR amounts of restricted entities into USD for the combined financial statements of Restricted Group II is only for the purpose of converting the financial statements into presentation currency and the currency differences are taken to OCI. This does not impact on the Restricted Group II 's cash flow.

ii) 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 the Restricted Group II has no significant interest-bearing assets other than investment in bank deposits, the Restricted Group II 's income and operating cash flows are substantially independent of changes in market interest rates. The Restricted Group II considers the impact of fair value interest rate risk on investment in bank deposits are not material. The Restricted Group II's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Restricted Group II to cash flow interest rate risk.

A reasonably possible change of variable interest rates on borrowings by 50 basis points higher or lower with all other variables held constant, post-tax profit/loss for the period would have been lower or higher by US$352,966 mainly as a result of the higher or lower interest expense on variable rate borrowings. The sensitivity analysis is based on a reasonably possible change in the market interest rates computed from historical data.

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

6.2 Credit risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Restricted Group II is exposed to credit risk from its operating activities primarily for trade and unbilled receivables, and from its financing activities, including deposits with banks, trade and other financial assets. The carrying amounts of financial assets represent the maximum credit exposure.

Trade receivables and unbilled receivables

The Restricted Group II's credit risk arises from trade receivable balances on sales to customers. In respect of trade receivables, the Restricted Group is not exposed to any significant credit risk exposure to any single counterparty (non-government) or any group of counterparties having similar characteristics. Significant portion of the Restricted Group II's revenue is derived from sales to state owned utilities and corporations under long-term power purchase agreements and hence, potential risk of default by the State utilities is remote. The restricted entities is paid monthly by the customers for electricity sales. The restricted entities assesses the credit quality of the purchaser based on its financial position and other information. The Restricted Group II also establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade receivables. (Refer Note 11 for details of trade receivables and expected credit losses).

Other financial assets

Financial instruments that are subject to concentrations of credit risk, principally consist of cash and cash equivalents, bank deposits and other receivables.

Credit risk on cash and cash equivalents, bank balances and bank deposits assets are limited as the Restricted Group II generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Given the high credit ratings of these banks and financial institution, the Restricted Group II does not expect these banks and financial institutions to fail in meeting their obligations and hence the expected credit loss is not material.

6.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and maintaining adequate credit facilities.

In respect of its existing operations, the Restricted Group II funds its activities primarily through long-term loans secured against each power plant. The Restricted Group II 's objective in relation to its existing operating business is to maintain sufficient funding to allow the plants to operate at an optimal level.

The table below analyses the Restricted Group II 's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The Restricted Group II manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities and the data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below:

The amounts disclosed in the table represent the maturity profile and are the contractual undiscounted cash flows.

At 31 March 2019

	Carrying value	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings						
- Principal	583,664,088	11,939,096	4,728,351	517,873,789	60,658,160	595,199,396
- Interest	-	31,978,184	33,533,080	84,844,969	28,375,878	178,732,111
Trade and other payables	16,447,424	16,447,424	-	-	-	16,447,424
Other financial liabilities	55,315,107	14,970,000	13,670,000	34,175,000	-	62,815,000
Borrowings from unrestricted group	23,464,782	23,464,782	-	-	-	23,464,782
Total	**678,891,401**	**98,799,486**	**51,931,431**	**636,893,758**	**89,034,038**	**876,658,713**

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

At 31 March 2018

	Carrying value	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings						
- Principal	588,139,509	9,892,989	4,889,299	17,405,904	569,817,189	602,005,381
- Interest	-	32,104,549	34,566,511	100,008,765	49,100,565	215,780,390
Trade and other payables	15,537,214	15,537,214	-	-	-	15,537,214
Other financial liabilities	67,841,864	16,270,000	14,970,000	41,010,000	6,835,000	79,085,000
Borrowings from unrestricted group	23,560,285	23,560,285	-	-	-	23,560,285
Total	**695,078,872**	**97,365,037**	**54,425,810**	**158,424,669**	**625,752,754**	**935,968,270**

The entities forming part of the Restricted Group II, generate their own independent cash flows and while determining projected net cash flows, management used certain assumptions based on its current and future operations. The projected cash flows of these entities are based on the capacity utilisation and net cash generated from the existing projects, technical report for wind and hydro and long-term power purchase agreements entered for the projects which in the process of commencement of commercial production.

The net cash flows expected to be generated from the projects shall be sufficient to meet the Restricted Group II's operating and finance costs for the next 12 months.

6.4 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Restricted Group II for similar financial instruments.

7 Critical accounting judgements and key sources of estimating uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily available from other sources.

7.1 Critical judgments in applying the accounting policies

a) Application of business combination accounting rules, including identification and valuation of intangible assets acquired in a business combination

The Restricted Group II allocates the purchase price of the acquired companies to the tangible, intangible and other assets acquired and liabilities assumed based on their estimated fair values. The Restricted Group II engages third-party external appraisal firms to assist in determining the fair values of the acquired assets and liabilities. Such valuation requires the Restricted Group II to make significant estimate and assumptions, especially with respect to identification and valuation of intangible assets.

b) Application of lease accounting rules

Significant judgment is required to apply lease accounting rules under IFRIC 4 Determining whether an Arrangement contains a Lease and IAS 17 Leases. In assessing the applicability to arrangements entered into by the Restricted Group II management has exercised judgment to evaluate customer's right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under IFRIC 4.

Notes to the combined financial statements

c) Application of interpretation for service concession arrangements

Management has assessed applicability of IFRIC 12: Service Concession Arrangements for certain arrangements that are part of business combinations. In assessing the applicability, the management has exercised significant judgement in relation to the underlying ownership of the assets, the ability to enter into power purchase arrangements with any customer, ability to determine prices, useful life etc., in concluding that the arrangements do not meet the criteria for recognition as service concession arrangements.

d) Assessment of long-term receivables from foreign operations

The Restricted Group II has considered its investment in non-convertible debentures of Indian subsidiaries as part of its net investment in foreign operation. The Restricted Group II has considered these receivables as long-term receivables from foreign operations, as in view of the management, the settlement of these receivables is neither planned, nor likely to occur in the foreseeable future. Accordingly, all exchange differences on translation of these receivables are recognised in other comprehensive income.

e) Going Concern

The Directors have considered the financial position of the Restricted Group II, its cash position and forecast cash flows for the 12 months period from the date of these combined financial statements. The Directors have, at the time of approving the combined financial statements, a reasonable expectation that the Restricted Group II has adequate resources to continue its operational existence for a foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these combined financial statements.

7.2 Key sources of estimating uncertainty

a) Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Restricted Group II uses its judgment to determine an appropriate method and make assumptions that are based on market conditions existing at each reporting date.

The carrying value of trade and other receivables and payables are assumed to approximate their fair values due to the short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Restricted Group II for similar financial instruments.

b) Income taxes

The Restricted Group II is subject to income taxes in two jurisdictions viz., Indian and Mauritius income taxes. Significant judgment is required in determining provision for income taxes. The Restricted Group II recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

c) Contingencies

The Restricted Group II is involved in disputes, lawsuits, claims, governmental and/or regulatory proceedings that arise from time to time in the ordinary course of business. The Restricted Group II assess the need to make a provision for a liability for such claims and record a provision when the Restricted Group II determine that a loss related to a matter is both probable and reasonably estimable.

Because litigation and other contingencies are inherently unpredictable, the Restricted Group II's assessment can involve judgments about future events. Often, these issues are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss are difficult to ascertain. This is due to a number of factors, including: the stage of the proceedings (in many cases trial dates have not been set) and the overall length and extent of pre-trial discovery; the entitlement of the parties to an action to appeal a decision; clarity as to theories of liability; damages and governing law; uncertainties in timing of litigation; and the possible need for further legal proceedings to establish the appropriate amount of damages, if any. Consequently, in case of claims, where it is not possible to make a reasonable estimate of the expected financial effect that will result from ultimate resolution of the proceedings, the information with respect to the nature and facts of the case are disclosed.

d) Estimated impairment of goodwill

In accordance with the accounting policy stated in note 3.6, the Restricted Group II tests annually whether goodwill has suffered any impairment. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates including future operating margins and discount rates.

e) Useful life of depreciable assets

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Restricted Group II. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Restricted Group II's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Refer note 3.4 and 3.5 for estimated useful life.

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

8 Property, plant and equipment

	Land (including rights)	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital work-in-progress	Total
Cost							
At 1 April 2017	**11,052,263**	**139,155,495**	**396,049,300**	**429,488**	**652,819**	**6,205,393**	**553,544,758**
Additions	56,780	30,231	170,003	38,710	146,223	602,610	1,044,557
Acquisition (Refer note 26)	1,975,355	2,487,762	124,179,415	45,911	-	4,907,488	133,595,931
Disposals/capitalisation	-	-	(71,671)	-	-	-	(71,671)
Exchange differences	(24,851)	(415,979)	(619,059)	(1,493)	(3,514)	1,570	(1,063,326)
At 31 March 2018	**13,059,547**	**141,257,509**	**519,707,988**	**512,616**	**795,528**	**11,717,061**	**687,050,249**
Additions	37,791	790,365	100,719	33,248	-	457,483	1,419,606
Disposals/capitalisation	-	-	-	-	-	(786,951)	(786,951)
Exchange differences	(779,366)	(8,425,971)	(31,242,973)	(30,261)	(47,499)	(703,030)	(41,229,100)
At 31 March 2019	**12,317,972**	**133,621,903**	**488,565,734**	**515,603**	**748,029**	**10,684,563**	**646,453,804**
Accumulated depreciation							
At 1 April 2017	**-**	**549,952**	**16,181,719**	**116,286**	**65,825**	**-**	**16,913,782**
Charge for the year	-	4,134,982	17,743,971	94,799	80,576	-	22,054,328
Disposals	-	-	(5,647)	-	-	-	(5,647)
Exchange difference	-	(39,482)	(209,647)	(1,225)	(949)	-	(251,303)
At 31 March 2018	**-**	**4,645,452**	**33,710,396**	**209,860**	**145,452**	**-**	**38,711,160**
Charge for the year	155,991	3,874,504	18,752,693	84,232	69,839	-	22,937,259
Disposals	-	-	-	-	-	-	-
Exchange differences	4,781	(238,077)	(1,823,666)	(11,821)	(7,979)	-	(2,076,762)
At 31 March 2019	**160,772**	**8,281,879**	**50,639,423**	**282,271**	**207,312**	**-**	**59,571,657**
Net book value							
At 31 March 2019	**12,157,200**	**125,340,024**	**437,926,311**	**233,332**	**540,717**	**10,684,563**	**586,882,147**
At 31 March 2018	13,059,547	136,612,057	485,997,592	302,756	650,076	11,717,061	648,339,089

Certain borrowings at project level are secured against the present and future moveable and immovable assets of the project. Note 24 (b) provide details of capital commitments outstanding as at 31 March 2019.

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

9 Intangible assets and goodwill

	Licences	Electricity PPAs	Goodwill	Total
Cost				
At 1 April 2017	26,712,385	17,596,126	93,833,922	138,142,433
Acquisition (Refer note 26)	5,412,384	-	527,487	5,939,871
Exchange differences	(55,512)	(54,109)	(285,948)	(395,569)
At 31 March 2018	**32,069,257**	**17,542,017**	**94,075,461**	**143,686,735**
Exchange differences	(1,914,790)	(1,047,399)	(5,617,054)	(8,579,243)
At 31 March 2019	**30,154,467**	**16,494,618**	**88,458,407**	**135,107,492**
Accumulated amortisation and impairment				
At 1 April 2017	801,610	4,651,048	-	5,452,658
Amortisation charge for the year	992,574	3,540,811	-	4,533,385
Exchange differences	(11,443)	(46,711)	-	(58,154)
At 31 March 2018	**1,782,741**	**8,145,148**	**-**	**9,927,889**
Amortisation charge for the year	1,001,732	3,265,940	-	4,267,672
Impairment charge for the year	-	-	4,475,383	4,475,383
Exchange differences	(96,326)	(453,347)	137,165	(412,508)
At 31 March 2019	**2,688,147**	**10,957,741**	**4,612,548**	**18,258,436**
Net book value				
At 31 March 2019	**27,466,320**	**5,536,877**	**83,845,859**	**116,849,056**
At 31 March 2018	30,286,516	9,396,869	94,075,461	133,758,846

Amortisation and impairment charges are included under 'Depreciation and amortisation' in the statement of profit or loss and other comprehensive income. The average remaining amortisation period for licences is 23.8 years and for electricity PPA is 1.7 years as at 31 March 2019.

The recoverable amount of a CGU is determined based on value-in-use calculations. As the Restricted Group II has long-term power purchase agreements with customers, these calculations use pre-tax cash flow projections prepared by management based on balance life of the project.

The following are the key assumptions used in calculation of value-in-use for each cash generating unit:

a) **Projected revenues** - The restricted entities has determined the revenues for the balance life of the project based on average plant load factor (PLF) and energy production study reports obtained by the restricted entities from third party technical consultants, the existing Power Purchase Agreements (PPA) with the transmission companies and other customers. The PPA is a long-term contract with agreed price per unit of power sold and the growth rates used are consistent with those contracts.

b) **Other operating costs -** These costs are estimated using the historical performance and plant maintenance activity. The estimates of other operating costs used in value-in-use calculations are consistent with those used in the Restricted Group II's business plan. The growth rate applied to other operating costs fully reflects the expected operating lives of the power projects.

c) **Discount rates** - The discount rate used is pre-tax and reflects the specific risks associated with the respective projects and are in the range of 9.5% to 11%.

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

10 Financial assets and financial liabilities

The accounting policies for financial instruments have been applied to the line items below:

31 March 2019

	Amortised cost	FVTPL	Total
Financial assets			
Non-current			
Bank deposits (note 15)	12,056	-	12,056
Other receivables (note 12)	158,193	-	158,193
Derivative financial assets	-	77,320,367	77,320,367
Current			
Bank deposits (note 15)	4,770,977	-	4,770,977
Trade receivables (note 11)	11,591,315	-	11,591,315
Other receivables (note 12)	2,163,017	-	2,163,017
Cash and cash equivalents (note 14)	65,848,834	-	65,848,834
Total	**84,544,392**	**77,320,367**	**161,864,759**

	Liabilities at amortised cost
Financial liabilities	
Non-current	
Borrowings (note 17)	571,724,992
Other financial liabilities	40,345,107
Current	
Borrowings (note 17)	11,939,096
Trade and other payables (note 16)	16,447,424
Other financial liabilities	14,970,000
Borrowings from unrestricted group, net	23,464,782
Total	**678,891,401**

31 March 2018

	Loans and receivables*	FVTPL	Total
Financial assets			
Non-current			
Bank deposits (note 15)	30,750	-	30,750
Other receivables (note 12)	177,798	-	177,798
Derivative financial assets	-	65,402,044	65,402,044
Current			
Bank deposits (note 15)	4,948,081	-	4,948,081
Trade receivables (note 11)	10,820,036	-	10,820,036
Other receivables (note 12)	2,439,819	-	2,439,819
Cash and cash equivalents (note 14)	31,587,484	-	31,587,484
Total	**50,003,968**	**65,402,044**	**115,406,012**

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

	Liabilities at amortised cost
Financial liabilities	
Non-current	
Borrowings (note 17)	578,246,520
Other financial liabilities	51,571,864
Current	
Borrowings (note 17)	9,892,989
Trade and other payables (note 16)	15,537,214
Other financial liabilities	16,270,000
Borrowings from unrestricted group, net	23,560,285
Total	**695,078,872**

The fair values of the borrowings are disclosed in Note 17.

The carrying amounts reported in the statement of financial position for cash and cash equivalents, trade and other receivables, trade and other payables approximate their respective fair values due to their short maturity.

* The Restricted Group II has initially applied IFRS 9 at 1 April 2018 in line with Parent. Under the transition method chosen, comparative information is not restated. Upon adoption of IFRS 9, financial assets classified under loans and receivables category under IAS 39 are falling under amortised cost category.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

31 March 2019

	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	-	77,320,367	-	**77,320,367**

31 March 2018

	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	-	65,402,044	-	**65,402,044**

Measurement of fair value of financial instruments

The Restricted Group II entered into forward contracts to mitigate the foreign currency risks (Refer Note 6.1). The derivative asset associated with these contracts are recognised at fair value at inception. Subsequent changes to the fair value of the financial asset from the date of inception till 31 March 2019, have been charged to profit or loss.

The Restricted Group II's finance team performs valuations of financial items for financial reporting purposes in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The fair value estimate has been determined considering inputs that include other than quoted prices of similar assets/industry that are indirect observables like interest rates, yield curves, implied volatilities and credit spreads.

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts.

Instrument	Currency	Cross currency	Notional amount	Fair value as at 31 March 2019	Fair value as at 31 March 2018
Forward contracts and options	USD	INR	500,000,000	77,320,367	65,402,044

Other financial liabilities:

Other financial liabilities consists of premium payable on above derivative instruments. Financial liability towards premium payable is initially measured at fair value and are subsequently measured at amortised cost using the effective interest method. Contractual undiscounted cash flows and maturities of premium payables are disclosed in note 6.3.

11 Trade receivables

	31 March 2019	31 March 2018
Gross trade receivables	11,804,890	10,820,036
Less: Allowance for expected credit loss	(213,575)	-
	11,591,315	**10,820,036**

All the trade receivables are short-term and their carrying values are considered a reasonable approximation of fair values. All trade receivables are designated as financial assets measured at amortised cost.

Trade receivables include unbilled revenue of US$22,285 (31 March 2018: US$260,384) and not past due US$9,241,117 (31 March 2018: US$7,570,402). Trade receivables that are outstanding for more than one month from due date are considered as past due. These receivables have been considered as fully recoverable based on Directors' assessment. Recoverability is based on the evaluation of terms implicit in the contracts with the customers, legal opinions and other pertinent factors.

The ageing analysis of trade receivables and allowance for expected credit loss are given below:

	31 March 2019	31 March 2018
Not due	22,285	260,384
0 to 30 days	9,241,117	7,570,402
1 to 6 months	1,737,573	1,508,424
6 to 9 months	67,381	258,087
9 to 12 months	74,861	911,663
Beyond 12 months	661,673	311,076
Gross trade receivables	**11,804,890**	**10,820,036**
Less: Allowance for expected credit loss	(213,575)	-
Trade receivables	**11,591,315**	**10,820,036**

The Restricted Group II has a provision in place to set aside an allowance to cover potential impairment and non-payment of trade receivables. An expected credit loss provision has been calculated on trade receivables in accordance with IFRS 9 (refer note 6.2). The movements on the allowance for expected credit losses of trade receivables is shown below:

	31 March 2019	31 March 2018
As at the beginning of the year	-	-
Charge for the year	207,223	-
Exchange differences	6,352	-
Closing as at balance sheet date	**213,575**	**-**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Restricted Group II does not hold any collateral as security.

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

12 Other receivables

	31 March 2019	31 March 2018
Other receivables	66,542	459,388
Advance for expenses	2,086,424	1,969,357
Sundry deposits	168,244	188,872
Total other receivables	**2,321,210**	**2,617,617**
Less: Non-current portion	(158,193)	(177,798)
Current portion	**2,163,017**	**2,439,819**

Other receivables include advances against expenses, prepaid expenses and other advances recoverable. With the exception of the non-current portion of other receivables all amounts are short-term and their carrying values are considered a reasonable approximation of fair values.

13 Inventories

	31 March 2019	31 March 2018
Stores and consumables	685,452	721,539
	685,452	**721,539**

14 Cash and cash equivalents

	31 March 2019	31 March 2018
Cash on hand	373,190	23,118
Cash at bank	65,475,644	31,564,366
	65,848,834	**31,587,484**

Cash at bank includes US$10,833,267 (31 March 2018: US$8,660,236) in currencies other than INR (i.e., in US$).

15 Bank deposits

The Restricted Group II holds balances in deposit accounts with banks. All fixed deposits with original maturity of more than three months and less than 12 months amounting to US$4,770,977 (31 March 2018: US$4,948,081) are classified as 'bank deposits'. Deposits with maturity date beyond 12 months from the reporting date amounting to US$12,056 (31 March 2018: US$30,750) are disclosed under non-current assets. Bank deposits aggregating to US$61,758 (31 March 2018: US$42,954) given as security.

16 Trade and other payables

	31 March 2019	31 March 2018
Trade payables	4,954,113	1,226,644
Capital creditors	8,006,111	9,123,376
Interest accrued but not due on borrowings	2,865,318	3,013,024
Other payables	621,882	2,174,170
Total	**16,447,424**	**15,537,214**

Other payables include accruals for expenses, statutory liabilities and other liabilities. All amounts are short term and the carrying values of trade and other payables are considered a reasonable approximation of fair value.

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

17 Borrowings

The carrying amount of Restricted Group II's borrowings, net of unamortised transaction costs/issue expenses, are as follows:

	31 March 2019	31 March 2018
Non-current		
Term loans from banks	15,088,040	16,945,572
Term loans from financial institutions	66,983,631	73,775,857
4.875% Senior Notes (Refer note 17.2)	489,653,321	487,525,091
	571,724,992	**578,246,520**
Current		
Term loans from banks	845,743	971,402
Term loans from financial institutions	3,404,872	4,309,041
Working capital loans from banks	7,688,481	4,612,546
	11,939,096	**9,892,989**
Total borrowings	**583,664,088**	**588,139,509**

17.1 All borrowings are classified as financial liabilities measured at amortized cost.

17.2 During the year 2017, Greenko Investment Company ("Greenko Investment"), raised funds to the tune of US$500,000,000 by issuing 4.875% US$ Senior Notes (the Senior Notes) to institutional investors in August 2016. The Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). Greenko Investment invested issue proceeds, net of issue expenses, in non-convertible debentures of certain Indian subsidiaries to enable repayment of existing Rupee debt. For this purpose, Greenko Investment is duly registered as Foreign Portfolio Investor under the Indian law. The interest on the Senior Notes is payable on a semi-annual basis in arrears and the principal amount is payable on 15 August 2023. The Senior Notes are secured by corporate guarantee of the parent and pledge of shares of Greenko Investment owned by Greenko Mauritius. Further, the assets of Indian subsidiaries have been pledged to secure non-convertible debentures by Indian subsidiaries through an Indian trustee.

17.3 Term loans from banks and financial institutions mature over the financial years 2019 to 2032 and bear floating rates of interest. The fair value of borrowings from banks and financial institutions approximates their carrying value as these borrowings carry a floating rate of interest. 4.875% US$ Bonds are carrying fixed rate of interest.

17.4 Term loans from banks and financial institutions are secured against first charge by way of hypothecation of all immovable properties including plant and machinery and all other movable properties both present and future of respective subsidiary. Borrowings are also secured by Corporate guarantees given by unrestricted entity and pledge of shares of the restricted entity. Working capital loans are secured by inventory and trade receivables of restricted entities.

17.5 The carrying amounts and fair value of the borrowings are as follows:

	31 March 2019		31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Term loans from banks	15,933,783	15,933,783	17,916,974	17,916,974
Term loans from financial institutions	70,388,503	70,388,503	78,084,898	78,084,898
4.875% Senior notes	489,653,321	489,653,321	487,525,091	487,525,091
Working capital loans	7,688,481	7,688,481	4,612,546	4,612,546

17.6 The carrying amounts of the Restricted Group II's borrowings are denominated in the following currencies:

	31 March 2019	31 March 2018
Indian Rupee	94,010,767	100,614,418
US$	489,653,321	487,525,091
	583,664,088	**588,139,509**

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

17.7 Reconciliation of liabilities arising from financing activities

			Non-cash changes		
	Opening balance	**Cash flows**	**Foreign exchange movements**	**Amortisation of transaction costs**	**Closing balance**
Borrowings	588,139,509	(708,081)	(6,072,206)	2,304,866	**583,664,088**
Borrowings from Unrestricted Group (Refer note 25)	23,560,285	1,295,826	(1,391,329)	-	**23,464,782**

18 Deferred tax liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities from the same taxation authority. The offset amounts are as follows:

	31 March 2019	**31 March 2018**
Deferred tax liabilities		
— to be recovered after more than 12 months	24,000,268	22,476,901
— to be recovered within 12 months	-	-
	24,000,268	**22,476,901**

The movement in deferred tax liabilities/(assets) during the year is as follows:

	Tangible assets	**Intangible assets**	**Total**
At 1 April 2017	**7,721,988**	**11,491,486**	**19,213,474**
Acquisitions (Refer note 26)	1,402,318	1,393,689	2,796,007
Recognised in profit or loss	2,936,318	(2,417,271)	519,047
Exchange difference	(53,168)	1,541	(51,627)
At 31 March 2018	**12,007,456**	**10,469,445**	**22,476,901**
Recognised in profit or loss	3,960,196	(1,121,423)	2,838,773
Exchange difference	(679,742)	(635,664)	(1,315,406)
At 31 March 2019	**15,287,910**	**8,712,358**	**24,000,268**

Greenko investment Company is subject to Mauritius corporate tax at the standard rate of 15%, whereas the Indian entities this was in the range of 26.00% to 29.12% (31 March 2018: 26.00% to 29.12%).

19 Revenue

The Restricted Group II derives revenue from generation and sale of electricity. Revenues from generation based incentives are arising as a part of generation and supply of electricity.

	31 March 2019	**31 March 2018**
Sale of power	96,416,187	71,456,786
Generation based incentive	4,322,351	2,529,283
	100,738,538	**73,986,069**

All the power generation facilities are located in India and the Restricted Group II earn its revenues from customers located in India. Restricted Group II deals in a single type of product i.e. power which is sold directly to Government (State utilities) within India under long-term power purchase agreements (PPA). Thus, the quantitative disclosure in respect of disaggregation of revenue is not required. The Restricted Group II has identified supply of power over the term of PPA as a single performance obligation and revenue is recognised for units of power supplied in accordance with terms of PPA. The transaction price is clearly stated, there are no separate performance obligations to which a portion of the transaction price needs to be allocated, and there is no variable consideration. .

20 Retirement benefit obligations

	31 March 2019	**31 March 2018**
Gratuity	125,927	156,171
Compensated absences	82,519	80,843
	208,446	**237,014**

The Restricted Group II makes annual contributions under a group gratuity plan to Life Insurance Corporation of India ("LIC") of an amount advised by LIC. The expected rate of return on plan assets is based on the expectation of the average long-term rate of return expected on the insurer managed funds during the estimated term of the

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

obligation. The Restricted Group II expects to contribute US$59,918 towards the gratuity plan in the year ending 31 March 2020.

21 Employee benefit expense

	31 March 2019	31 March 2018
Salaries and wages	2,572,140	2,709,487
Employee welfare expenses	143,873	156,737
Retirement benefits—defined contribution plans	114,269	95,716
Retirement benefits—defined benefit plans		
-Gratuity	49,698	45,536
-Compensated absences	24,808	18,036
	2,904,788	**3,025,512**

22 Finance income and costs

	31 March 2019	31 March 2018
Finance income		
Interest on bank deposits and others	2,406,007	1,660,175
Fair value gain on derivative contracts, net	11,918,323	-
	14,324,330	**1,660,175**
Finance cost		
Interest on borrowings	37,670,053	32,817,037
Derivative instruments charges	1,779,153	9,011,664
Bank charges	21,487	71,232
	39,470,693	**41,899,933**

23 Income tax expense

	31 March 2019	31 March 2018
Current tax	4,399,990	3,329,178
Deferred tax (note 18)	2,838,773	519,047
	7,238,763	**3,848,225**

The tax on the Restricted Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Restricted Group as follows:

	31 March 2019	31 March 2018
Profit/ (Loss) before income tax	29,172,121	(4,045,956)
Tax rate applicable to restricted entities in India	29.12%	29.12%
Expected tax expense	8,494,922	(1,178,182)
Adjustment for tax differences on account of tax holiday period and exempted tax rates	(1,256,159)	5,026,407
Tax charge	**7,238,763**	**3,848,225**

The tax rates used in computing the weighted average tax rate is the substantively enacted tax rate. In respect of the Restricted Group II this was in the range of 26.00% to 29.12% (31 March 2018: 26.00% to 29.12%).

The Restricted Group II engaged in power generation currently benefit from a tax holiday from the standard Indian corporate taxation for the year ended 31 March 2019. The tax holiday period under the Indian Income Tax Act is for 10 consecutive tax assessment years out of a total of 15 consecutive tax assessment years from the tax assessment year in which commercial operations commenced. However, these entities are still liable for Minimum Alternate Tax which is calculated on the book profits of the relevant entity and is currently at a rate of 21.55% (31 March 2018: 20.59%).

(All amounts in US Dollars unless otherwise stated)

24 Commitments and contingencies

a) Few of the Restricted Group II power generating units in India have various income tax disputes with the tax authorities. The Restricted Group II has appealed against the orders of the income tax officer/authority at appropriate levels. Based on assessment of these claims, the management is confident of ultimate favourable outcome. The amount involved in these claims are US$197,136 (31 March 2018: US$210,409).

b) Capital commitments

Capital expenditure contracted for as at 31 March 2019 but not yet incurred aggregated to US$370,550 (31 March 2018: US$647,789).

25 Related-party transactions

The Restricted Group II is controlled by Greenko Energy Holdings. The Restricted Group II entities have certain transactions with Greenko Energy Holdings and its subsidiaries which are not covered under Restricted Group (Unrestricted Group entities).

a. The details of the related party transactions with the Unrestricted Group are as follows:

	31 March 2019	**31 March 2018**
Loans repaid, net	95,502	46,795,407
Project Management fee	535,750	426,785

b. Borrowings (inter-company loans) from Unrestricted Group:

	31 March 2019	**31 March 2018**
Balance payable	(26,134,112)	(26,311,623)
Balance receivable	2,669,330	2,751,338
Net Payable	**(23,464,782)**	**(23,560,285)**

These inter-company loans are interest free and repayable on demand by Restricted Group

c. The Parent has given corporate guarantee and Greenko Mauritius pledged the shares held in the Company for the Senior Notes aggregating to US$500,000,000 (Refer note 17.2).

26 Acquisition of Devarahipparigi Wind Power Private Limited

On 29 September 2017, Tanot Wind Power Ventures Private Limited ("Tanot"), one of the restricted group entities as described in Note 2 and Note 3 of these financial statements, acquired Devarahipparigi Wind Power Private Limited ("Devara") from Unrestricted Group entities, Greenko Wind Projects Private Limited ("Greenko Wind") and Guttaseema Wind Energy Company Private Limited ("Guttaseema"). Tanot, Devara, Greenko Wind and Guttaseema are under common control of Greenko Energy Holdings. Acquisition of Devara by Tanot falls within the ambit of common control transaction under IFRS 3 "Business Combinations". Accordingly, Restricted Group has acquired net assets of US$7,194,381 as against a consideration of US$2,431,151. The excess of net assets acquired over consideration paid of US$4,763,230 has been reflected as part of changes in Net Parent Investment.

	Amount
Property, plant and equipment	133,595,931
Net working capital	3,304,630
Borrowings from unrestricted entities	(37,516,920)
Intangible assets	5,939,871
Bank deposits	35,190
Cash and cash equivalents	492,112
Deferred income tax liabilities	(2,796,007)
Borrowings	(95,860,426)
Net assets acquired	**7,194,381**

(All amounts in US Dollars unless otherwise stated)

Notes to the combined financial statements

Cash outflow on account of acquisition:	
Consideration paid	2,431,151
Less: Cash and cash equivalents at the time of acquisition	(492,112)
Net cash outflow	**1,939,039**

27 Segment reporting

The Restricted Group II has adopted the "management approach" in identifying the operating segments as outlined in IFRS 8. The Restricted Group II operations predominantly relate to generation and sale of electricity. The chief operating decision maker evaluates the Restricted Group II performance and allocates resources based on an analysis of various performance indicators at operational unit level. Accordingly, there is only a single operating segment "generation and sale of electricity and related benefits". Consequently, no segment disclosures of the Restricted Group II are presented.

The Restricted Group II has majority of its assets located within India and earn its revenues from customers located in India.

Revenues from four major customers relating to power generating activities represent US$69,884,038 (31 March 2018: US$40,468,929) of the total revenue.

28 Events after the reporting date

Sneha Kinetic Power Projects Private Limited ("Sneha") one of the restricted group entities as described in Note 2 and Note 3 of these combined financial statements, acquired Vayuputhra Energy Private Limited ("Vayuputhra") in April 2019 from Unrestricted Group with an enterprise value of US$20,673,702. Sneha and Vayuputhra are under common control of Greenko Energy Holdings. Acquisition of Vayuputhra by Restricted Group II falls within the ambit of common control transaction under IFRS 3 "Business Combinations".

KPMG

KPMG
KPMG Centre
31, Cybercity
Ebène
Mauritius
Telephone +230 406 9999
Telefax +230 406 9988
BRN No. F07000189
Website www.kpmg.mu

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GREENKO ENERGY HOLDINGS

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Greenko Energy Holdings (the Group), which comprise the consolidated statement of financial position as at 31 March 2019 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies, as set out on pages 5 to 49.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Greenko Energy Holdings as at 31 March 2019, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

h

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GREENKO ENERGY HOLDINGS

Report on the Audit of the Consolidated Financial Statements (continued)

Responsibilities of Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

h

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GREENKO ENERGY HOLDINGS

Report on the Audit of the Consolidated Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

KPMG

KPMG
Ebène, Mauritius

Marcelle Fouché
Licensed by FRC

Date: **03 July 2019**

(All amounts in US Dollars unless otherwise stated)

Consolidated statement of financial position

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	7	4,283,335,366	2,975,026,260
Intangible assets and goodwill	8	1,121,293,466	656,936,918
Equity-accounted investees	28	176,903	7,429,102
Bank deposits	15	73,317,619	41,608,261
Derivative financial assets	9	253,164,484	224,041,194
Other receivables	12	19,794,406	55,603,410
		5,751,082,244	**3,960,645,145**
Current assets			
Inventories	13	5,130,486	4,165,880
Trade receivables	11	288,118,415	131,814,839
Other receivables	12	79,715,935	102,863,325
Other investments	10	3,214,442	1,076,727
Bank deposits	15	77,386,152	72,842,920
Taxation receivable		9,815,085	5,291,789
Cash and cash equivalents	14	214,393,912	94,712,763
		677,774,427	**412,768,243**
Total assets		**6,428,856,671**	**4,373,413,388**
Equity and liabilities			
Equity			
Share capital	16	1,415,804,775	967,697,800
Currency translation reserve		(85,973,246)	36,964,977
Other reserves		(2,755,558)	(1,295,174)
Retained earnings		67,388,283	28,677,907
Equity attributable to owners of the Company		**1,394,464,254**	**1,032,045,510**
Non-controlling interests		18,190,340	(2,455,100)
Total equity		**1,412,654,594**	**1,029,590,410**
Liabilities			
Non-current liabilities			
Retirement benefit obligations	21	3,000,092	2,185,879
Borrowings	18	3,834,665,419	2,590,137,612
Other financial liabilities	9	125,552,511	161,724,829
Deferred tax liabilities, net	19	429,997,515	203,604,201
Trade and other payables	17	65,179,049	34,161,637
		4,458,394,586	**2,991,814,158**
Current liabilities			
Borrowings	18	267,247,426	195,690,609
Trade and other payables	17	238,363,098	104,547,589
Other financial liabilities	9	45,795,248	49,320,033
Taxation payable		6,401,719	2,450,589
		557,807,491	**352,008,820**
Total liabilities		**5,016,202,077**	**3,343,822,978**
Total equity and liabilities		**6,428,856,671**	**4,373,413,388**

The notes are an integral part of these consolidated financial statements.

(All amounts in US Dollars unless otherwise stated)

Consolidated statement of profit or loss and other comprehensive income

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	20	485,050,923	314,323,791
Other operating income		600,149	353,589
Cost of material and power generation expenses		(42,661,104)	(29,378,702)
Employee benefits expense	22	(14,855,637)	(13,892,576)
Other operating expenses		(28,590,231)	(31,149,937)
Impairment loss on trade receivables	11	(11,461,532)	-
Impairment charge on non-financial assets	8	(18,322,348)	-
Excess of group's interest in the fair value of acquiree's assets and liabilities over cost	26	100,820,110	135,186,582
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**470,580,330**	**375,442,747**
Depreciation and amortisation	7&8	(146,471,721)	(101,122,048)
Operating profit		**324,108,609**	**274,320,699**
Finance income	23	44,132,765	5,554,325
Finance costs	23	(282,997,786)	(204,868,983)
Loan restructuring costs		-	(17,676,528)
		85,243,588	**57,329,513**
Share of profit/ (loss) from equity-accounted investees	28	153,962	(7,072,530)
Profit before taxation		**85,397,550**	**50,256,983**
Taxation	24	(46,632,265)	(17,394,718)
Profit for the year		**38,765,285**	**32,862,265**
Profit for the year attributable to:			
Owners of the Company		38,658,517	34,170,050
Non – controlling interests		106,768	(1,307,785)
		38,765,285	**32,862,265**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Unrealised loss on available-for-sale financial assets		-	(43,857)
Exchange differences on translating foreign operations		(122,938,223)	(11,077,143)
Total other comprehensive income		**(122,938,223)**	**(11,121,000)**
Total comprehensive income		**(84,172,938)**	**21,741,265**
Total comprehensive income attributable to:			
Owners of the Company		(84,279,706)	23,049,050
Non-controlling interests		106,768	(1,307,785)
		(84,172,938)	**21,741,265**

The notes are an integral part of these consolidated financial statements.

(All amounts in US Dollars unless otherwise stated)

Consolidated statement of changes in equity

	Ordinary shares	Currency translation reserve	Other reserves	Retained earnings/ (deficit)	Total attributable to owners of Company	Non-controlling interests	Total equity
At 1 April 2017	**967,697,800**	**48,042,120**	**(1,251,317)**	**(5,596,949)**	**1,008,891,654**	**(1,097,092)**	**1,007,794,562**
Issue of shares to non-controlling interests in subsidiaries	-	-	-	-	**-**	54,583	**54,583**
Share of retained earnings attributed to non-controlling interests in subsidiaries	-	-	-	104,806	**104,806**	(104,806)	**-**
	-	**-**	**-**	**104,806**	**104,806**	**(50,223)**	**54,583**
Profit for the year	-	-	-	34,170,050	**34,170,050**	(1,307,785)	**32,862,265**
Unrealised loss on available-for-sale financial assets, net	-	-	(43,857)	-	**(43,857)**	-	**(43,857)**
Exchange differences on translating foreign operations	-	(11,077,143)	-	-	**(11,077,143)**	-	**(11,077,143)**
Total comprehensive income	**-**	**(11,077,143)**	**(43,857)**	**34,170,050**	**23,049,050**	**(1,307,785)**	**21,741,265**
At 31 March 2018	**967,697,800**	**36,964,977**	**(1,295,174)**	**28,677,907**	**1,032,045,510**	**(2,455,100)**	**1,029,590,410**
Cumulative effect of adjustment on initial application of IFRS 9 (Refer note 2.1)	**-**	**-**	(51,859)	51,859	**-**	**-**	**-**
Adjusted balance as of 1 April 2018	**967,697,800**	**36,964,977**	**(1,347,033)**	**28,729,766**	**1,032,045,510**	**(2,455,100)**	**1,029,590,410**
Issue of ordinary shares	448,106,975	-	-	-	448,106,975	-	448,106,975
Issue of shares to non-controlling interests in subsidiaries	-	-	-	-	**-**	22,021,574	**22,021,574**
Adjustment to reflect change in ownership interest in step-down subsidiary	-	-	1,752,949	-	**1,752,949**	(1,752,949)	**-**
Acquisition of non-controlling interests	-	-	(3,161,474)	-	**(3,161,474)**	270,047	**(2,891,427)**
	448,106,975	**-**	**(1,408,525)**	-	**446,698,450**	**20,538,672**	**467,237,122**
Profit for the year	-	-	-	38,658,517	**38,658,517**	106,768	**38,765,285**
Exchange differences on translating foreign operations	-	(122,938,223)	-	-	**(122,938,223)**	-	**(122,938,223)**
Total comprehensive income	**-**	**(122,938,223)**	**-**	**38,658,517**	**(84,279,706)**	**106,768**	**(84,172,938)**
At 31 March 2019	**1,415,804,775**	**(85,973,246)**	**(2,755,558)**	**67,388,283**	**1,394,464,254**	**18,190,340**	**1,412,654,594**

The notes are an integral part of these consolidated financial statements.

(All amounts in US Dollars unless otherwise stated)

Consolidated statement of cash flows

		Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
A.	**Cash flows from operating activities**			
	Profit before taxation		85,397,550	50,256,983
	Adjustments for			
	Depreciation and amortisation	7&8	146,471,721	101,122,048
	Finance income		(44,132,765)	(5,554,325)
	Finance costs		282,997,786	204,868,983
	Impairment loss on trade receivables		11,461,532	-
	Impairment of non-financial assets		18,322,348	-
	Loan restructuring costs		-	17,676,528
	Share of (profit)/loss from equity-accounted investees		(153,962)	7,072,530
	Excess of Group's interest in the fair value of acquiree's assets and liabilities over cost		(100,820,110)	(135,186,582)
	Changes in working capital			
	Inventories		(1,091,327)	2,442,182
	Trade and other receivables		(34,778,012)	(17,823,049)
	Trade and other payables		17,375,418	(4,014,550)
	Cash generated from operations		**381,050,179**	**220,860,748**
	Taxes paid		(11,917,407)	(6,968,635)
	Net cash from operating activities		**369,132,772**	**213,892,113**
B.	**Cash flows from investing activities**			
	Purchase of property, plant and equipment and capital expenditure, net		(265,832,441)	(125,173,399)
	Acquisition of business, net of cash and cash equivalents acquired (Refer note 26)		(479,645,781)	(30,428,154)
	Proceeds from sale of Investment in mutual funds		33,143,564	802,225
	Investment in Equity-accounted investees		(11,230)	(2,913,485)
	Advance for purchase of equity		(6,467,306)	(1,070,597)
	Advances given to Equity-accounted investees		(2,699,914)	(129,429,458)
	Amounts refunded by Equity-accounted investees		32,846,586	-
	Consideration paid for acquisitions made by subsidiaries		(2,739,775)	(1,131,584)
	Bank deposits		(22,774,132)	91,060,160
	Interest received		17,713,436	6,282,347
	Net cash used in investing activities		**(696,466,993)**	**(192,001,945)**
C.	**Cash flows from financing activities**			
	Proceeds from issue of shares		448,106,975	-
	Proceeds from non-controlling interests		22,021,574	54,583
	Proceeds from borrowings		622,749,848	1,172,818,507
	Repayment of borrowings		(321,598,437)	(1,037,342,263)
	Proceeds from capital subsidy		-	482,547
	Interest paid		(321,765,517)	(225,858,571)
	Net cash from/(used in) financing activities		**449,514,443**	**(89,845,197)**
	Net increase/(decrease) in cash and cash equivalents		**122,180,222**	**(67,955,029)**
	Cash and cash equivalents at the beginning of the year	14	94,712,763	164,151,570
	Exchange losses on cash and cash equivalents		(2,499,073)	(1,483,778)
	Cash and cash equivalents at the end of the year	14	**214,393,912**	**94,712,763**

The notes are an integral part of these consolidated financial statements.

1. General information

Greenko Energy Holdings ("the Company" or "Parent") is a company domiciled in Mauritius and registered as a company limited by shares under company number C130988 pursuant to the provisions of the Mauritius Companies Act 2001. The registered office of the Company is at 33, Edith Cavell Street, Port Louis, Mauritius. The Company was incorporated on 12 June 2015.

The principal activity of the Company is that of investment holding.

The Company together with its subsidiaries are in the business of owning and operating clean energy facilities in India. All the energy generated from these plants is sold to state utilities, captive consumers, direct sales to private customers and other electricity transmission and trading companies in India through a mix of long-term power purchase agreements ("PPA"), short-term power supply contracts and spot markets of energy exchanges. The Group holds licence to trade up to 500 million units of electricity per annum in the whole of India except the state of Jammu and Kashmir. The Group is also a part of the Clean Development Mechanism ("CDM") process and generates and sells emissions reduction benefits such as Certified Emission Reductions ("CER") and Renewable Energy Certificates ("REC").

The Company together with its subsidiaries are hereinafter referred to as "the Group".

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by International Accounting Standards Board ("IFRS"). The consolidated financial statements have been prepared under going concern principle using the historical cost convention, except for financial assets and financial liabilities (including derivative instruments) measured at fair value.

The accompanying consolidated financial statements as at 31 March 2019 and for the year ended thereof, as at 31 March 2018 and for the year ended thereof includes accounts of the Company and its subsidiaries.

The consolidated financial statements of the group are presented for a period of twelve months for the year ended 31 March 2019 and 31 March 2018.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in the critical accounting estimates and judgments section (note 5).

This is the first set of the Group's annual financial statements in which IFRS 15 *Revenue from contracts with customers* (IFRS 15) and IFRS 9 *Financial Instruments* (IFRS 9) have been applied. Changes to significant accounting policies are described below:

<u>IFRS 9, Financial Instruments</u>

In July 2014, the IASB issued the final version of IFRS 9, "Financial instruments". IFRS 9 significantly differs from IAS 39, "Financial Instruments: Recognition and Measurement" (IAS 39), and includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting.

The Group applied the cumulative retrospective method upon adoption of IFRS 9 on 1 April 2018. This method requires the recognition of the cumulative effect of initially applying IFRS 9 to retained earnings and not to restate prior years. The cumulative effect recorded at 1 April 2018 was an increase to retained earnings of US$ 51,859.

Detailed below is the classification and measurement impact of the implementation of IFRS 9 on the group.

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

IFRS 9, Financial Instruments (continued)

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or Fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Investment in mutual funds

Investment in mutual funds, was previously classified as "available-for-sale investments". The unrealised gains and losses which were previously recognised in other comprehensive income will now be recognised in the profit or loss. On transition to IFRS 9, the unrealised gain of US$ 51,859 previously recognised in other comprehensive income was transferred to retained earnings on 1 April 2018. Investment in mutual funds as on the balance sheet dates are classified under financial assets through profit and loss as other investments.

Impairment of financial assets – Expected credit loss

In accordance with IFRS 9, the Group has implemented the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets. Financial assets at amortised cost include trade receivables including unbilled receivables, other receivables, security deposits, bank deposits and cash and cash equivalents.

The ECL model has been calculated in line with requirements under IFRS 9. The Group's trade receivables have no significant financing component, so the Group has used the simplified method for providing for these under IFRS 9. Therefore, the impairment loss is measured at lifetime ECL. The approach has been discussed further in note 2.9. The effect of adopting ECL model on 1 April 2018 is immaterial to the statement of profit or loss, statement of financial position and statement of cash flows, therefore the cumulative impact on 1 April 2018 is taken to profit or loss for the current financial year.

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

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows or intention to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

IFRS 15, Revenue from Contracts with Customers

Effective 1 April 2018, the Group has applied IFRS 15 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This comprehensive new standard supersedes IAS 18, "Revenue", IAS 11, "Construction contracts" and related interpretations. The new standard amends revenue recognition requirements and establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Group has adopted IFRS 15 using the modified retrospective method. This method requires the recognition of the cumulative effect of initially applying IFRS 15 to retained earnings and not to restate prior years. Overall, the application of this standard did not have any impact on the revenue streams from the sale of power, sale of renewable energy certificates and generation based incentives.

2. Summary of significant accounting policies (continued)

2.2 Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its return.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are any changes to one or more of the three elements of the control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give its power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holdings;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangement; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Non-Controlling Interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financials statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted/by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value at initial recognition for subsequent accounting or applicable the cost on initial recognition of an investment in an equity accounted investee.

2. Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

Equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation. Unrealised gains arising from transactions with equity-accounted investees are considered as deferred gain in these consolidated financial statements.

2.3 Business combination

The acquisition method of accounting is used to account for the acquisition of businesses by the Group. The cost of an acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the entity acquired, the difference is recognised directly in profit or loss. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, previously held identifiable assets, liabilities and contingent liabilities of the acquired entity are revalued to their fair value at the date of acquisition, being the date at which the Group achieves control of the acquired entity. Further the equity interest previously held by the Group is re-measured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

Initial estimates of consideration transferred and fair values of assets acquired and liabilities assumed are finalised within twelve months after the date of acquisition and any adjustments are accounted for as retroactive adjustments to goodwill. Beyond this twelve-month period, any adjustment is directly recognised in the statement of profit or loss and other comprehensive income.

When the consideration transferred by the Group in the business combination included assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The subsequent accounting for changes in the fair value of the contingent consideration depends on how the contingent consideration is classified. Contingent consideration that is qualified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is re-measured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in the profit or loss.

2.4 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements in each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in 'United States Dollar' ("US$"), which is the Company's functional and presentation currency. The functional currency of Group's primary subsidiaries is Indian Rupee ("INR").

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to financial liabilities are presented in the income statement within "Finance costs".

2. Summary of significant accounting policies (continued)

2.4 Foreign currency translation (continued)

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities presented for each reporting date are translated at the closing rate at the reporting date;
- income and expenses for each item in statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- resulting exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve within equity; and
- statement of cash flows is translated at average exchange rate for the period whereas cash and cash equivalents are translated at closing rate at the reporting date.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that are attributable to the non-controlling interests is derecognised and is not reclassified to profit or loss.

On the partial disposal of a subsidiary that includes a foreign operation, the entity shall re-attribute the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income to the non-controlling interests in that foreign operation.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the end of each reporting date.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value. Freehold land is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items and borrowing cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance expenditure are charged to profit or loss during the period in which they are incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Asset category	Useful life
Buildings	25 – 40 years
Plant and machinery	15 – 36 years
Furniture, fixtures and equipment	5 – 10 years
Vehicles	5 - 10 years

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit or loss in the period the item is derecognised.

In case of projects constructed on lease hold land, useful life is considered at primary lease period or estimated useful life whichever is earlier. Costs incurred for land rights are amortised over the period of primary lease. Capital work-in-progress comprises costs of property, plant and equipment that are under construction and not yet ready for their intended use at the reporting date and the outstanding advances given for construction of such property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2. Summary of significant accounting policies (continued)

2.6 Intangible assets

a) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

b) Other intangibles

Intangible assets acquired individually, with a group of other assets or in a business combination are carried at cost less accumulated amortisation and any impairment in value. The intangible assets are amortised over their estimated useful lives in proportion to the economic benefits consumed in each period. The estimated useful lives of the intangible assets are as follows:

Asset category	**Useful life**
Licences	14 – 40 Years
Development fee	25 Years
Power purchase agreements ("PPA")	5 - 25 Years

Amortisation of intangible assets is included within 'Depreciation and amortisation'.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested for impairment annually, or more frequently when there is an indication that the asset may be impaired. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of the money and risk specific to the asset or CGU. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2. Summary of significant accounting policies (continued)

2.8 Financial instruments (continued)

b) Classification and subsequent measurement:

Financial assets:

Policy applicable from 1 April, 2018

On initial recognition, a financial asset is classified as measured at:

i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Policy applicable before 1 April, 2018

The Group classified its financial assets (non-derivative financial assets) in the following categories: loans and receivables, financial assets at fair value through profit and loss (FVTPL) and available for sale. The classification depends on the purpose for which the financial asset was acquired. Management determines the classification of its financial assets at initial recognition.

The Group recognised a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

The fair value of the investment in mutual fund units is based on the net asset value publicly made available by the respective mutual fund managers. The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Group derecognised a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in profit or loss.

2. Summary of significant accounting policies (continued)
2.8 Financial instruments (continued)

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables, bank deposits and cash and cash equivalents in the statement of financial position. Loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

b) Financial assets at fair value through profit or loss

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into FVTPL category. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. Transactions costs which are directly attributable to financials assets at FVTPL is recognised in profit or loss.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Available-for-sale financial assets are subsequently carried at fair value.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income and accumulated in "other reserves". When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised as other comprehensive income are included in the profit or loss. Dividends on available-for-sale mutual fund units are recognised in the profit or loss as a part of other income.

Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in profit or loss.

ii) Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

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

2. Summary of significant accounting policies (continued)

2.8 Financials instruments (continued)

c) De-recognition of financial instruments

i) Financial asset

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

If the Group enters into transaction whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

ii) Financial liability

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented when, and only when, the Group has a legally enforceable right to set off the amount and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Impairment of non-derivative financial assets

Policy applicable from 1 April, 2018

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Group measures loss allowances at an amount equal to lifetime expected credit losses (ECL), except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs. An impairment analysis was performed at each reporting date using a provision matrix to measure Expected Credit Losses. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, ageing, current conditions and forecasts of future economic conditions.

For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within other operating expenses in profit and loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2. Summary of significant accounting policies (continued)

2.9 Impairment of non-derivative financial assets (continued)

Policy applicable before 1 April, 2018

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise.
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial asset.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

2.10 Equity instruments

2.10.1 Classification as debt or equity

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

2.10.2 Equity instruments

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

2. Summary of significant accounting policies (continued)

2.11 Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange risks, including foreign exchange forward contracts. Further details of derivative financials instruments are disclosed in note 9.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2.11.1 Embedded derivatives

Derivatives embedded in non-derivative host contracts are traded as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not, measured at FVTPL.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

2.11.2 Compound instruments

The compound parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments are equity instruments.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity as determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital/share premium. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to other reserves in equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allotted to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.12 Inventories

a) Raw material, stores and consumables

Inventories of raw material, stores and consumables are valued at the lower of cost and net realisable value. Cost includes expenses incurred in bringing each product to its present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

b) Renewable Energy Certificates ("REC")

Inventories of REC are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Electricity and RECs are treated as joint products, as they are generated simultaneously. Cost of generation is allocated in the ratio of relative net sale value of the products. Cost comprises all production, acquisition and conversion costs and is aggregated on a weighted average basis. To the extent that any impairment arises, losses are recognised in the period they occur. The costs associated with generating inventories are charged to the profit or loss in the same period as the related revenues are recognised.

2. Summary of significant accounting policies (continued)

2.13 Bank deposits

Bank deposits represent term deposits placed with banks earning a fixed rate of interest. Bank deposits with maturities of less than a year are disclosed as current assets and more than one year as non-current assets. At the reporting date, these deposits are measured at amortised cost using the effective interest method. Cash and cash equivalents which are pledged with the banks for availing term loans are classified as part of bank deposits.

2.14 Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value. Bank overdrafts that are an integral part of cash management and where there is a legal right of set–off against positive cash balances are included in cash and cash equivalents.

2.15 Equity

Ordinary shares are classified as equity and represent the nominal value of shares that have been issued. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction from the proceeds.

Retained earnings mainly represent all current and prior year profits as disclosed in the statement of profit or loss and other comprehensive income less dividend distribution.

All transactions with owners of the Company are recorded separately within equity.

Other reserves include all other transactions with the shareholders in their capacity as shareholders, impact of changes in the ownership interest in subsidiaries that do not result in loss of control and fair value adjustments of available for sale financial assets.

Currency translation reserve – represents foreign currency translation differences arising on the translation of the Group's foreign entities.

2.16 Taxation

Taxation comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

2. Summary of significant accounting policies (continued)

2.16 Taxation (continued)

Deferred income tax (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.17 Employee benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Group. The Group also operates retirement benefit plans for its employees.

a) Gratuity plan

The Gratuity Plan is a defined benefit plan that, at retirement or termination of employment, provides eligible employees with a lump sum payment, which is a function of the last drawn salary and completed years of service. The liability recognised in the statement of financial position in respect of the gratuity plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government of India securities that have terms to maturity approximating to the terms of the related gratuity liability.

Re-measurement, comprising actuarial gain and losses, the effect of changes to the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Service cost on the net defined benefit liability is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs.

a) State administered Provident Fund

Under Indian law, employees are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. The Group has no further obligation under the Provident Fund beyond its contribution, which is expensed when accrued.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

2. Summary of significant accounting policies (continued)

2.19 Revenue recognition

The Group is in the business of generation and supply of electricity. Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

a) Sale of electricity

Revenue from the sale of electricity is recognised on the basis of the number of units of power exported in accordance with joint meter readings undertaken with transmission companies at the rates prevailing on the date of export as determined by the power purchase agreement/feed-in-tariff policy/market rates as applicable less the wheeling and banking charges applicable if any. Claims for delayed payment charges and other claims, if any, are recognised as per the terms of power purchase agreements only when there is no uncertainty associated with the collectability of this claims. Revenue is recognised over time for each unit of electricity delivered at the contracted rate. The transaction price is clearly stated, there are no separate performance obligations to which a portion of the transaction price needs to be allocated, and there is no variable consideration.

b) Sale of renewable energy certificates (REC)

Revenue from sale of RECs is recognised after registration of the project with central and state government authorities, generation of power and execution of a contract for sale through recognised energy exchanges in India.

c) Generation Based Incentive (GBI)

Revenue from GBI is recognised based on the number of units exported and if the eligibility criteria is met in accordance with the guidelines issued by regulatory authority for GBI Scheme.

2.20 Finance income and finance costs

The Group's finance income and finance costs include interest income, interest expense, dividend income, the net gain or loss on financial assets at FVTPL and the foreign currency gain or loss on financial assets and financial liabilities (including derivative assets and liabilities).

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

2.21 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

2.23 Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

2.24 Presentation of 'EBITDA' on the statement of profit or loss

The Group has included a sub-total 'Earnings before interest, tax, depreciation and amortisation' (EBITDA) in profit or loss. The Directors believes that EBITDA is meaningful for investors because it provides an analysis of the Group's operating results, profitability and ability to service debt and because EBITDA is used by the Group's chief operating decision makers to track the Group's business evolution, establish operational and strategic targets and make important business decisions. EBITDA is calculated as earnings before interest, taxes depreciation and amortisation.

EBITDA is not a measure of financial performance under IFRS. The calculation of EBITDA by the Group may be different from the calculations of similarly labelled measures used by other companies and it should therefore not be used to compare one company against another or as a substitute for analysis of the Group's operating results as reported under IFRS. EBITDA is not a direct measure of the Group's liquidity, nor is it an alternative to cash flows from operating activities as a measure of liquidity, and it needs to be considered in the context of the Group's financial commitments.

3. Recent Accounting Pronouncements

Standards issued but not yet effective and not early adopted by the Group

IFRS 16, Leases

In January 2016, the IASB issued a new standard, IFRS 16, "Leases". The Group is required to adopt IFRS 16, Leases from 1 April 2019. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, IAS 17, Leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements and yet to complete its detailed assessment. The quantitative impact of adoption of IFRS 16 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

i) Leases in which the Group is a lessee

The Group will recognise new assets and liabilities for its operating leases of offices premises, leasehold lands and infrastructure sharing facilities. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

ii) Transition

The Group plans to apply IFRS 16 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 April 2019 and identified as leases in accordance with IAS 17.

IAS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

3. Recent Accounting Pronouncements (continued)

Standards issued but not yet effective and not early adopted by the Group (continued)

IAS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies IFRS 9 *Financial Instruments*, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates.

IFRIC 23, Uncertainty over Income Tax treatments

On June 7, 2017, the IFRS Interpretations Committee issued IFRIC 23, which clarifies how the recognition and measurement requirements of IAS 12 "Income taxes", are applied where there is uncertainty over income tax treatments.

IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law. The interpretation provides specific guidance in several areas where previously IAS 12 was silent. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

The interpretation is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted. An entity can, on initial application, elect to apply this interpretation either:

- retrospectively applying IAS 8, if possible without the use of hindsight; or
- retrospectively, with the cumulative effect of initially applying the interpretation recognized at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate).

The Group is in the process of evaluating the impact of IFRIC 23 on the consolidated financial statements and the period of adoption.

4. Financial risk management

The Group's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The financial instruments of the Group, other than derivatives, comprise borrowings, cash and cash equivalents, bank deposits, trade and other receivables, other investments, trade and other payables.

4.1. Market risk

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 into: a) Foreign exchange risk and b) Interest rate risk

a) 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 operations of the Group are conducted in functional currency of its subsidiaries. The Indian entities having INR as functional currency has no significant transactions in currency other than INR. The group's foreign exchange risk arises from debt investments made in Indian operations. Consequently the group use derivative financial instruments such as foreign exchange option and forward contracts to mitigate the risk of changes in foreign currency exchange rates.

The translation of INR subsidiaries into US$ for the consolidated financial statements of Group is only for the purpose of converting the financial statements into presentation currency and the currency differences are taken to OCI. This does not impact the Group's cash flow.

b) 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 the Group has no significant interest-bearing assets other than investment in bank deposits, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group considers the impact of fair value interest rate risk on investment in bank deposits are not material. The Group's interest rate risk arises from borrowings. A significant portion the Group's borrowing carries fixed rate of interest, however, as these debts are carried at amortised cost, there is no fair value interest rate risk to the Group. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The interest rate profile of the Group's interest bearing borrowings are given in note 18.1.

A reasonably possible change of variable interest rates on borrowings by 50 basis points higher or lower, the post-tax profit/loss for the period would have been lower or higher by US$9,139,584 (31 March 2018: US$3,187,769). This analysis assumes that all other variables remain constant.

4.2. Credit risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily for trade and unbilled receivables, and from its financing activities, including deposits with banks, trade and other financial assets. The carrying amount's of financial assets represent the maximum credit exposure.

Trade receivables and unbilled receivables

The Group's credit risk arises from accounts trade receivable balances on sales to customers. In respect of trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty (non-government) or any group of counterparties having similar characteristics. Significant portion of the Group's revenue is derived from sales to state owned utilities and corporations under long-term power purchase agreements and hence, potential risk of default by the State utilities is remote. The Group's also has trade receivables due from private parties. The Group is paid monthly by the customers for electricity sales. The Group assesses the credit quality of the purchaser based on its financial position and other information. The Group also establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade receivables. (Refer Note 11 for details of trade receivables and expected credit losses).

(All amounts in US Dollars unless otherwise stated)

4. Financial risk management (continued)

4.2 Credit risk (continued)

Other financial assets/ derivative assets

Financial instruments that are subject to concentrations of credit risk, principally consist of cash and cash equivalents, bank deposits, derivative financial assets, investments in mutual funds, receivables from equity accounted investees and security deposits.

Credit risk on cash and cash equivalents, bank balances, bank deposits and derivative assets are limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Given the high credit ratings of these banks and financial institution, the Group does not expect these banks and financial institutions to fail in meeting their obligations and hence the expected credit loss is not material.

Credit risk arising from investment in mutual funds (debt instruments) is limited and there is no collateral held against these because the counterparties are recognised financial institutions with high credit ratings assigned by the various credit rating agencies. The investments in mutual funds are valued at market price prevailing at reporting date which represents the fair value.

The fair value of foreign exchange contracts and foreign exchange swaps are accounted for based on the difference between the contractual price and the current market price. The fair value of interest rate swaps and currency swaps are the indicative amounts that the Group is expected to receive or pay to terminate the swap counterparties at the balance sheet date.

4.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and maintaining adequate credit facilities.

The Group intends to be acquisitive in the immediate future. In respect of its existing operations, the Group funds its activities primarily through long-term loans secured against each power plant. The Group's objective in relation to its existing operating business is to maintain sufficient funding to allow the plants to operate at an optimal level.

In respect of each acquisition, the Group prepares a model to evaluate the necessary funding required. The Group's strategy is to primarily fund such acquisitions by assuming debt in the acquired companies. In relation to the payment towards equity component of companies to be acquired, the Group ordinarily seeks to fund this by the injection of external funds by debt or equity.

The Group has identified a large range of acquisition opportunities which it is continually evaluating and which are subject to constant change. In respect of its overall business, the Group therefore does not, at the current time, maintain any overall liquidity forecasts. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities and the data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

The amounts disclosed in the table represent the maturity profile and are the contractual undiscounted cash flows.

As at 31 March 2019:

	Carrying value	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings						
- Principal	4,101,912,845	268,617,014	449,958,768	1,251,615,336	2,171,728,839	4,141,919,957
- Interest	-	302,827,721	330,114,383	761,107,629	1,108,732,783	2,502,782,516
Trade and other payables	303,542,147	238,363,098	49,277,257	15,901,793	-	303,542,148
Other financial liabilities	171,347,759	45,795,248	44,632,310	95,066,376	7,886,667	193,380,601
Total	**4,576,802,751**	**855,603,081**	**873,982,718**	**2,123,691,134**	**3,288,348,289**	**7,141,625,222**

(All amounts in US Dollars unless otherwise stated)

4. Financial risk management (continued)

4.3 Liquidity risk (continued)

As at 31 March 2018:

	Carrying value	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings						
- Principal	2,785,828,221	195,998,538	94,568,697	682,473,698	1,846,484,031	2,819,524,964
- Interest	-	167,602,608	182,793,760	489,157,411	416,543,323	1,256,097,102
Trade and other payables	138,709,226	104,547,589	155,289	34,006,348	-	138,709,226
Other financial liabilities	211,044,862	49,320,033	45,795,248	116,960,358	30,625,000	242,700,639
Total	**3,135,582,309**	**517,468,768**	**323,312,994**	**1,322,597,815**	**2,293,652,354**	**4,457,031,931**

The entities forming part of the group, generate their own independent cash flows and while determining projected net cash flows, management used certain assumptions based on its current and future operations. The projected cash flows of these entities are based on the capacity utilisation and net cash generated from the existing projects, technical report for wind, hydro and solar and long-term power purchase agreements entered for the projects which in the process of commencement of commercial production.

The net cash flows expected to be generated from the projects shall be sufficient to meet the Group's operating and finance costs for the next 12 months.

5 Critical accounting judgements and key sources of estimating uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily available from other sources.

5.1 Critical judgments in applying the accounting policies

a) Application of business combination accounting rules, including identification and valuation of intangible assets acquired in a business combination

The Group allocates the purchase price of the acquired companies to the tangible, intangible and other assets acquired and liabilities assumed based on their estimated fair values. The Group engages third-party external appraisal firms to assist in determining the fair values of the acquired assets and liabilities. Such valuation requires the Group to make significant estimate and assumptions, especially with respect to identification and valuation of intangible assets and fair value of property, plant and equipment.

The valuation techniques used in fair value measurement of material assets acquired are as follows:

Plant, property and equipment - Replacement Cost Method. Represents the theoretical cost of current labor and materials necessary to construct or acquire a new asset of similar utility to the subject asset. Similar utility refers to similar economic satisfaction. That is, the substitute is comparable in terms of its utility to the owner, but it is not necessarily an exact duplicate.

Power Purchase Agreements - Multi Period Excess Earnings Method ("MEEM"). The MEEM is commonly used when a reliable direct measurement of future economic benefits generated by an intangible asset is not possible. The method takes a 'residual approach' to estimating the income that an intangible is expected to generate. It generally starts with the total expected income streams for a business or group of assets as whole and deducts charges for all the other assets used to generate income with the intangible asset under review during its economic life.

5 Critical accounting judgements and key sources of estimating uncertainty (continued)

5.1 Critical judgments in applying the accounting policies (continued)

b) Application of lease accounting rules

Significant judgment is required to apply lease accounting rules under IFRIC 4 "Determining whether an Arrangement contains a Lease" and IAS 17 "Leases". In assessing the applicability to arrangements entered into by the Group, management has exercised judgment to evaluate customer's right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under IFRIC 4.

c) Application of interpretation for service concession arrangements

Management has assessed applicability of IFRIC 12: Service Concession Arrangements for certain arrangements that are part of business combinations. In assessing the applicability the management has exercised significant judgement in relation to the underlying ownership of the assets, the ability to enter into power purchase arrangements with any customer, ability to determine prices, useful life etc., in concluding that the arrangements do not meet the criteria for recognition as service concession arrangements

d) Assessment of long-term receivables from foreign operations

The Group has considered its investment in non-convertible debentures of Indian subsidiaries as part of its net investment in foreign operations. The Group has considered these receivables as long-term receivables from foreign operations, as in view of the management, the settlement of these receivables is neither planned, nor likely to occur in the foreseeable future. Accordingly, all exchange differences on translation of these receivables are recognised in other comprehensive income.

5.2 Key sources of estimating uncertainty

a) Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to determine an appropriate method and make assumptions that are based on market conditions existing at each reporting date. The carrying value of trade and other receivables and payables are assumed to approximate their fair values due to the short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

b) Taxation

The Group is subject to income taxes in multiple jurisdictions. Significant judgment is required in determining provision for income taxes. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

c) Contingencies

The Group is involved in disputes, lawsuits, claims, governmental and/or regulatory proceedings that arise from time to time in the ordinary course of business. The Group assesses the need to make a provision for a liability for such claims and record a provision when the Group determines that a loss related to a matter is both probable and reasonably estimable. Because litigation and other contingencies are inherently unpredictable, the Group's assessment can involve judgments about future events. Often, these issues are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss are difficult to ascertain. This is due to a number of factors, including: the stage of the proceedings (in many cases trial dates have not been set) and the overall length and extent of pre-trial discovery; the entitlement of the parties to an action to appeal a decision; clarity as to theories of liability; damages and governing law; uncertainties in timing of litigation; and the possible need for further legal proceedings to establish the appropriate amount of damages, if any. Consequently, in case of claims, where it is not possible to make a reasonable estimate of the expected financial effect that will result from ultimate resolution of the proceedings, the information with respect to the nature and facts of the case are disclosed.

d) Estimated impairment of goodwill

In accordance with the accounting policy stated in note 2.7, the Group tests annually whether goodwill has suffered any impairment. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates including future operating margins and discount rates.

5 Critical accounting judgements and key sources of estimating uncertainty (continued)

5.2 Key sources of estimating uncertainty

e) Useful life of depreciable assets

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Refer note 2.5 and 2.6 for estimated useful life.

f) Going concern

The Directors have considered the financial position of the Group, its cash position and forecast cash flows for the 12 months period from the date of these consolidated financial statements. The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue its operational existence for a foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

(All amounts in US Dollars unless otherwise stated)

6 Subsidiaries

6.1 Principal subsidiaries

Set out below are the details of the Group's material subsidiaries at the end of reporting periods. Unless otherwise stated, the subsidiaries as listed below have share capital consisting of ordinary shares which are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by Group. The country of incorporation or registration is also their principal place of business.

	Country of incorporation	Principal business	Holding as at 31 March 2019	Holding as at 31 March 2018
Greenko Mauritius	Mauritius	Intermediate holding company	100%	100%
Greenko Investment Company	Mauritius	Intermediate financing company	100%	100%
Greenko Dutch B.V.	Netherlands	Intermediate financing company	100%	100%
Greenko Power Projects (Mauritius) Limited	Mauritius	Intermediate financing company	100%	100%
Greenko Energies Private Limited	India	Indian holding company	100%	100%
Greenko Solar Energy Private Limited	India	Indian holding company	100%	100%
Animala Wind Power Private Limited	India	Generation of power	100%	100%
Axis Wind Farms (MPR Dam) Private Limited	India	Generation of power	100%	74%
Devarahipparigi Wind Power Private Limited	India	Generation of power	100%	100%
Fortune Five Hydel Projects Private Limited	India	Generation of power	100%	100%
Greenko Budhil Hydro Power Private Limited	India	Generation of power	100%	100%
Greenko Rayala Wind Power Private Limited	India	Generation of power	100%	100%
Orange Anantapur Wind Power Private Limited*	India	Generation of power	100%	-
Orange Mamatkheda Wind Private Limited*	India	Generation of power	100%	-
Orange Sironj Wind Power Private Limited*	India	Generation of power	54%	-
Orange Suvaan Energy Private Limited*	India	Generation of power	100%	-
Orange Uravakonda Wind Power Private Limited*	India	Generation of power	100%	-
Ratnagiri Wind Power Projects Private Limited	India	Generation of power	100%	100%
Saipuram Wind Energies Private Limited	India	Generation of power	100%	100%
Skeiron Renewable Energy Amidyala Limited*	India	Generation of power	100%	-
Sneha Kinetic Power Projects Private Limited	India	Generation of power	100%	100%
Tanot Wind Power Ventures Private Limited	India	Generation of power	100%	100%
Vyshali Energy Private Limited	India	Generation of power	74%	74%

* Acquired during the year (Refer note 26).

(All amounts in US Dollars unless otherwise stated)

6 Subsidiaries (continued)

6.2 Composition of the Group

In addition to above material subsidiaries, the Group has 157 (31 March 2018: 132) subsidiaries based in India and 6 (31 March 2018: 6) subsidiaries incorporated and based in Mauritius and Singapore. The principal activity of Indian subsidiaries is owning, developing, constructing, operating and maintaining power projects. The subsidiaries incorporated outside India are primarily intermediate holding companies and intermediate financing companies.

The Group also has interest in a number of individually immaterial associates. Set out below are the details of the Group's interest in equity-accounted investee of reporting periods.

		% of equity holding	
		31 March 2019	**31 March 2018**
1.	Jilesh Power Private Limited	49%	49%
2.	Zuka Power Private Limited	-	49%
3.	SEI Green Flash Private Limited	-	49%
4.	SEI Arushi Private Limited	-	49%

In addition to the above, the Group also has 6 (31 March 2018: 11) associates based in India. Refer note 26(d) for details of business combinations during the year.

6.3 Restrictions

The Group has assets and liabilities in multiple jurisdictions held by various subsidiaries. There are certain restrictions on inter-se transfer/settlement of liabilities and movement of funds among subsidiaries in India. Further as per governmental regulations, there are certain restrictions on transfer of assets outside India.

(All amounts in US Dollars unless otherwise stated)

7 Property, plant and equipment

	Land (including development costs)	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital work-in-progress	Total
Cost							
At 01 April 2017	63,212,849	319,869,434	1,967,100,693	5,205,876	3,052,195	188,095,056	2,546,536,103
Acquisition through business combination (Refer Note 26)	2,642,918	10,183,287	557,282,288	606,881	91,052	106,762	570,913,188
Additions	1,672,887	1,869,091	21,645,042	2,099,191	1,262,133	19,697,709	48,246,053
Disposals/capitalisation	(398,395)	-	(71,671)	(37,870)	(24,778)	(17,872,211)	(18,404,925)
Exchange differences	(217,377)	(1,004,043)	(6,625,678)	(32,660)	(19,287)	(555,210)	(8,454,255)
At 31 March 2018	**66,912,882**	**330,917,769**	**2,539,330,674**	**7,841,418**	**4,361,315**	**189,472,106**	**3,138,836,164**
Acquisition through business combination (Refer Note 26)	29,414,409	2,900,596	1,065,401,237	925,144	195,113	146,451,744	1,245,288,243
Additions	2,526,944	2,079,911	145,327,373	1,528,966	127,121	278,424,346	430,014,661
Disposals/capitalisation	-	-	(209,598)	(33,749)	(256,236)	(133,419,324)	(133,918,907)
Exchange differences	(2,598,408)	(19,661,295)	(92,494,230)	(416,159)	(257,476)	(6,760,001)	(122,187,569)
At 31 March 2019	**96,255,827**	**316,236,981**	**3,657,355,456**	**9,845,620**	**4,169,837**	**474,168,871**	**4,558,032,592**
Accumulated depreciation							
At 01 April 2017	**-**	**8,375,003**	**67,155,080**	**632,765**	**331,027**	**-**	**76,493,875**
Charge for the year	1,922	9,549,000	77,335,234	997,696	515,768	-	88,399,620
Disposals	-	-	(5,647)	(2,886)	(7,779)	-	(16,312)
Exchange differences	(15)	(113,136)	(937,458)	(11,020)	(5,650)	-	(1,067,279)
At 31 March 2018	**1,907**	**17,810,867**	**143,547,209**	**1,616,555**	**833,366**	**-**	**163,809,904**
Charge for the year	169,309	9,478,948	107,452,877	1,488,837	555,706	-	119,145,677
Disposals	-	-	(4,666)	(5,269)	(84,191)	-	(94,126)
Exchange differences	4,965	(971,055)	(7,074,727)	(78,331)	(45,081)	-	(8,164,229)
At 31 March 2019	**176,181**	**26,318,760**	**243,920,693**	**3,021,792**	**1,259,800**	**-**	**274,697,226**
Net book values							
At 31 March 2019	**96,079,646**	**289,918,221**	**3,413,434,763**	**6,823,828**	**2,910,037**	**474,168,871**	**4,283,335,366**
At 31 March 2018	66,910,975	313,106,902	2,395,783,465	6,224,863	3,527,949	189,472,106	2,975,026,260

Certain borrowings at project level are secured against the present and future moveable and immovable assets of the project. During the year, the Group has capitalised borrowing costs amounting to US$9,071,957 (31 March, 2018: US$4,792,368) on qualifying assets during construction. The weighted average of the borrowing costs applicable to general borrowings is 10.47%. Note 25 (f) provide details of capital commitments outstanding as at 31 March 2019.

(All amounts in US Dollars unless otherwise stated)

8 Intangible assets and goodwill

	Licences	Electricity PPAs	Development fees	Goodwill	Total
At 01 April 2017	**140,488,520**	**53,810,510**	**-**	**259,359,772**	**453,658,802**
Acquisition through business combination (Refer Note 26)	-	190,565,964	35,661,691	120,361	226,348,016
Exchange differences	(419,707)	(408,196)	-	(798,502)	(1,626,405)
At 31 March 2018	**140,068,813**	**243,968,278**	**35,661,691**	**258,681,631**	**678,380,413**
Acquisition through business combination (Refer Note 26)	-	512,023,455	10,331,178	-	522,354,633
Exchange differences	(12,124,392)	12,672,904	(1,433,273)	(15,445,354)	(16,330,115)
At 31 March 2019	**127,944,421**	**768,664,637**	**44,559,596**	**243,236,277**	**1,184,404,931**
Accumulated amortisation and impairment					
At 01 April 2017	**2,596,586**	**6,230,919**	**-**	**-**	**8,827,505**
Amortisation for the year	6,603,229	6,119,199	-	-	12,722,428
Exchange differences	(31,811)	(74,627)	-	-	(106,438)
At 31 March 2018	**9,168,004**	**12,275,491**	**-**	**-**	**21,443,495**
Amortisation for the year	2,444,459	23,308,982	1,572,603	-	27,326,044
Impairment charge for the year	-	-	-	18,322,348	18,322,348
Exchange differences	(4,283,721)	(278,039)	19,774	561,564	(3,980,422)
At 31 March 2019	**7,328,742**	**35,306,434**	**1,592,377**	**18,883,912**	**63,111,465**
Net book values					
At 31 March 2019	**120,615,679**	**733,358,203**	**42,967,219**	**224,352,365**	**1,121,293,466**
At 31 March 2018	130,900,809	231,692,787	35,661,691	258,681,631	656,936,918

Amortisation is included under 'Depreciation and amortisation' in the statement of profit or loss and other comprehensive income. The average remaining amortisation period for licences is 26.59 years and for electricity PPA is 20.47 years.

Goodwill acquired through business combination has been allocated to each individual power generation unit as cash generating unit ("CGU"). A CGU level summary of goodwill is presented below:

	31 March 2018	Impairment charge	Exchange difference	31 March 2019
Greenko Rayala Wind Power Company Private Limited	35,124,551	-	(2,097,215)	33,027,336
Sneha Kinetic Power Projects Private Limited	32,569,238	-	(1,944,643)	30,624,595
Tanot Wind Power Ventures Private Limited	24,977,414	-	(1,491,351)	23,486,063
Ratnagiri Wind Power Projects Private Limited	24,146,300	-	(1,441,727)	22,704,573
Fortune Five Hydel Projects Private Limited	22,956,432	-	(1,370,682)	21,585,750
Vyshali Energy Private Limited	19,369,552	-	(1,156,516)	18,213,036
Greenko Budhil Hydro Power Private Limited	17,418,957	-	(1,040,050)	16,378,907
Greenko Bagewadi Energies Private Limited	6,788,330	-	(405,318)	6,383,012
Swasti Power Private Limited	4,905,443	(4,475,382)	(430,061)	-
Gangadhari Hydro Power Private Limited	3,897,449	-	(232,709)	3,664,740
Multiple units without significant goodwill	66,527,965	(13,846,966)	(4,396,646)	48,284,353
	258,681,631	**(18,322,348)**	**(16,006,918)**	**224,352,365**

The recoverable amount of a CGU is determined based on value-in-use calculations. As the Group has long-term power purchase agreements with customers, these calculations use pre-tax cash flow projections prepared by management based on balance life of the project.

(All amounts in US Dollars unless otherwise stated)

8 Intangible assets and goodwill (continued)

The following are the key assumptions used in calculation of value-in-use for each cash generating unit:

a) **Projected revenues** - The Group has determined the revenues for the balance life of the project based on average plant load factor (PLF) and energy production study reports obtained by the Group from third party technical consultants, the existing Power Purchase Agreements (PPA) with the transmission companies and other customers. The PPA is a long-term contract with agreed price per unit of power sold and the growth rates used are consistent with those contracts. In case of short-term PPAs and open access sale agreements, the growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

b) **Other operating costs -** These costs are estimated using the historical performance and plant maintenance activity. The estimates of other operating costs used in value-in-use calculations are consistent with those used in the Group's business plan. The growth rate applied to other operating costs fully reflects the expected operating lives of the power projects.

c) **Discount rates** - The discount rate used is pre-tax and reflects the specific risks associated with the respective projects and are in the range of 9.5% to 11%.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

9 Financial assets and liabilities

The accounting policies for financial instruments have been applied to the line items below:

31 March 2019

	Amortised cost	Financial assets at FVTPL	Total
Financial assets			
Non-current			
Bank deposits (note 15)	73,317,619	-	73,317,619
Other receivables (note 12)[a]	11,170,291	-	11,170,291
Derivative financial assets	-	253,164,484	253,164,484
Current			
Other investment (note 10)	-	3,214,442	3,214,442
Bank deposits (note 15)	77,386,152	-	77,386,152
Trade receivables (note 11)	288,118,415	-	288,118,415
Other receivables (note 12)[a]	38,369,571	-	38,369,571
Cash and cash equivalents (note 14)	214,393,912	-	214,393,912
Total	**702,755,960**	**256,378,926**	**959,134,886**

	Liabilities measured at amortised cost	Financial liabilities at FVTPL	Total
Financial liabilities			
Non-current			
Borrowings (note 18)	3,834,665,419	-	3,834,665,419
Trade and other payables (note 17)[b]	55,727,440	-	55,727,440
Other financial liabilities	125,552,511	-	125,552,511
Current			
Borrowings (note 18)	267,247,426	-	267,247,426
Trade and other payables (note 17)*	215,024,122	23,338,976	238,363,098
Other financial liabilities	45,795,248	-	45,795,248
Total	**4,544,012,166**	**23,338,976**	**4,567,351,142**

* Financial liabilities are at FVTPL consists of contingent consideration payable against business combinations (refer note 26).

(All amounts in US Dollars unless otherwise stated)

9 Financial assets and liabilities (continued)

31 March 2018

	Loans and receivables*	Financial assets at FVTPL	Available for-sale*	Total
Financial assets				
Non-current				
Bank deposits (note 15)	41,608,261	-	-	41,608,261
Other receivables (note 12)[a]	41,447,342	-	-	41,447,342
Derivative financial assets	-	224,041,194	-	224,041,194
Current				
Other investments (note 10)	-	-	1,076,727	1,076,727
Bank deposits (note 15)	72,842,920	-	-	72,842,920
Trade receivables (note 11)	131,814,839	-	-	131,814,839
Other receivables (note 12)[a]	73,302,562	-	-	73,302,562
Cash and cash equivalents (note 14)	94,712,763	-	-	94,712,763
Total	**455,728,687**	**224,041,194**	**1,076,727**	**680,846,608**

	Liabilities measured at amortised cost
Financial liabilities	
Non-current	
Borrowings (note 18)	2,590,137,612
Trade and other payables (note 17)[b]	32,841,449
Other financial liabilities	161,724,829
Current	
Borrowings (note 18)	195,690,609
Trade and other payables (note 17)	104,547,589
Other financial liabilities	49,320,033
Total	**3,134,262,121**

The fair values of the borrowings are disclosed in Note 18.

The carrying amounts reported in the statement of Group financial position for cash and cash equivalents, trade and other receivables, trade and other payables approximate their respective fair values due to their short maturity.

[a] Other receivables that are not financial assets (such as certain advances and other receivables, prepaid and advance for purchase of equity) of US$49,970,479 and US$43,716,831 as of 31 March 2019 and 31 March 2018, respectively, are not included.

[b] Trade and other payables that are not financial liabilities (such as deferred income and deferred gain) of US$ 9,451,609 and US$1,320,188 as of 31 March 2019 and 31 March 2018, respectively, are not included.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(All amounts in US Dollars unless otherwise stated)

9 Financial assets and liabilities (continued)

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

31 March 2019

	Level 1	Level 2	Level 3	Total
Financial assets				
Other investments	3,214,442	-	-	**3,214,442**
Derivative financial assets	-	253,164,484	-	**253,164,484**
Financial liabilities				
Contingent consideration payable	-	-	23,338,976	**23,338,976**

31 March 2018

	Level 1	Level 2	Level 3	Total
Financial assets				
Other investments*	1,076,727	-	-	**1,076,727**
Derivative financial assets	-	224,041,194	-	**224,041,194**

* The Group has initially applied IFRS 9 at 1 April 2018. Under the transition method chosen, comparative information is not restated. Upon adoption of IFRS 9, financial assets classified under loans and receivables category under IAS 39 are falling under amortised cost category and Available-for-sale financial assets are classified as financial assets through profit or loss.

Measurement of fair value of financial instruments

The Group entered into forward contracts to mitigate the foreign currency risks (Refer Note 4.1). The derivative asset associated with these contracts are recognised at fair value at inception. Subsequent changes to the fair value of the financial asset from the date of inception till 31 March 2019, have been charged to profit or loss.

The Group's finance team performs valuations of financial items for financial reporting purposes in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The fair value estimate has been determined considering inputs that include other than quoted prices of similar assets/industry that are indirect observables like interest rates, yield curves, implied volatilities and credit spreads.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts.

Instrument	Currency	Cross currency	Notional amount	Fair value as at 31 March 2019	Fair value as at 31 March 2018
Forward contracts and options	US$	INR	1,714,665,094	253,164,484	224,041,194
			1,714,665,094	**253,164,484**	**224,041,194**

Other financial liabilities:

Other financial liabilities consists of premium payable on above derivative instruments. Financial liability towards premium payable is initially measured at fair value and are subsequently measured at amortised cost using the effective interest method. Contractual undiscounted cash flows and maturities of premium payables are disclosed in note 4.3.

Other investments

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

Contingent consideration payable

The contingent consideration on account of business combination are valued considering the present value of the expected future payments, discounted using a risk –adjusted discount rate.

10 Other investments

	31 March 2019	31 March 2018
Beginning of the year	1,076,727	1,993,880
Acquired through business combination (Refer note 26)	33,672,122	-
Dividend income	197,030	95,716
Redemption	(33,143,564)	(971,695)
Effect of exchange difference	1,412,127	2,683
Unrealised losses	-	(43,857)
At the end of the year	**3,214,442**	**1,076,727**
Less: Non-current portion	-	-
Current portion	**3,214,442**	**1,076,727**

There are no impairment provision on other investments during the year. None of the financial assets is either past due or impaired. Other investments assets include the following:

	31 March 2019	31 March 2018
Unlisted securities:		
— Units of open-ended mutual funds (debt instruments)	3,214,442	1,076,727
	3,214,442	**1,076,727**

Other investments are denominated in Indian rupees. The maximum exposure to credit risk at the reporting date is the fair value of the units of mutual funds classified as other investments.

11 Trade receivables

	31 March 2019	31 March 2018
Gross trade receivables	299,787,683	131,814,839
Less: Allowance for expected credit loss	(11,669,268)	-
	288,118,415	**131,814,839**

All the trade receivables are short-term and their carrying values are considered a reasonable approximation of fair values. All trade receivables are designated as financial assets measured at amortised cost.

Trade receivables include unbilled receivables of US$7,722,839 (31 March 2018: US$2,533,071) and not past due US$101,493,649 (31 March 2018: US$54,589,875). Trade receivables that are outstanding for more than one month from due date are considered as past due. These receivables have been considered as fully recoverable based on Directors' assessment. Recoverability is based on the evaluation of terms implicit in the contracts with the customers, legal opinions and other pertinent factors.

The ageing of trade receivables and expected credit loss are given below:

	31 March 2019	31 March 2018
Not due	7,722,839	2,533,071
0 to 30 days	101,493,649	54,589,875
1 to 6 months	100,285,105	38,107,908
6 to 9 months	35,169,047	20,455,501
9 to 12 months	14,278,865	4,739,474
Beyond 12 months	40,838,178	11,389,010
Gross trade receivables	**299,787,683**	**131,814,839**
Less: Allowance for expected credit loss	(11,669,268)	-
Trade receivables	**288,118,415**	**131,814,839**

The Group has a provision in place to set aside an allowance to cover potential impairment and non-payment of trade receivables. An Expected Credit Loss provision has been calculated on trade receivables in accordance with IFRS 9 (refer note 2.9 and 4.2). The movements on the allowance for expected credit losses of trade receivables is shown below:

	31 March 2019	31 March 2018
As at the beginning of the year	-	-
Charge for the year	11,461,532	-
Exchange differences	207,736	-
Closing as at balance sheet date	**11,669,268**	**-**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

(All amounts in US Dollars unless otherwise stated)

12 Other receivables

	31 March 2019	31 March 2018
Other receivables	24,802,931	21,590,206
Advance for expenses	21,127,385	10,691,676
Receivables from equity-accounted investees	32,797,471	104,001,369
Sundry deposits	12,158,439	8,027,416
Advance for purchase of equity	8,624,115	14,156,068
Total other receivables	**99,510,341**	**158,466,735**
Less: Non-current portion	(19,794,406)	(55,603,410)
Current portion	**79,715,935**	**102,863,325**

The Group's exposure to credit risk related to financial assets are disclosed in note 4.2.

Advance for purchase of equity represents interest free amounts paid under memorandum of understanding with various parties for acquisition of their stake in certain entities which are to be acquired in the future. These advances do not provide the Group with additional rights and are adjusted against the purchase consideration when the transaction is consummated else these amounts are refunded by the parties. Receivables from equity-accounted investees primarily represent loans given by the Group to equity-accounted investees. Other receivables include advances against purchase of raw materials, interest receivable on deposits and other advance recoverable.

13 Inventories

	31 March 2019	31 March 2018
Stores and consumables	3,895,939	3,562,137
Raw materials	1,063,078	561,361
Renewable energy certificates	171,469	42,382
	5,130,486	**4,165,880**

14 Cash and cash equivalents

	31 March 2019	31 March 2018
Cash on hand	1,042,599	111,713
Cash at bank	213,351,313	94,601,050
	214,393,912	**94,712,763**

Cash at bank of the Group includes US$26,771,826 (31 March 2018: US$18,603,076) in currencies other than INR (i.e., in US$, GBP,SGD and EURO).

15 Bank deposits

The Group holds balances in deposit accounts with banks. All fixed deposits with original maturity of more than three months and less than 12 months amounting to US$77,386,152 (31 March 2018: US$ 72,842,920) are classified as 'bank deposits'. Deposits with maturity date beyond 12 months from the reporting date amounting to US$73,317,619 (31 March 2018: US$41,608,261) are disclosed under non-current assets. Bank deposits aggregating to US$98,005,813 (31 March 2018: US$ 61,274,600) given as security.

Bank deposits include US$3,124,993 (31 March 2018: US$ 3,124,993) in currencies other than INR (i.e., in US$).

(All amounts in US Dollars unless otherwise stated)

16 Share capital

	31 March 2019	31 March 2018
Issued and fully paid		
Ordinary shares with no par value		
— 802,975,134 (31 March 2018: 595,857,311) Class A shares	1,415,804,775	967,681,800
— Nil (31 March 2018: 16,000,000) Class B shares	-	16,000
Total	**1,415,804,775**	**967,697,800**

Holders of the above shares are entitled to dividends as declared from time to time. Holders of Class A shares are entitled to one vote per share at the general meetings of the Company and Class B shares shall not confer any voting rights at the general meetings of the Company except to the extent that are required to vote under applicable law.

- During the year, the Company has issued 165,182,227 Class A ordinary shares to the existing shareholders.
- During the year, 16,000,000 Class B equity shares have been converted into 16,000,000 Class A equity shares on 1:1 basis and 25,935,596 outstanding share warrants as at 31 March 2018 have been exercised by Greenko Ventures Limited.
- During June 2018, the Company granted a right to subscribe 51,271,209 warrant shares to Greenko Ventures Limited ("GVL") at the fair value as on the date of grant. These warrants may be exercised by GVL at any time during the warrant period at the warrant price contemplated in warrant deed entered between the shareholders of the Company. On exercise, these warrants are convertible to 51,271,209 Class A shares of the Company.

17 Trade and other payables

	31 March 2019	31 March 2018
Trade payables	26,372,973	14,350,272
Capital creditors	51,800,825	22,853,621
Interest accrued but not due on borrowings	94,920,768	65,222,159
Cost of acquisition payable	77,588,949	14,776,781
Deferred income	9,451,609	-
Deferred gain	-	1,320,188
Advances from equity-accounted investees	1,932,002	4,955,928
Other payables	41,475,021	15,230,277
Total trade and other payables	**303,542,147**	**138,709,226**
Less: Non-current portion	(65,179,049)	(34,161,637)
Current portion	**238,363,098**	**104,547,589**

Deferred gain represents the unrealised profit on inter-company sale of Property, Plant and Equipment between the group and equity-accounted investees (downstream transactions). The said profit is realised based on the depreciation of purchased assets by the equity accounted investees.

Other payables include accruals for expenses, statutory liabilities and other liabilities. All amounts are short term and the carrying values of trade and other payables are considered a reasonable approximation of fair value. Cost of acquisition payable is consideration payable towards acquisitions made by subsidiaries.

Deferred income represents subsidy in the form of Viability Gap Funding (VGF) in accordance with National Solar Mission in case of two solar projects acquired during the year. Upon satisfaction of underlying conditions for receipt of VGF, the subsidy, recognised as deferred income, is being amortised over the useful life of the solar plant.

Advances from equity-accounted investees represents amounts received from the said investees towards asset procurement and plant commissioning services.

(All amounts in US Dollars unless otherwise stated)

18 Borrowings

The carrying amount of Group's borrowings, net of unamortised transaction costs/issue expenses, is as follows:

	31 March 2019	31 March 2018
Non-current – Financial liabilities measured at amortised cost		
Term loans from banks	293,635,130	105,362,443
Term loans from financial institutions	1,862,796,441	885,086,390
5.25% Senior Notes {Refer Note 18.5 (a)}	643,235,158	642,406,254
4.875% Senior Notes {Refer Note 18.5 (a)and (b)}	836,010,714	833,610,688
Notes {Refer Note 18.5 (c)}	124,096,114	123,568,245
Floating Rate Bonds {Refer Note 18.5 (d)}	74,891,862	-
Vehicle loans	-	103,592
	3,834,665,419	**2,590,137,612**
Current – Financial liabilities measured at amortised cost		
Term loans from banks	31,303,196	41,835,638
Term loans from financial institutions	235,846,823	153,727,329
Vehicle loans	97,407	127,642
	267,247,426	**195,690,609**
Total borrowings	**4,101,912,845**	**2,785,828,221**

18.1 Term loans from banks and financial institutions mature over the financial years 2020 to 2036 and bear floating rates of interest in the range of 7.35% to 14.75%. The fair value of borrowings from banks, financial institutions and floating rate bonds approximates their carrying value as these borrowings carry a floating rate of interest. Senior Notes and Notes are carrying fixed rates of interest.

18.2 Term loans from banks and financial institutions are secured against first charge by way of hypothecation of all immovable properties including plant and machinery and all other movable properties both present and future of respective subsidiary. Some of the loans are also secured by pledge of shares of subsidiaries and corporate guarantees within the Group. Working capital loans are secured by inventory and trade receivables. Additionally, the borrowings are also secured by lien on bank deposits amounting to US$63,502,488 (31 March 2018: US$36,506,377).

18.3 The carrying amounts and fair value of the borrowings are as follows:

	31 March 2019		31 March 2018	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Term loans from banks	324,938,326	324,938,326	147,198,081	147,198,081
Term loans from financial institutions	2,098,643,264	2,098,643,264	1,038,813,719	1,038,813,719
5.25% Senior Notes	643,235,158	643,235,158	642,406,254	642,406,254
4.875% Senior Notes	836,010,714	836,010,714	833,610,688	833,610,688
Notes	124,096,114	124,096,114	123,568,245	123,568,245
Floating Rate Bonds	74,891,862	74,891,862	-	-
Vehicle loans	97,407	97,407	231,234	231,234
Total	**4,101,912,845**	**4,101,912,845**	**2,785,828,221**	**2,785,828,221**

18.4 The carrying amounts of the Group's borrowings are denominated in the following currencies:

	31 March 2019	31 March 2018
Indian Rupee (INR)	2,423,678,997	1,186,243,034
US Dollar (US$)	1,678,233,848	1,599,585,187
	4,101,912,845	**2,785,828,221**

(All amounts in US Dollars unless otherwise stated)

18 Borrowings (continued)

18.5 Notes and Senior Notes

a) In July 2017, Greenko Dutch B.V., raised funds to the tune of US$350,000,000 and US$650,000,000 by issuing 4.875% and 5.25% US$ Senior Notes (the Senior Notes) respectively from institutional investors. The Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). In accordance with the terms of the issue and as permitted under law, Greenko Dutch B.V. invested issue proceeds, net of issue expenses, to repay the existing 8% US$ Senior notes outstanding along with the associated costs and contributed in non-convertible debentures of certain Indian subsidiaries to enable repayment of existing Rupee debt. For this purpose, Greenko Dutch B.V. is duly registered as a Foreign Portfolio Investor under the Indian law. The interest on the Senior Notes is payable on a semi-annual basis in arrears and the principal amount is payable on 24 July 2022 and 24 July 2024 respectively. The Senior Notes are secured by corporate guarantee of the Company and pledge of shares of Greenko Dutch B.V. owned by Greenko Mauritius. Non-convertible debentures issued to Greenko Dutch B.V. by Indian subsidiaries are secured by pledge of assets of those subsidiaries through an Indian trustee. Further, as per the terms of the senior notes, the Company has an option for early redemption subject to the conditions specified in the instrument.

b) Greenko Investment Company ("Greenko Investment"), a subsidiary of Greenko Mauritius, raised funds to the tune of US$500,000,000 by issuing 4.875% US$ Senior Notes (the Senior Notes) to institutional investors in August 2016. The Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). Greenko Investment invested issue proceeds, net of issue expenses, in non-convertible debentures of certain Indian subsidiaries to enable repayment of existing Rupee debt. For this purpose, Greenko Investment is duly registered as Foreign Portfolio Investor under the Indian law. The interest on the Senior Notes is payable on a semi-annual basis in arrears and the principal amount is payable on 15 August 2023. The Senior Notes are secured by corporate guarantee of the parent and pledge of shares of Greenko Investment owned by Greenko Mauritius. Further, the assets of Indian subsidiaries have been pledged to secure non-convertible debentures by Indian subsidiaries through an Indian trustee.

c) Greenko Mauritius has raised funds to the tune of US$125,000,000 by issuing Notes to EIG Greenko Holdings S.À R.L. ("EIG") with a cash coupon of 5% per annum payable on a semi-annual basis and PIK coupon of 8% per annum payable on maturity. These notes are repayable in December 2020 and secured by pledge of 146,534,571 equity shares of Greenko Mauritius.

d) Greenko Power Projects (Mauritius) Ltd ("GPPML"), a subsidiary of Greenko Mauritius, raised funds to the tune of US$ 75,000,000 by issuing Floating Rate Secured Guaranteed Bonds with an interest rate of three month LIBOR plus 4.75 per cent per annum to institutional investors in October 2018 on a private placement basis and due for payment in April 2020. The Bonds are secured by corporate guarantee of Greenko Mauritius and pledge of all shares of Orange Renewable Holding Pte Ltd owned by GPPML.

18.6 Reconciliation of liabilities arising from financing activities

				Non Cash changes		
	As at 1 April 2018	**Cash flows**	**Additions through business combinations**	**Foreign Exchange movements**	**Amortisation of transaction costs**	**As at 31 March 2019**
Borrowings	2,785,828,221	301,151,411	978,435,918	43,194,470	(6,697,175)	**4,101,912,845**

19 Deferred tax liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities from the same taxation authority. The offset amounts are as follows:

	31 March 2019	**31 March 2018**
Deferred tax liabilities		
— to be recovered beyond 12 months from reporting date	429,997,515	203,604,201
— to be recovered within 12 months	-	-
	429,997,515	**203,604,201**

(All amounts in US Dollars unless otherwise stated)

19 Deferred tax liabilities (continued)

The movement in deferred tax (assets)/liabilities during the period is as follows:

	Tangible assets	Intangible assets	Others	Total
At 01 April 2017	**97,964,920**	**50,220,583**	**(22,099,293)**	**126,086,210**
Acquisition through business combination (Refer Note 26)	15,825,125	53,793,117	-	69,618,242
Recognised in profit or loss	9,099,672	(4,272,944)	3,659,993	8,486,721
Exchange difference	(439,174)	(177,850)	30,052	(586,972)
At 31 March 2018	**122,450,543**	**99,562,906**	**(18,409,248)**	**203,604,201**
Acquisition through business combination (Refer Note 26)	49,352,623	146,801,941	-	196,154,564
Recognised in profit or loss	37,519,626	(6,883,061)	-	30,636,565
Exchange difference	(3,251,142)	1,754,148	1,099,179	(397,815)
At 31 March 2019	**206,071,650**	**241,235,934**	**(17,310,069)**	**429,997,515**

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable.

Dividends are not taxable in India in the hands of the recipient. However, the Indian subsidiaries will be subject to a 'dividend distribution tax' currently at the rate of 15% (plus applicable gross up, surcharge and education cess) on the total amount distributed as dividend. As at 31 March 2019 and 31 March 2018 there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future as the Group earnings will continue to be fully re-invested to finance the on-going growth of the Group.

20 Revenue

The Group derives revenue from generation and sale of electricity. Revenues from sale of renewable energy certificates and generation based incentives are arising as a part of generation and supply of electricity.

	31 March 2019	31 March 2018
Sale of power	465,723,378	298,038,071
Sale of renewable energy certificates	2,231,064	4,398,380
Generation based incentive	17,096,481	11,887,340
	485,050,923	**314,323,791**

All the power generation facilities are located in India and earn its revenues from customers located in India. The Group deals in a single type of product i.e. power which is sold directly to Government (State utilities) within India under long-term power purchase agreements (PPA). Thus, the quantitative disclosure in respect of disaggregation of revenue is not required. The Group has identified supply of power over the term of PPA as a single performance obligation and revenue is recognised for units of power supplied in accordance with terms of PPA. The transaction price is clearly stated, there are no separate performance obligations to which a portion of the transaction price needs to be allocated, and there is no variable consideration.

21 Retirement benefit obligations

The Group has an obligation towards defined benefit plans towards gratuity and compensated absences of US$1,954,849 (31 March 2018: US$1,409,006) and US$1,045,243 (31 March 2018: US$776,873) respectively.

The Group makes annual contributions under a group gratuity plan to Life Insurance Corporation of India ("LIC") of an amount advised by LIC. The expected rate of return on plan assets is based on the expectation of the average long-term rate of return expected on the insurer managed funds during the estimated term of the obligation. The Group expects to contribute US$265,451 towards the gratuity plan for the year ending 31 March 2020.

(All amounts in US Dollars unless otherwise stated)

22 Employee benefit expense

	31 March 2019	31 March 2018
Salaries and wages	12,178,604	12,635,481
Employee welfare expenses	786,907	627,313
Retirement benefits—defined contribution plans	1,041,230	422,185
Retirement benefits—defined benefit plans		
-Gratuity	465,693	178,972
-Compensated absences	383,203	28,625
	14,855,637	**13,892,576**

23 Finance income and costs

	31 March 2019	31 March 2018
Finance income		
Foreign exchange gain	39,344	766,219
Interest on bank deposits	14,773,063	4,692,390
Fair value gain on derivative contracts, net	29,123,328	-
Dividend from units of mutual funds	197,030	95,716
	44,132,765	**5,554,325**
Finance costs		
Finance cost on borrowings	274,473,273	181,941,191
Finance cost on derivative instruments	7,658,840	18,543,210
Fair value loss on derivative instruments, net	-	3,831,965
Bank charges	865,673	552,617
	282,997,786	**204,868,983**

24 Taxation

	31 March 2019	31 March 2018
Current tax	15,995,700	8,907,997
Deferred tax (note 19)	30,636,565	8,486,721
	46,632,265	**17,394,718**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group as follows:

	31 March 2019	31 March 2018
Profit before taxation	**85,397,550**	**50,256,983**
Domestic tax rate for Greenko Energy Holdings	15%	15%
Expected tax expense	12,809,633	7,538,547
Effect of tax rate in foreign jurisdictions (India and Netherlands)	16,870,704	11,612,001
Effect of entities with lower than normal tax rates	(6,675,159)	(4,594,470)
Adjustment for unrecognized tax differences during tax holiday period	23,627,087	2,838,640
Tax charge	**46,632,265**	**17,394,718**

The tax rates used in computing the weighted average tax rate is the substantively enacted tax rate. In respect of the Indian entities this was in the range of 26.00% to 34.94%, (31 March 2018: 26.00% to 29.12%).

The Indian subsidiaries of the Group engaged in power generation currently benefit from a tax holiday from the standard Indian corporate taxation for the year ended 31 March 2019. The tax holiday period under the Indian Income Tax Act is for 10 consecutive tax assessment years out of a total of 15 consecutive tax assessment years from the tax assessment year in which commercial operations commenced. However, these companies are still liable for Minimum Alternate Tax which is calculated on the book profits of the relevant entity and is currently at a rate of 21.55% (31 March, 2018: 20.59%).

25 Commitments and contingencies

The commitments and contingencies of the Group for the year 31 March 2019 and 31 March 2018 are:

a) A few of the Group's power generating units in India have income tax disputes with the tax authorities. The Group has appealed against the orders of the income tax officer/authority at appropriate levels. The Group has been successful in obtaining favourable orders in few cases. The tax authorities have appealed against these orders. Based on assessment of these claims, the management is confident of ultimate favourable outcome. The amount involved in these claims are US$4,784,645 (31 March 2018: US$5,036,564).

b) In December 2010, Sai Spurthi Power Private Limited (SSPPL), received a letter from a bank informing SSPPL that three corporate guarantees aggregating to US$6,828,287 (31 March 2018: US$7,261,879) were given by SSPPL in respect of loans availed by Sagar Power (Neerukatte) Limited, a company promoted and owned by erstwhile management of SSPPL. On verification of records and discussions with the erstwhile management, the management believes that only one corporate guarantee of US$640,323 (31 March, 2018: US$680,983) was provided to the bank. The management is confident that the contingent liability of SSPPL under the corporate guarantees issued will not exceed US$640,323 (31 March, 2018: US$680,983). Further, as per the terms of the share purchase agreement with the promoters/erstwhile seller-shareholders of SSPPL, the promoters/erstwhile seller-shareholders of SSPPL are required to have the corporate guarantee(s) released without any liability to SSPPL or the Group.

During 2012-13, SSPPL received a communication from Indian Renewable Energy Development Agency ("IREDA") informing that SSPPL had given a corporate guarantee of US$1,094,569 (31 March, 2018: 1,164,073) for the credit facilities availed by Bhadragiri Power Private Limited, a company promoted and owned by erstwhile management of SSPPL. On verification of records and discussions with the erstwhile Managing Director, SSPPL came to an opinion that the said corporate guarantee was not executed on behalf of SSPPL and hence SSPPL is not responsible for any liability under those documents. This is a matter of dispute which needs to be finally settled. The promoters/erstwhile seller-shareholders are responsible and obligated to the Group to settle this liability, if any.

c) Greenko Budhil, one of the subsidiaries of the Company, had received demand notices aggregating to US$10,959,607 (31 March 2018: US$11,655,536) from various government authorities in relation to duty drawback, construction cess, entry tax and common costs for transmission lines. Greenko Budhil has contested these demands at various levels. Pending disposal of these matters, in view of the management no provision is required to be made in the books of account. Further, the promoters/erstwhile seller-shareholders are responsible and obligated to the Group to settle these disputes.

d) Greenko Budhil, one of the subsidiaries of the Company, terminated Power Purchase Agreement (PPA) entered with PTC India Limited (PTC). Haryana Power Generation Corporation Limited (HPGCL), the ultimate beneficiary (as PTC entered into a power supply agreement with HPGCL), disputed the termination. HPGCL approached the Haryana Electricity Regulatory Commission (HERC) seeking inter alia that (i) the termination of the PPA to be declared illegal and invalid and (ii) that both the Greenko Budhil and PTC be directed to comply with their obligations qua HPGCL ("HPGCL Petition"). Appellate Tribunal for Electricity (APTEL) has held that HERC does not have jurisdiction over the dispute. HPGCL and PTC both have challenged the decision of APTEL separately with Hon'ble Supreme Court of India. Petitions have been admitted by Hon'ble Supreme Court. The matter is pending with Hon'ble Supreme Court for hearing. Based on the legal opinion of an independent counsel, the Group is confident of a favourable outcome in this matter. Further, the promoters/erstwhile seller-shareholders are responsible and obligated to the Group to settle this liability, if any.

e) Him Kailash Hydro Power Private Limited (HKHPPL), one of the subsidiaries of the Company, had given a corporate guarantee in respect of a term loan of US$2,096,284 (31 March 2018: US$2,229,396) sanctioned to Madhava Vasistha Hydro Power Private Limited, a company owned by erstwhile owners of HKHPPL. Pursuant to the terms of share purchase agreement with erstwhile owners of HKHPPL, erstwhile owners of HKHPPL are required to get the corporate guarantee released without any liability to HKHPPL or to the Group.

f) **Capital commitments**

Capital expenditure contracted for as at 31 March 2019 but not yet incurred aggregated to US$416,176,013 (31 March 2018: US$75,436,876).

(All amounts in US Dollars unless otherwise stated)

26 Business combinations

During the year:

a) During October 2018, the Company through its wholly owned subsidiary Greenko Power Projects (Mauritius) Limited ("GPPM") entered into a definitive agreement with AT Holdings Pte Limited to acquire the equity shares of Orange Renewable Holdings Pte Limited, Singapore and certain target Indian subsidiaries (collectively referred as "Orange Group").

The transaction primarily involved acquisition of selected portfolio of wind and solar power projects in India. The selected portfolio consists of 707 MW operational wind and solar projects and 200 MW under development wind project. The acquisition was completed on 04 October 2018. However, the valuation of the acquired assets and liabilities has been carried out on 01 October 2018 considering that the effect of transactions from 01 October 2018 to 04 October 2018 are not material to the consolidated financial statements.

b) During October 2018, the Company through its wholly owned subsidiaries Greenko Energies Private Limited ("GEPL") and Wind Power Projects (Mauritius) Limited ("WPP") entered into definitive agreements with Tanti Holdings Private Limited, Golden Slam India Investments Private Limited and AEP II Holdings Pte Ltd to acquire Skeiron Green Power Private Limited and its subsidiaries (collectively referred as "Skeiron Group").

The transaction primarily involved acquisition of selected portfolio of 384 MW operating wind power projects in India. The acquisition was completed on 31 October 2018 and the valuation of the acquired assets and liabilities has been carried out on 31 October 2018.

c) During December 2018, the Company through its wholly owned subsidiary Greenko East Coast Power Projects Private Limited has acquired the control of Himachal Sorang Power Private Limited (HSPPL) post the approval of Government of Himachal Pradesh for transfer of equity from Taqa India Power Ventures Private Limited. The transaction primarily involved acquisition of 100 MW hydro project which is near completion stage and situated in Himachal Pradesh, India (Himachal Sorang). The acquisition was completed on 31 December, 2018 and the valuation of the acquired assets and liabilities has been carried out on 31 December 2018.

d) The Group through its subsidiaries has acquired 49% shareholding in below solar entities from SunEdison Group and Karvy Group in earlier years (collectively referred as "Solar entities"). These entities are operating entities with a capacity of 180 MW. During November 2018 and March 2019, the Group has acquired the balance 51% shareholding of below SunEdison solar entities. Pursuant to the conditions being met in March 2019, the Group obtained the control over the Board of Karvy solar entities including the power to direct the relevant activities of the investee unilaterally. The administrative process of transfer of 51% shares is in progress which is procedural in nature.

Sl. No.	Entity	Acquired from	Control obtained during
1.	SEI Green Flash Private Limited	SunEdison	November 2018
2.	SEI Arushi Private Limited	SunEdison	November 2018
3.	Zuka Power Private Limited	SunEdison	March 2019
4.	Rain Coke Limited	SunEdison	March 2019
5.	Suvarchas Solar Power Limited	Karvy	March 2019
6.	Vishvarupa Solar Power Limited	Karvy	March 2019
7.	Achintya Solar Power Limited	Karvy	March 2019
8.	Grinibhrit Solar Power Limited	Karvy	March 2019

Excess of group's interest in the fair value of acquiree's assets and liabilities over cost is on account of Seller's exit from the above entities and bilateral negotiations between parties which has resulted into bargain purchase to the Group.

(All amounts in US Dollars unless otherwise stated)

26 Business combinations (continued)

The Group has accounted for the above transactions under IFRS 3, "Business Combinations" in the consolidated financial statements. Details of purchase consideration, fair value of the acquiree's assets and inabilities arising from the acquisition and bargain purchase are given below:

	Orange entities	Skeiron entities	Solar entities	Himachal sorang	Total
Purchase consideration:					
- Cash paid	377,826,623	113,833,130	-	-	491,659,753
- Advance for purchase of equity	-	-	10,834,165	-	10,834,165
- Investment in associates	-	-	8,102,659	-	8,102,659
- Deferred consideration*	15,862,865	25,082,425	-	-	40,945,290
- Contingent consideration*	16,149,724	7,189,252	-	-	23,338,976
Total purchase consideration	**409,839,212**	**146,104,807**	**18,936,824**	**-**	**574,880,843**
Fair value of net assets acquired	414,902,118	195,764,985	55,243,400	9,790,450	675,700,953
Excess of group's interest in the fair value of acquiree's assets and liabilities over cost	**(5,062,906)**	**(49,660,178)**	**(36,306,576)**	**(9,790,450)**	**(100,820,110)**

Fair value of the acquiree's assets and liabilities arising from the acquisition are as follows:

	Orange entities	Skeiron entities	Solar entities	Himachal sorang	Total
Property, plant and equipment	624,554,363	342,838,791	147,121,769	130,773,320	1,245,288,243
Intangible assets	288,156,159	162,498,894	71,699,580	-	522,354,633
Long term loans and advances	35,248,901	-	5,003,467	2,640,286	42,892,654
Other investments	30,221,490	3,450,632	-	-	33,672,122
Working capital (net)	39,562,410	43,029,224	23,546,208	(18,736,315)	87,401,527
Bank deposits	11,045,270	-	7,112,939	1,120,691	19,278,900
Cash and cash equivalents	10,668,366	831,398	342,524	171,684	12,013,972
Borrowings	(457,473,073)	(297,442,614)	(123,686,643)	(99,833,588)	(978,435,918)
Other payables	(54,156,692)	-	(52,108,296)	(4,734,529)	(110,999,517)
Deferred tax liability	(112,925,076)	(59,441,340)	(23,788,148)	-	(196,154,564)
Contingent liability	-	-	-	(1,611,099)	(1,611,099)
Net assets	**414,902,118**	**195,764,985**	**55,243,400**	**9,790,450**	**675,700,953**

Net cash outflow on account of business combinations

	Orange entities	Skeiron entities	Solar entities	Himachal sorang	Total
Total purchase consideration	409,839,212	146,104,807	18,936,824	-	574,880,843
Advances and investments in associates	-	-	(18,936,824)	-	(18,936,824)
Consideration payable*	(32,012,589)	(32,271,677)	-	-	(64,284,266)
Cash and cash equivalents	(10,668,366)	(831,398)	(342,524)	(171,684)	(12,013,972)
Net cash outflow on acquisitions	**367,158,257**	**113,001,732**	**(342,524)**	**(171,684)**	**479,645,781**

* The Group has agreed to pay contingent consideration of US$ 23,338,976 and deferred consideration of US$ 40,945,290. Contingent consideration is for (i) an additional consideration of US$ 20,919,900 against Orange Group acquisition towards upside tariff revision in one of the project, future receivables to the extent of GBI in Andhra Pradesh wind power projects, realizations from sale of Voluntary Emission Reductions (VER) and other claims and (ii) an additional consideration of US$8,861,212 against Skeiron Group acquisition towards future receivables to the extent of GBI in Andhra Pradesh wind power projects and other claims. Management based on an assessment of the facts existing on the acquisition date, made a fair value estimate of the additional consideration to the extent probable on the acquisition date. Accordingly, the Group has recognised contingent consideration of US$23,338,976 representing the present value of Group's probability weighted estimate of cash outflow at the acquisition date.

(All amounts in US Dollars unless otherwise stated)

26 Business combinations (continued)

Deferred consideration is towards trade receivables and certain other receivables outstanding on the date of acquisition. As per the terms of the share purchase agreements, consideration against these receivables are payable upon realization / settlement of receivables from these parties and recorded at fair value.

The amounts of revenue and loss related to entities acquired above since the acquisition date included in the consolidated statement of profit or loss for the reporting period is US$59,928,206 and US$34,590,394, respectively.

During the previous year:

AP Solar entities:

During September 2016, the Company through its wholly owned subsidiaries has acquired 49% shareholding in below solar entities from SunEdison Group which were under development projects situated in Andhra Pradesh (collectively referred as "AP Solar entities"). These entities are operating entities with capacity of 500 MW. Pursuant to the Escrow conditions being met on 31 March 2018, the Group had obtained the control over the Board of these companies including the power to direct the relevant activities of the investee unilaterally. The administrative process of transfer of 51% shares is in progress which was procedural in nature and the process was completed in the current financial year.

Sl no	Entity
1.	Aarish Solar Power Private Limited
2.	Aashman Energy Private Limited
3.	Divyesh Power Private Limited
4.	Elena Renewable Energy Private Limited
5.	Pratyash Renewable Private Limited
6.	SEI Baskara Power Private Limited
7.	SEI Enerstar Renewable Energy Private Limited
8.	SEI Mihir Energy Private Limited
9.	Shreyas Renewable Energy Private Limited
10.	Zuvan Energy Private Limited

Excess of group's interest in the fair value of acquiree's assets and liabilities over cost is due to Seller's compulsion to exit within the defined timeline from their Indian business and through bidding process, resulted in bargain purchase.

Other entities:

During the year ended March 31, 2018, the Group has acquired 100% of the shares and voting interests in Karvy Solar Power Limited, New Era Enviro Ventures (Mahbubnagar) Private Limited, Premier Photovoltaic Medak Private Limited, Pennar Renewables Private Limited, Proeco Energy Private Limited, Saimeg Infrastructure (Mahbubnagar) Private Limited and Sharp Cleantech Infra Private Limited (collectively referred as "**other entities**") from different developers. These acquisitions were made to enhance the generating capacity of the Group from clean energy assets and has an operating solar power with capacity of 89 MW in the states of Andhra Pradesh and Telanagana. These entities are individually immaterial acquisitions and hence these entities are aggregated for IFRS 3 disclosures perspective. The effective date of acquisitions are 1 November 2017 and 1 December 2017.

Details of above acquisitions are set out below:

	AP Solar Entities	Other entities	Total
Purchase consideration:			
- Cash paid	-	33,490,847	33,490,847
- Advance for purchase of equity	31,585,350	1,549,907	33,135,257
- Investment in associates	38,643,539	-	38,643,539
- Consideration payable	-	3,061,229	3,061,229
Total purchase consideration	**70,228,889**	**38,101,983**	**108,330,872**
Fair value of net assets acquired	198,874,993	44,522,100	243,397,093
Goodwill	-	120,361	120,361
Excess of group's interest in the fair value of acquiree's assets and liabilities over cost	128,646,104	6,540,478	135,186,582

(All amounts in US Dollars unless otherwise stated)

26 Business combinations (continued)

Fair value of the acquiree's assets and liabilities arising from the acquisition are as follows:

	AP Solar entities	Other entities	Total
Property, plant and equipment	481,804,320	89,108,868	570,913,188
Working capital (net)	12,676,975	1,967,167	14,644,142
Long term loans and advances	3,575,165	420,555	3,995,720
Other payables	(34,218,831)	(52,348)	(34,271,179)
Intangible assets	195,868,205	30,359,450	226,227,655
Bank deposits	53,674,662	1,501,297	55,175,959
Cash and cash equivalents	2,383,634	679,059	3,062,693
Deferred tax liability	(55,634,524)	(13,983,718)	(69,618,242)
Borrowings	(461,254,613)	(65,478,230)	(526,732,843)
Net assets	**198,874,993**	**44,522,100**	**243,397,093**
Total Purchase consideration	70,228,889	38,101,983	108,330,872
Amount paid during the previous year	(31,585,350)	(1,549,907)	(33,135,257)
Investment in associates	(38,643,539)	-	(38,643,539)
Consideration payable	-	(3,061,229)	(3,061,229)
Cash and cash equivalents	(2,383,634)	(679,059)	(3,062,693)
Net cash outflow on acquisition during the year	**(2,383,634)**	**32,811,788**	**30,428,154**

27 Related-party transactions

a) Cambourne Investment Pte Limited, an affiliate of Government of Singapore Investment Company ("GIC") is considered as the Holding Company of the Group. Further, Greenko Ventures Limited, GVL Investments Limited, GVL Management Services Limited and GVL (Mauritius) Limited, in which Anil Kumar Chalamalasetty and Mahesh Kolli (Non-Executive Directors) have a beneficial interest, holds 18.81% in the Company.

b) The following transactions were carried out with related parties:

Key management compensation

	31 March 2019	31 March 2018
Short-term employee benefits		
Mr. Om Prakash Bhatt	245,000	225,000
Mr. Kunnasagaran Chinniah	75,000	75,000
Mr. Sriram Yarlagadda	75,000	62,500
Total short-term employee benefits	**395,000**	**362,500**

c) **Equity-accounted investees:**

Inter-company loans	**31 March 2019**	**31 March 2018**
Amount receivable	32,797,471	104,001,369
Amount payable	1,932,002	4,955,928

28 **Equity-accounted investees**

The Group also has interests in a number of individually immaterial associates. The Group owns 49% of the voting rights and accordingly the Group determined that it has significant influence.

The following table analyses, in aggregate, the carrying amount and share of profit and OCI of these associates:

	31 March 2019	31 March 2018
Carrying amount of interests in associates	7,429,102	50,231,686
Additional investment during the year	696,498	2,913,485
Transfer on account of business combination (Refer Note 26 (d))	(8,102,659)	(38,643,539)
Share of:		
Profit/(loss) from continuing operations	153,962	(7,072,530)
	176,903	**7,429,102**

29 Subsequent events:

a) During May 2019, the Company has entered into definitive agreements with its shareholders Cambourne Investment Pte Limited and Green Rock B 2014 Limited for primary equity contribution of US$495 million towards Integrated Renewable Energy Project (IREP) and an additional of US$329 million for an M&A subject to fulfilment of certain conditions.

b) During May 2019, the Company granted a right to subscribe 61,087,734 towards IREP and additional 40,546,842 warrant shares subject to an M&A to Greenko Ventures Limited ("GVL") at the fair value as on the date of grant. These warrants may be exercised by GVL at any time during the warrant period at the warrant price contemplated in warrant deed entered between the shareholders of the Company. On exercise, the warrants 61,087,734 related to IREP rights issue are convertible to 61,087,734 Class A shares of the Company.

c) During May 2019, the Company has entered into an Incentive Deed with GVL Management Services Limited, wherein the Company has issued 21,132,000 Class B2 performance shares which are subsequently convertible into Class A shares, pursuant to and in accordance with the terms of the agreement.

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

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, the Audited Consolidated Financial Statements and the related notes thereto of Greenko Energy Holdings ("Parent Guarantor") and the Audited Combined Financial Statements and the related notes thereto of Greenko Dutch B.V. ("Restricted Group") and Greenko Investment Company ("Restricted Group II").

Overview

We are one of the leading independent owners and operators of clean energy projects in India.

As of 31 March 2019, our portfolio of assets consists of (i) 109 operational projects with a combined installed capacity of 3,969.5 MW, comprising 21 operational hydropower projects with a total installed capacity of 379.8 MW, 35 operational wind energy projects with a total installed capacity of 2,198.5 MW, 46 operational solar energy projects with a total installed capacity of 1,312.9 MW and seven operational thermal projects (which include biomass and gas) with a total installed capacity of 78.3 MW, (ii) fourteen projects under construction with a total licensed capacity of 584.1 MW, comprising two wind projects with a total licensed capacity of 160.0 MW, six hydropower projects with a total licensed capacity of 244.1 MW and six solar energy projects with a total licensed capacity of 180.0 MW, and (iii) 6 hydropower projects under active development with a total licensed capacity of 369.0 MW. We are also constructing two integrated renewable energy storage projects ("IRESPS"), the Pinnapuram Pumped Storage Project and the Saundatti Pumped Storage Project, with a total pumped storage capacity of 2,460.0 MW equivalent to 22.1 GWh and with national grid connectivity. The IRESPs are expected to harness the power of solar and wind resources with digitally connected storage infrastructure to provide scheduled and flexible power to the grid.

As of 31 March 2019, the Restricted Group accounted for 27.1% of the total installed capacity of our operational projects, consisting of 17 operational hydro power projects with a total installed capacity of 235.3 MW (61.9% of the total installed capacity of our operational hydro power projects) and 7 operational wind energy projects with a total installed capacity of 440.0 MW (20.0% of the total installed capacity of our operational wind energy projects) and 13 operational solar energy projects with a total installed capacity of 399.4 MW (30.4% of total installed capacity of our operational solar energy projects).

As of 31 March 2019, the Restricted Group II accounted for 12.7% of the total installed capacity of our operational projects, consisting of 3 operational hydro power projects with a total installed capacity of 128.5 MW (33.8% of the total installed capacity of our operational hydro power projects) and 6 operational wind energy projects with a total installed capacity of 374.0 MW (17.0% of the total installed capacity of our operational wind energy projects).

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 a wind energy project is directly correlated with wind conditions at the project site. Variations in wind 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 changes in climate. In particular, wind conditions are generally tied to the monsoon season in India and are impacted by the strength of each particular monsoon season. The monsoon season in India runs from June to September and we generate approximately 60.0% of our annual production of wind power energy during this period. The wind 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 and, consequently, on revenues generated by wind energy projects across the whole of India.

Hydroelectric power generation is dependent on the amount of rainfall, snow melt and glacier melt in the regions in which our hydropower projects are located, which vary considerably from quarter to quarter and from year to year. Our hydropower projects in the Himachal Pradesh, Uttarakhand and Sikkim northern clusters are dependent on rainfall, snow melt and glacier melt. Our hydropower projects in the Karnataka southern cluster are situated on rivers that are primarily monsoon-dependent and are expected to run at full capacity during the four- month wet season, which is usually from June to September, and generate negligible amounts of power during the remaining period of the year. Any reduction in seasonal rainfall, snow melt or glacier melt or change from the expected timing could cause our hydropower projects to run at a reduced capacity and therefore produce less electricity, impacting our profitability. Conversely, if hydrological conditions are such that too much rainfall occurs at any one time, water may flow too quickly and at volumes in excess of a particular hydropower project's designated flood levels, which may result in shutdowns. Where rainfall levels are in the normal range in terms of overall quantum for the year but a substantial portion is concentrated for a shorter period of time, our hydropower projects will generate less power in the course of the year and consequently, this will impact the revenues derived from our hydropower projects. The performance of each of our projects is measured by its average plant load factor ("PLF"), which is the project's actual generation output as a percentage of its installed capacity over a period of time.

Unlike the resources for our wind energy projects and hydropower projects which are concentrated in specific regions and sensitive to the monsoon season, solar power generation is viable across India throughout most of the year as India ranks among the highest irradiation-receiving countries in the world. The energy output performance of our solar energy projects is dependent in part on the amount of sunlight and the ambient temperatures. As a result, our revenue in the past has been impacted by rains and sunlight. Our solar energy output decreases in monsoon seasons due to less sunlight whereas it increases during winter and summer months. Typically, our revenue is the lowest from June to September and highest from January to March of any given fiscal year.

Significant Recent Growth

We have significantly expanded our installed base of operational projects. In recent years, we have made a number of acquisitions, including the SunEdison Acquisition, the Orange Renewable Acquisition and the Skeiron Acquisition, to increase the total generating capacity of our projects, with a focus on acquiring operational and advanced construction projects near our existing and upcoming project clusters. We have also developed and are continuing to develop a number of projects. Our rapid growth makes it difficult to compare our consolidated results from period to period.

The following table sets forth the capacity of our operational projects as of 31 March 2019 and 31 March, 2018:

	As of 31 March, 2019 Capacity (MW)	**As of 31 March, 2018 Capacity (MW)**
Operational projects...	3,969.5	2,543.5

In FY2019 and FY2018, we generated 7,174.8 GWh and 4,268.3 GWh of power, respectively. FY2019 includes the results of operations of the assets acquired in the Orange Renewables Acquisition and the Skeiron Acquisition from the date of their respective acquisitions.

As our business has grown, we have increased our expenditures on general and administrative functions necessary to support this growth and support our operations. As part of our efforts to reduce risks in our business, although we currently outsource the operations and maintenance of our OEM turbines to suppliers, we are also actively developing in-house skills concurrently to oversee and back-up the operations and maintenance of our wind energy turbines, a model which is different from that generally adopted by our competitors.

Operation of Our Projects

Our results of operations are materially influenced by the degree to which we operate our projects in order to achieve maximum generation volumes. We intend 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 industry 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 demand for power at the relevant project. Likewise, unplanned outages can negatively affect our operating results, even if such outages are covered by insurance.

In addition, when we purchase turbines, our contracts with suppliers typically include comprehensive O&M service for a period of five to seven years (with free service, in some cases, for the first two years), a warranty in respect of the turbines 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 optimum operational performance of the turbines as well as a guaranteed performance commitment in the form of a minimum availability guarantee of 97% during the wind season which assures the turbines' availability to generate electricity for a specified percentage of the time with liquidated damages calculated by way of revenue loss subject to a cap.

Power Purchase Agreements

One of the key factors which affects our results of operations is our ability to enter into long-term PPAs for our generated power, thereby enhancing the security and long-term visibility of our revenues and limiting the impact of market price variability on our revenues. Almost all of our generated power is sold under PPAs to state utilities, industrial and commercial consumers and captive consumers. While these PPAs reduce exposure to volatility in the market price for power, the predictability of our operating results and cash flows vary by project based on the negotiated terms of these agreements, in particular the tariffs.

Our diversified mix of revenue streams balance certainty in revenue and upside potential to underpin a certain level of revenue growth. Our existing revenue model offers strong earnings visibility as a majority of our PPAs are based on FITs, with further upside from direct third party sales through our PPAs with commercial off-takers linked to commercial tariff escalations and inflation as well as future merchant sales.

Capital Expenditure Costs

Demand for qualified labor and components in our industry have increased over the last few years. This has led to increases in the costs of construction and maintenance of power generation projects. Capital expenditure is necessary to construct, maintain and/or improve the operating conditions of our projects and meet regulatory and prudential operating standards. Future costs will be highly dependent on the cost of components and availability of contractors that can perform the necessary work to construct, maintain and/or improve our projects, as well as changes in laws, rules and regulations which could require us to make capital improvements to our projects.

Exchange Rate Fluctuations

The Consolidated Financial Statements and the Restricted Group Combined Financial Statements are presented in U.S. dollars. However, the functional currency of our operating subsidiaries in India is Indian Rupees and they generate revenues and incur borrowings in Indian Rupees. In addition, as the equity or debt raised outside India from holding companies is always in foreign currency, presentation of currency translation issues in the profit and loss account of the Parent Guarantor and the Restricted Group arise, which results in distorted figures of profits or losses depending upon cross-currency issues of the British pound, the Euro, the U.S. dollar and the Indian Rupee. Accordingly, the results of operations of the Parent Guarantor and the Restricted Group will be impacted by the strength of the U.S. dollar as measured against the Indian Rupee due to translational effects. To the extent that the Indian Rupee strengthens or weakens against the U.S. dollar, the Parent Guarantor's consolidated and the Restricted Group's combined, results of operations presented in U.S. dollar will improve or decline, respectively. In addition, we have made borrowings denominated in U.S. dollars in respect of which we are exposed to foreign currency exchange risk. The results of operations of the Parent Guarantor and the Restricted Group may be affected if there is significant fluctuation among those currencies.

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. Although we do not directly receive government subsidies, preferential tariffs for clean energy have been established in many states, ranging from approximately Rs.2.50/kWh to Rs.7.01/kWh. In addition, the Generation Based Incentive ("GBI") scheme, which provides an incremental incentive of Rs. 0.5/kWh capped at Rs.10 million per MW, was reinstated in April 2013 for new wind energy projects completed between 1 April 2013 to 31 March 2017. For solar energy, the tariff is generally determined through a competitive bidding process.

These regulatory initiatives have contributed to demand for clean energy generally and therefore for power generated by our clean energy projects. Regulations 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 with a target to achieve 100 GW and 60 GW in commissioned solar and wind projects respectively by 2022. Additional regulatory requirements could contribute to increase in demand for clean energy and/or to increase in power prices. For example, the aim of the Indian Government is for 17.0% of India's energy requirements to be derived from renewable energy sources by 2019 and the Renewable Purchase Obligation ("RPO") is one of the regulatory measures implemented to ensure the achievement of this goal.

To this end, distribution companies of a state, open access consumers and captive consumers are obligated to purchase a certain percentage of their power from renewable sources under the RPO rules.

A failure to continue, extend or renew the several regulatory incentives and programs currently in place in India could have a material adverse impact on our business, results of operations, financial condition and cash flows.

Financing Requirements

Energy project development and construction are capital intensive. We incur costs and expenses for the purchase of turbines, land, feasibility studies and construction and other development costs. As a result, our ability to access financing is crucial to our growth strategy. While we expect to fund the construction and development of our projects with a combination of cash flows from operations, debt and equity financing, our ability to arrange for such financing remains subject to factors affecting the macro-economic environment.

Principal Statement of profit or loss and other comprehensive Income Items

The following is a brief description of the principal line items that are included in the statement of profit or loss and other comprehensive income in the Condensed Consolidated Interim Financial Statements:

Revenue

Our revenue consists of the sale of power, the sale of renewable energy certificates ("RECs"), GBI and interest for delayed payments, if any.

Sale of power

Revenue from the sale of power is dependent on the amount of power generated by our projects and is recognized on the basis of the number of units of power exported in accordance with joint meter readings undertaken with transmission companies at the rates prevailing on the date of export as determined by the PPA, feed-in tariff policy or market rates as applicable less the wheeling and banking charges applicable, if any. Claims for delayed payment charges and other claims, if any, are recognized as per the terms of PPAs only when there is no uncertainty associated with the collectability of such claims.

Sale of renewable energy certificates

RECs are a type of environmental commodity intended to provide an economic incentive for electricity generation from renewable energy sources and represent the attributes of electricity generated from renewable energy sources such as hydro, wind and solar. These attributes are unbundled from the physical electricity and the two products, first being the attributes embodied in the certificates, and second being electricity, may be sold or traded separately. Revenue from sale of RECs is recognized after registration of the project with central and state government authorities, generation of power and execution of a contract for sale through recognized energy exchanges in India.

Generation Based Incentive

The GBI scheme, which provides an incremental incentive of Rs. 0.5/kWh capped at Rs. 10 million per MW, was reinstated in April 2013 for new wind energy projects and benefits all the wind capacity commissioned since that date to 31 March 2017. Revenue from GBI is recognized based on the number of units exported or if the eligibility criteria is met in accordance with the guidelines issued by the Indian Renewable Energy Development Agency Limited for GBI scheme.

Other Operating Income

Other operating income refers to income from activities other than normal business operations, and includes profit or loss on sale and disposal of assets, exchange difference in foreign currency-denominated current accounts.

Cost of Material and Power Generation Expenses

Cost of material and power generation expenses generally include the cost of fuel expenses for our thermal assets, the consumption of stores and spares, operation and maintenance expenses, insurance costs, plant-related direct expenses and free power charge.

Employee Benefits Expense

Employee benefits expense comprises of salaries and wages payable, employee welfare expenses, contributions towards defined contribution plans and a group gratuity plan with Life Insurance Corporation of India and compensation for employee absences.

Other Operating Expenses

Other operating expenses include office administration, office rent, travelling expenses, professional charges, communication, internet, stationery, rates and taxes.

Impairment Loss on Trade Receivables

In accordance with IFRS 9, we have implemented the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets. Financial assets at amortized cost include trade receivables including unbilled receivables, other receivables, security deposits, bank deposits and cash and cash equivalents.

The ECL model has been calculated in line with requirements under IFRS 9. Our trade receivables have no significant financing component, so we have used the simplified method for providing for these under IFRS 9. Therefore, the impairment loss is measured at lifetime ECL. An impairment analysis was performed at each reporting date using a provision matrix to measure ECL. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, ageing, current conditions and forecasts of future economic conditions.

The effect of adopting ECL model on April 1, 2018 is immaterial to the statement of profit or loss, statement of financial position and statement of cash flows, therefore the cumulative impact on April 1, 2018 is taken to profit or loss for the current financial year. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when we determine that the debtor does not have assets or sources of income that could generate sufficient cash flows or intention to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under our recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Impairment of Non-Financial Assets

Assets that have an indefinite useful life, for example, goodwill, are not subject to amortization and are tested annually for impairment or when there is an indication of impairment. Assets that are subject to amortization and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Excess of Our Interest in the Fair Value of Acquiree's Assets and Liabilities over Cost

The excess of our interest in the fair value of acquiree's assets and liabilities over cost represents value which we gained in an acquisition due to our negotiating skills.

Depreciation and Amortization

Depreciation and impairment in value of tangible assets

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value. Freehold land is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items and borrowing costs during construction period. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to us and the cost of the item can be measured reliably. All repairs and maintenance expenditure are charged to statement of profit or loss during the period in which they are incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Asset Category	Useful Life
Buildings	25-40 years
Plant and machinery	15-36 years
Furniture, fixtures and equipment	5-10 years
Vehicles	5-10 years

Amortization and impairment in value of intangible assets

Intangible assets acquired individually, with a group of other assets or in a business combination are carried at cost less accumulated amortization and any impairment in value. The intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. The estimated useful lives of the intangible assets are as follows:

Asset Category	Useful Life
Licenses	14-40 years
Development fee	25 years
PPAs	5-25 years

Finance Income

Finance income comprises of foreign exchange gain on financing activities, interest on bank deposits and dividend from units of mutual funds.

Finance Costs

Finance costs comprises interest on borrowings and bank charges. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

Loan Restructuring Costs

Loan restructuring costs represents the cost of prepayment and unamortized transaction costs on existing rupee and US dollar loans of certain of our subsidiaries.

Share of Profit/(Loss) from Equity-Accounted Investees

Share of profit/(loss) from equity-accounted investees represents our share of profit or loss attributable to the entities for which we hold a minority interest. Such entities include the entities we had acquired as part of the SunEdison Acquisition.

Taxation

Taxation represents the provision of income tax for our subsidiaries in India towards current and deferred taxes. Our Indian subsidiaries which are engaged in power generation currently benefit from a tax holiday from the standard Indian corporate tax. However, these subsidiaries are still liable to pay minimum alternate tax which is calculated on the book profits of the relevant subsidiary.

Results of Operations — Consolidated Financial Statements

Fiscal Year ended March 31, 2019 Compared to Fiscal Year ended March 31, 2018.

We entered into a share purchase agreement through our wholly-owned subsidiary, Greenko Power Projects (Mauritius) Limited, to acquire 100.0% of the issued share capital of Orange Renewable Holding Pte. Ltd. from AT Holdings Pte. Ltd. (the "Orange Renewable Acquisition"), which was completed on October 1, 2018. Through the Orange Renewable Acquisition, we acquired entities holding (i) 11 operational wind energy projects with a total installed capacity of 567.2 MW and one wind energy project under construction with a total licensed capacity of 200.0 MW and (ii) two solar energy projects with a total installed capacity of 140.0 MW. The results of the entities we acquired through the Orange Renewable Acquisition (the "Acquired Orange Renewable Entities") have been included in our results since the date of the Orange Renewable Acquisition.

On October 16, 2018 and October 17, 2018, we entered into share purchase agreements through our wholly-owned subsidiaries, Greenko Energies Private Limited and Wind Power Projects (Mauritius) Limited, to acquire Skeiron Green Power Private Limited and its subsidiaries from Tanti Holdings Private Limited, Golden Slam India Investments Private Limited and AEP II Holdings Pte Ltd (the "Skeiron Acquisition"), which was completed on October 31, 2018. Through the Skeiron Acquisition, we acquired entities holding five operational wind energy projects with a total installed capacity of 384.3 MW. The results of the entities we acquired interests in through the Skeiron Acquisition (the "Acquired Skeiron Entities") have been included in our results since the date of the Skeiron Acquisition.

Through our subsidiaries, we had acquired 49.0% shareholding in certain solar entities which had been acquired as part of the SunEdison Acquisition or from the Karvy Group, namely SEI Green Flash Private Limited, SEI Arushi Private Limited, Zuka Power Private Limited, Rain Coke Limited, Suvarchas Solar Power Private Limited, Vishvarupa Solar Power Private Limited, Achintya Solar Power Private Limited and Grinibhrit Solar Power Private Limited, in prior years. These entities hold operational solar energy projects with a total capacity of 180.0 MW. In November 2018 and March 2019, we acquired the remaining 51.0% shareholding of the SunEdison solar entities. Following the satisfaction of conditions in March 2019, we obtained the control over the board of the Karvy Group solar entities including the power to direct the relevant activities of the investee unilaterally.

Accordingly, the comparative amounts for the statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows and related notes are not comparable.

Revenue

Our revenue was increased by US$170.7 million, or 54.3%, to US$485.1 million in FY 2019 from US$314.3 million in FY 2018. The tables below set forth the breakdown of our revenue for the indicated periods by type and asset class.

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018
	(US$ in millions)	
Sale of power	465.7	298.0
Sale of renewable energy certificates	2.2	4.4
Generation based Incentive	17.1	11.9
Installed capacity at beginning of period (MW)	2,543.5	1,936.5
Installed capacity at end of period (MW)	3,969.5	2,543.5
Generation (GWh)	7,174.8	4,268.3

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018
	(US$ in millions)	
Revenues from wind energy projects	244.8	176.9
Revenues from solar energy projects	174.7	64.9
Revenues from hydropower projects	63.3	67.4
Revenues from thermal projects	2.3	5.1
Total	**485.1**	**314.3**

Revenue from wind energy projects increased by US$67.9 million, or 38.4%, to US$244.8 million in FY2019 compared to US$176.9 million in FY2018. Revenue from solar projects increased by US$119.8 million, or 169%, to US$174.7 million in FY2019 compared to US$64.9 million in FY2018. Revenue from hydropower projects decreased by US$4.1 million, or 6.1%, to US$6.3 million in FY2019 compared to US$67.4 million in FY2018. Revenue from thermal power projects in FY2019 was decreased by US$2.7 million, or 53.9%, to US$2.4 million in FY2019 compared to US$5.1 million in FY2018. Generation increased by 68.1% to 7,174.8 GWh in FY2019 from 4,268.3 GWh in FY2018. The capacity of our operational projects increased from 2,543.5 MW as at March 31, 2018 to 3,969.5 MW as at March 31, 2019.

The capacity of our operational wind energy projects increased to 2,198.5 MW as at March 31, 2019 compared to 1,092.5 MW as at March 31, 2018. Our wind power projects delivered an average PLF of 24.0% in FY2019 compared to 22.7% in FY2018. The increase in PLF is mainly on account of higher wind availability in FY2019 compared to wind availability in FY2018.

The capacity of our operational solar energy projects increased to 1,312.9 MW as at March 31, 2019 compared to 992.9 MW as at March 31, 2018. Our solar projects delivered an average PLF of 24.7% in FY2019 compared to 17.4% in FY2018.

The capacity of our operational hydropower energy projects remained constant at 379.8 MW as at March 31, 2019 and March 31, 2018. Our hydropower projects delivered an average PLF of 42.6% in FY2019 compared to 39.2% in the FY2018 due to a stronger monsoon season in 2018 compared to 2017. However, revenue from hydropower projects decreased to US$63.3 million in FY2019 compared to US$64.9 million in FY2018 due to the impact of exchange rate fluctuations.

Our thermal projects delivered an average PLF of 4.3% in FY2019 compared to 23.3% in FY2018. We selectively run our biomass projects based on the availability of attractively-priced raw materials.

In addition, we recognized GBIs (Rs. 0.50/kWh capped at Rs. 10 million/MW) for our wind energy projects pursuant to the GBI scheme which was reinstated in April 2013 and recorded revenue of US$17.1 million in FY2019 compared to US$11.9 million in FY2018.

Our sales of REC certificates was US$2.2 million in FY2019 compared to US$4.4 million in FY2018.

Other operating income

Other operating income was US$0.6 million in FY 2019 and US$0.4 million in FY 2018.

Cost of material and power generation expenses

Cost of material and power generation expenses was US$42.7 million in FY 2019, US$29.4 million in FY 2018. Cost of material and power generation expenses was 8.8% of revenue in FY 2019, 9.3% of revenue in FY 2018.

Employee benefits expense

Employee benefits expense was US$14.9 million in FY 2019, US$13.9 million in FY 2018. The largest component of employee benefits expense was salaries and wages, which have generally increased period on period as a result of the increase in employee headcount in line with the growth of our business.

Other operating expenses

Other operating expenses was US$28.6 million in FY 2019, US$31.1 million in FY 2018. Other operating expenses include office administration, office rent, travelling expenses, professional charges, communication, internet, stationary, rates and taxes, which have generally increased period on period as a result of the increase in operational projects in line with the growth of our business.

Impairment loss on trade receivables

Impairment loss on trade receivables was US$11.5 million in FY2019 due to the implementation of ECL on April 1, 2018 in accordance with IFRS 9.

Impairment charge on non-financial assets

Impairment charge on non-financial assets was US$18.3 million in FY2019.

Excess of group's interest in the fair value of acquiree's assets and liabilities over cost

We recognized an excess of group's interest in the fair value of acquiree's assets and liabilities over cost of US$100.8 million in FY2019 in connection with the Orange Renewable Acquisition, the Skeiron Acquisition and the acquisition of the remaining 51.0% interest in certain solar entities which had been acquired as part of the SunEdison Acquisition or from the Karvy Group, namely SEI Green Flash Private Limited, SEI Arushi Private Limited, Zuka Power Private Limited, Rain Coke Limited, Suvarchas Solar Power Private Limited, Vishvarupa Solar Power Private Limited, Achintya Solar Power Private Limited and Grinibhrit Solar Power Private Limited.

We recognized an excess of group's interest in the fair value of acquiree's assets and liabilities over cost of US$135.2 million in FY2018 upon (i) obtaining control over the board of certain solar entities for which we had previously acquired 49.0% shareholding as part of the SunEdison Acquisition, namely Aarish Solar Power Private Limited, Aashman Energy Private Limited, Divyesh Power Private Limited, Elena Renewable Energy Private Limited Pratyash Renewable Private Limited, SEI Baskara Power Private Limited, SEI Enerstar Renewable Energy Private Limited, SEI Mihir Energy Private Limited, Shreyas Renewable Energy Private Limited and Zuvan Energy Private Limited, each of which were under development projects situated in Andhra Pradesh and (ii) the acquisition of 100.0% of the shares and voting interests in certain solar entities, namely, Karvy Solar Power Limited, New Era Enviro Ventures (Mahbubnagar) Private Limited, Premier Photovoltaic Medak Private Limited, Pennar Renewables Private Limited, Proeco Energy Private Limited, Saimeg Infrastructure (Mahbubnagar) Private Limited and Sharp Cleantech Infra Private Limited, from various developers. These acquisitions were made to enhance our generating capacity from clean energy assets and have a total capacity of 89.0 MW in Andhra Pradesh and Telangana.

Depreciation and amortization

Depreciation and amortization was US$164.8 million in FY 2019, US$101.1 million in FY 2018, primarily due to an increase in plant, property and equipment as a result of our on-going construction activity and acquisition of projects.

Finance income

Finance income was US$44.1 million in FY2019 compared to US$5.6 million in FY2018, which was primarily attributable to the fair value gain on derivative contracts amounting to US$29.1 million as on March 31, 2019. Interest on bank deposits was US$14.8 million in FY2019 compared to US$4.7 million in FY2018.

Finance cost

Finance costs were US$283.0 million in FY2019 compared to US$204.9 million in FY2018, which was primarily attributable to interest on our borrowings which increased to US$4,101.9 million as of March 31, 2019 compared to US$2,785.8 million as of March 31, 2018. We capitalized borrowing costs of US$9.1 million in FY2019 compared to US$4.8 million in FY2018.

Loan restructuring costs

We recognized loan restructuring costs of US$17.7 million during the FY 2018 representing the cost of prepayment and unamortized transaction costs attributable to the refinancing of existing 8% Senior notes issued by Greenko Dutch B.V. and rupee loans of new Restricted Group entities.

Share of profit/(loss) from equity-accounted investees

We recognized share of profit from equity-accounted investees of US$0.2 million in FY2019 compared to loss of US$7.1 million in FY2018 attributable to certain of the entities we acquired as part of SunEdison Acquisition or from the Karvy Group.

Profit before taxation

For the reasons discussed above, we earned profit before tax of US$85.4 million in FY 2019 compared to profit of US$50.3 million in FY 2018.

Taxation

Taxation was US$46.6 million in FY 2019, US$17.4 million in FY 2018.

Our subsidiaries in India which are engaged in power generation benefited from a tax holiday from the standard Indian corporate tax in FY 2019. The tax holiday period under the Indian Income Tax Act is for 10 consecutive tax assessment years out of a total of 15 consecutive tax assessment years from the tax assessment year in which commercial operations commenced. However, these subsidiaries are still liable to pay minimum alternate tax which is calculated on the book profits of the relevant subsidiary, the rate of which was 21.55% in FY 2019, 20.59% in FY 2018.

Profit for the year

As a result of the foregoing, we earned profit of US$38.8 million in FY 2019 compared to profit of US$32.9 million in FY 2018.

Liquidity and Capital Resources

Overview

As of March 31, 2019, our consolidated bank deposits were US$150.7 million and our cash and cash equivalents were US$214.4 million. Bank deposits aggregating US$98.0 million were restricted as of March 31, 2019.

Our principal financing requirements are primarily for:

- construction and development of new projects;
- maintenance and operation of projects;
- funding our working capital needs;
- potential investments in new acquisitions; and
- general corporate purposes.

We fund our operations and capital requirements primarily through cash flows from operations and borrowings under credit facilities from banks and other financial institutions as well as equity raising at the Parent Guarantor and, in the past, Greenko Mauritius. We believe that our credit facilities, together with cash generated from our operations, cash from investment by our shareholders, will be sufficient to finance our working capital needs 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. However, there can be no assurance that additional financing will be available, or if available, that it will be available on terms acceptable to us.

We evaluate our funding requirements periodically in light of our net cash flow from operating activities, the progress of our various under-construction and under-active development projects, acquisition opportunities and market conditions. We expect to incur significant capital expenditures for the year ended March 31, 2020 as we develop and construct new projects and expand our operations.

Cash Flows

Our summarized statement of consolidated cash flows is set forth below:

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018
	(US$ in millions)	
Consolidated Cash Flow Statement		
Net cash from operating activities	369.1	213.9
Net cash used in investing activities	(696.5)	(192.0)
Net cash from/(used in) financing activities	449.5	(89.8)
Cash and cash equivalents at the beginning of the year	94.7	164.2
Cash and cash equivalents at the end of the year	214.4	94.7

In FY2019, the net cash from operating activities was US$369.1 million. This net cash inflow was primarily attributable to (i) profit before tax of US$85.4 million and positive non-cash adjustment for finance cost of US$283.0 million and depreciation and amortization of US$146.5 million, offset by excess of group's interest in the fair value of acquiree's assets and liabilities over cost of US$100.8 million, (ii) changes in working capital of US$6.0 million and (iii) a decrease in taxes paid of US$11.9 million. Changes in working capital primarily comprised an increase in trade and other receivables of US$17.5 million and an increase in trade and other payables of US$34.8 million.

In FY 2018, the net cash from operating activities was US$213.9 million. This net cash inflow was primarily attributable to (i) profit before tax of US$50.3 million and positive non-cash adjustment for finance cost of US$204.9 million and depreciation and amortization of US$101.1 million, offset by excess of group's interest in the fair value of acquiree's assets and liabilities over cost of US$135.2 million, (ii) changes in working capital of US$19.4 million and (iii) a decrease in taxes paid of US$7.0 million. Changes in working capital primarily comprised a decrease in trade and other receivables of US$17.8 million and a decrease in trade and other payables of US$4.0 million.

Net cash used in investing activities

In FY2019, our net cash used in investing activities of US$696.5 million primarily consisted of (i) US$265.8 million in purchase of property, plant and equipment, capital expenditure primarily relating to our projects under construction or development and settlement of project vendors, (ii) US$479.6 million in relation to the acquisition of wind and solar entities, (iii) US$22.8 million investment in bank deposits (iv) advances given for purchase of equity of US$6.5 million, offset by proceeds from sale of other investments of US$33.1 million, advances from equity accounted investees of US$32.9 million and interest received of US$17.7 million.

In FY 2018, our net cash used in investing activities of US$192.0 million primarily consist of (i) US$125.2 million in purchase of property, plant and equipment, capital expenditure primarily relating to our projects under construction or development and settlement of project vendors, (ii) US$30.4 million in relation to the acquisition of solar entities, (iii) US$2.9 million investment in equity-accounted investees and (iv) advances given to equity-accounted investees of US$129.4 million, offset by maturity of bank deposits of US$91.1 million and interest received of US$6.3 million.

Net cash from/(used in) financing activities

In FY 2019, our net cash used in financing activities of US$449.5 million was primarily attributable to US$448.1 million of proceeds from the issue of shares to our shareholders, US$622.7 million of proceeds from borrowings, offset in part by US$321.6 million in repayment of borrowings and US$321.8 million in interest paid.

In FY 2018, our net cash used in financing activities of US$85.9 million was primarily attributable to US$1,172.8 million of proceeds from borrowings, including 2017 Notes, offset in part by US$1,037.3 million in repayment of borrowings and US$225.9 million in interest paid.

Results of Operations — Greenko Investment Company Combined Financial Statements

Fiscal year ended March 31, 2019 Compared to Fiscal year ended March 31, 2018

As of 31 March 2019, the Restricted Group II accounted for 12.7% of the total installed capacity of our operational projects, consisting of 3 operational hydro power projects with a total installed capacity of 128.5 MW (33.8% of the total installed capacity of our operational hydro power projects) and 6 operational wind energy projects with a total installed capacity of 374.0 MW (17.0% of the total installed capacity of our operational wind energy projects).

Wind power project of 100.0 MW have been acquired during the year ended 31 March 2018.

Revenue

Revenue for the Restricted Group II increased by 36.2% to US$100.7 million in the FY 2019 from US$74.0 million in the FY 2018 The increase was primarily due to an increase in the sale of power.

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018
	(US$ in Millions)	
Sale of power	96.4	71.5
Generation based incentive ("GBI")	4.3	2.5
Installed capacity at beginning of the year (MW)	502.5	402.5
Installed capacity at end of the year(MW)	502.5	502.5
Generation in (Gwh)	1,512.4	1,118.2

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018
	(US$ in Millions)	
Revenues from wind energy projects	71.4	50.9
Revenues from hydro power projects	29.4	23.1

Revenue from the wind power projects of Restricted Group II increased to US$71.4 million compared to US$50.9 million in the previous year. Revenue from the hydro power projects of Restricted Group II in FY 2019 was increased by 27.2% to US$29.4 million compared to US$23.1 million in FY 2018. Generation of the Restricted Group II increased to 1,512.4 GWh in FY 2019 compared to 1,118.2 GWh in FY 2018.

Power generation expenses

Power generation expenses for the Restricted Group II in FY 2019 was US$8.3 million compared to US$3.9 million in FY 2018. Power generation expenses in FY 2019 was 8.2% of revenue compared to 5.2% of revenue in FY 2018.

Employee benefits expense

Employee benefits expense for the Restricted Group II in FY 2019 was US$2.9 million compared to US$3.0 million in FY 2018. The largest component of employee benefits expense was salaries and wages, which have generally varied year on year on account of increments and change in head count.

Other operating expenses

Other operating expenses was US$3.4 million in FY 2019 compared to US$4.5 million in FY 2018. Other operating expenses include office administration, office rent, travelling expenses, professional charges, communication, internet, stationery, rates and taxes.

Impairment charge on non-financial assets

Impairment charge on non-financial assets for the Restricted Group was US$4.5 million in the FY 2019 compared to Nil in the FY 2018.

Impairment loss on trade receivables

Impairment loss on trade receivables for the Restricted Group was US$0.2 million in FY 2019 due to the implementation of ECL on April 1, 2018 in accordance with IFRS 9.

Depreciation and amortization

Depreciation and amortization for the Restricted Group II in FY 2019 was US$27.2 million compared to US$26.6 million in FY 2018.

Finance income

Finance income for the Restricted Group II in FY 2019 was US$14.3 million compared to US$1.7 million in FY 2018, primarily due to fair value gain on derivative contracts and increase in interest on bank deposits.

Finance cost

Finance cost for the Restricted Group II in FY 2019 was US$39.5 million compared to US$41.9 million in FY 2018, which was primarily on account of increase in interest on borrowings which are increased to US$583.7 million as of March 31, 2019 compared to US$588.1 million as of March 31, 2018, offset in part by decrease in derivative instrument charges.

Profit/(Loss) before income tax

Profit before income tax for the Restricted Group II for the FY 2019 was US$29.2 million compared to Loss of US$4.0 million for the FY 2018.

Income tax expense

Income tax expense for the Restricted Group II in the FY 2019 was US$7.2 million compared to US$3.8 million in FY 2018, primarily due to increase in current tax and deferred tax.

Profit/ (Loss) for the year

As a result of the foregoing, the Restricted Group II's profit for FY 2019 was US$21.9 million compared to loss of US$7.9 million for FY 2018.

Liquidity and Capital Resources

Overview

As of March 31, 2019, the Restricted Group II bank deposits were US$4.8 million and cash and cash equivalents were US$65.8 million. The Restricted Group II's principal financing requirements are primarily for:

- maintenance and operation of projects;
- funding our working capital needs; and
- general corporate purposes.

We fund the Restricted Group II operations and capital requirements primarily through cash flows from operations. We believe that the cash generated from the Restricted Group II's operations will be sufficient to finance its working capital needs for the next 12 months. We expect that these sources will continue to be the Restricted Group II principal sources of cash in the medium term. However, there can be no assurance that additional financing will be available, or if available, that it will be available on terms acceptable to the Restricted Group II.

Cash Flows

Our summarized statement of the Restricted Group II cash flows is set forth below:

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018
	(US$ in Millions)	
Net cash generated from operating activities	87.2	74.0
Net cash from investing activities	0.1	24.8
Net cash used in financing activities	(50.9)	(91.6)
Cash and cash equivalents at the beginning of the year	31.6	24.5
Cash and cash equivalents at the end of the year	65.8	31.6

Net cash flow from operating activities

In FY 2019, the Restricted Group II net cash from operating activities of US$87.2 million was primarily attributable to adjustments of US$1.4 million decrease in trade and other receivables, US$3.2 million increase in trade and other payables, US$27.2 million for depreciation and amortization, US$4.5 million for Impairment of non-financial assets and US$39.5 million for finance cost.

In FY 2018, the Restricted Group II net cash from operating activities of US$74.0 million was primarily attributable to adjustments of US$16.3 million increase in trade and other receivables, US$3.6 million decrease in trade and other payables, US$26.6 million for depreciation and amortization and US$41.9 million for finance cost.

Net cash from investing activities

In FY 2019, the Restricted Group II net cash used in investing activities of US$0.1 million primarily US$2.2 million in purchase of property, plant and equipment and capital expenditure and US$2.4 million interest received on bank deposits.

In FY 2018, the Restricted Group II net cash from investing activities of US$24.8 million primarily US$25.4 million from maturity of bank deposits and which was partially offset by US$0.7 million in purchase of property, plant and equipment and capital expenditure, US$1.9 million paid to unrestricted entities towards acquisition of business.

Net cash used in financing activities

In FY 2019, the Restricted Group II net cash used in financing activities of US$50.9 million was primarily attributable to (i) US$51.5 million for interest payment (ii) US$6.6 million in repayment of borrowings and offset by US$1.3 million proceeds from borrowings from unrestricted subsidiaries and proceeds from borrowings of US$5.9 million.

In FY 2018, the Restricted Group II net cash used in financing activities of US$91.6 million was primarily attributable to (i) US$49.1 million for interest payment (iii) US$46.8 million in repayment of borrowings to unrestricted group and offset by proceeds from borrowings of US$4.7 million.