

Independent Auditor's Review Report on the Unaudited Special Purpose Interim Condensed Consolidated Financial statements for the half year ended September 30, 2021 of the Company

**Review Report to
The Board of Directors
Hero Future Energies Private Limited**

1. We have reviewed the accompanying Unaudited Special Purpose Interim condensed consolidated financial statements of Hero Future Energies Private Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as at and for the half year ended September 30, 2021 attached herewith which comprise the interim condensed consolidated Balance Sheet as at September 30, 2021, interim condensed consolidated Statement of Profit and Loss, interim condensed consolidated Statement of Other Comprehensive Income, the interim condensed consolidated Cash Flow Statement and the interim condensed consolidated Statement of Changes in Equity for the half year ended September 30, 2021 and other explanatory information (together referred to as the "Unaudited Special Purpose Interim Condensed Consolidated Financial Statements").
2. This Unaudited Special Purpose Interim Condensed Consolidated Financial Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements based on our review.
3. We conducted our review of the Unaudited Special Purpose Interim Condensed Consolidated Financial Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Unaudited Special Purpose Interim Condensed Consolidated Financial Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Unaudited Special Purpose Interim Condensed Consolidated Financial Statement includes the results of the entities mentioned in Annexure I.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the unaudited financial information furnished to us by the Management as mentioned in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Unaudited Special Purpose Interim Condensed Consolidated Financial Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Material Uncertainty Related to Going Concern

We draw attention to Note 13 of the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements which indicate that the Group has incurred losses of Rs. 2,877.25 million during the current period, its net worth has been fully eroded owing to accumulated losses of Rs. 18,298.64 million as at the half year end and the Company's current liabilities of Rs. 31,954.36 million exceeded its current assets of Rs. 29,043.28 million as at the Balance Sheet date. These conditions, along with other matters set forth in Note 13 to the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

7. Emphasis of Matter paragraph

We draw attention to

- i. Note 10 (b) (I) of the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements, wherein it has been mentioned that one subsidiary with property, plant and equipment ("PPE") of Rs. 1,271.67 million is unable to execute final Power Purchase Agreement ('PPA') even after securing Feed in Tariff of Rs. 3.61 per kwh from Telangana State Electricity Regulatory Commission ('TSERC') upon order from High Court. Based on legal advice, correspondence with the authorities and management assessment, management is of the view that final PPA will be executed shortly, and project will generate future economic benefits and no further adjustments is required in the carrying value of PPE in Unaudited Special Purpose Interim Condensed Consolidated Financial Statements.
- ii. Note 10 (b) (II) of the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements, whereas it has been mentioned that Government of Andhra Pradesh issued a Government Order and accordingly, APDISCOM ('the customer') has asked the two subsidiaries to reduce the tariffs. The Hon'ble High Court has set aside the impugned Government Order and has directed the customer to make payment at interim tariff. Based on legal advice, correspondence with the authorities and management assessment, the Company believes that no provision is required against carrying value of exposure in the said subsidiary in relation to these SPVs.
- iii. Note 10 (b) (III) of the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements, which describes liquidated damages of Rs. 120.50 million (excluding goods and services tax) imposed by Hubli Electricity Supply Company Ltd ("HESCOM") due to delay in commissioning of project. Considering the fact that HESCOM has already provided extension for the delay, management has filed an appeal against this with Appellate Tribunal for Electricity ('APTEL'). Based on assessment, the management believes that recoverability of trade receivable from HESCOM is good and no provision is required against carrying value.

Our conclusion is not modified in respect of these matters.

8. The accompanying Unaudited Special Purpose Interim condensed Consolidated Financial Statements includes unaudited interim condensed financial statements and other unaudited Interim condensed financial information in respect of six subsidiaries, whose unaudited interim condensed financial statements and other unaudited interim condensed financial information reflect total assets of Rs. 271.79 million as at September 30, 2021, and total revenues of Rs. Nil, total net profit/(loss) after tax of Rs. (12.42) million, total comprehensive income of Rs. (12.42) million for the half year ended on that date and net cash inflows of Rs. 0.85 million for the period from April 01, 2021 to September 30, 2021.

The unaudited special purpose interim condensed financial statements and other unaudited financial information of these subsidiaries have not been reviewed by their auditors and have been approved and furnished to us by the Management and our conclusion on the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements, in so far as it relates to the affairs of these subsidiaries, is based solely on such unaudited interim financial statement and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial statements are not material to the Group.

Our conclusion on the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements in respect of matters stated in para 8 above is not modified with respect to our reliance on financial information certified by the Management.

9. The Unaudited Interim Condensed Consolidated Financial Statements are special purpose unaudited interim condensed financial statements which have been prepared for the purpose of the complying with financial reporting requirements under the indenture governing the US\$ senior notes ("USD Bonds") issued by one of the fellow subsidiary "Clean Renewable Power (Mauritius) Pte. Ltd." as mentioned in Note 2 to the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements. As a result, these Unaudited Special purpose Interim Condensed Consolidated Financial Statements may not be suitable for another purpose. This report is not to be used, referred to or distributed for any other purpose except without our prior consent in writing.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**PRAVIN
TULSYAN**

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per Pravin Tulsyant

Partner

Membership No.: 108044

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Place: Gurugram

Date: December 14, 2021

Annexure I

List of subsidiaries included in the Unaudited Interim Condensed Consolidated Financial Statements of Hero Future Energies Private Limited for the half year ended September 30, 2021:-

S. No.	Name of the entities
1	Hero Solar Energy Private Limited
2	Hero Wind Energy Private Limited
3	Clean Wind Power (Anantapur) Private Limited
4	Clean Wind Power (Pratapgarh) Private Limited
5	Clean Wind Power (Ratlam) Private Limited
6	Clean Wind Power (Satara) Private Limited
7	Clean Wind Power (Devgarh) Private Limited
8	Clean Wind Power (Manvi) Private Limited
9	Clean Wind Power (Jaisalmer) Private Limited
10	Clean Wind Power (Kurnool) Private Limited
11	Clean Wind Power (Bhavnagar) Private Limited
12	Clean Wind Power (Piploda) Private Limited
13	Clean Wind Power (Bableshtar) Private Limited
14	Clean Solar Power (Chitradurga) Private Limited
15	Clean Solar Power (Dhar) Private Limited
16	Clean Solar Power (Tumkur) Private Limited
17	Clean Solar Power (Bhadla) Private Limited
18	Clean Solar Power (Jaipur) Private Limited
19	Clean Solar Power (Gulbarga) Private Limited
20	Clean Solar Power (Bellary) Private Limited
21	Rajkot (Gujarat) Solar Energy Private Limited
22	Bhilwara Green Energy Limited
23	LNJ Power Ventures Limited
24	Hero Rooftop Energy Private Limited
25	Vayu Urja Bharat Private Limited
26	Clean Wind Power (Tuticorin) Private Limited
27	Clean Solar Power (Jodhpur) Private Limited
28	Clean Solar Power (Konch) Private Limited
29	Clean Solar Power (Kadapa) Private Limited
30	Clean Solar Power (Sirsa) Private Limited
31	Waaneep Solar Private Limited
32	Clean Solar Power (Baniyana) Private Limited
33	Clean Solar Rooftop Private Limited
34	Clean Solar Power (Amarsar) Private Limited
35	Clean Renewable Energy (Bikaner) Private Limited (w.e.f July 02, 2021)
36	Clean Renewable Energy (Barmer) Private Limited (w.e.f July 12, 2021)