

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

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per Pravin Tulsyant

Partner

Membership No.: 108044

UDIN: 21108044AAAALU8180

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)

Hero Future Energies Private Limited
Unaudited Special purpose Interim Condensed Consolidated Balance sheet as at September 30, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	Note	As at September 30, 2021	As at March 31, 2021
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	85,120.86	86,951.34
(b) Capital work-in-progress		1,292.98	2,731.66
(c) Goodwill		304.76	304.76
(d) Other intangible assets		1,799.42	1,847.70
(e) Financial assets			
(i) Investment		145.39	142.37
(ii) Trade receivables		5.81	7.59
(iii) Other financial assets		1,427.55	260.63
(f) Deferred tax assets (net)		1,206.67	1,219.16
(g) Non-current tax assets (net)		552.53	532.04
(h) Other non-current assets		645.81	911.51
		92,501.78	94,908.76
Current assets			
(a) Inventories		37.82	59.03
(b) Financial assets			
(i) Investment		85.08	198.70
(ii) Trade receivables		10,905.60	7,623.98
(iii) Cash and cash equivalents	5	3,694.23	3,753.12
(iv) Other bank balances	5 (a)	9,557.61	2,758.28
(v) Other financial assets		2,861.60	1,831.56
(c) Other current assets		1,088.37	761.80
		28,230.31	16,986.47
Assets held for sale	16	812.97	-
		29,043.28	16,986.47
Total assets		121,545.06	111,895.23
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital		70.41	70.41
(b) Other equity		(11,724.61)	(8,848.37)
		(11,654.20)	(8,777.96)
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	6	95,828.04	59,879.99
(i.a) Lease liabilities		396.31	461.33
(ii) Other financial liabilities		3.69	115.18
(b) Provisions		204.82	196.16
(c) Deferred tax liabilities (net)		1,540.96	1,287.72
(d) Other non-current liabilities		3,271.08	1,945.55
		101,244.90	63,885.93
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	6	25,256.25	49,697.53
(i.a) Lease liabilities		90.35	41.11
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		91.06	26.41
- total outstanding dues of creditors other than micro enterprises and small		2,555.25	1,983.61
(iii) Other financial liabilities		3,096.39	4,272.65
(b) Other current liabilities		456.43	344.57
(c) Provisions		292.93	416.13
(d) Liabilities for current tax (net)		115.70	5.25
		31,954.36	56,787.26
Total equity and liabilities		121,545.06	111,895.23

The accompanying notes form an integral part of these Unaudited Special purpose Interim Condensed Consolidated Financial Statements.
As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration Number: 301003E/E300005

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per Pravin Tulsyani
Partner
Membership Number:108044

Place: Gurugram
Date : December 14, 2021

For and on behalf of the Board of Directors
Hero Future Energies Private Limited

**RAJESH
PURI**

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Rajesh Puri
Director
DIN: 06838940

Place: New Delhi
Date : December 14, 2021

Hero Future Energies Private Limited
Unaudited Special purpose Interim Condensed Consolidated statement of profit and loss for half year ended September 30, 2021

(All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	Notes	Half year ended September 30, 2021	Half year ended September 30, 2020
I Revenue from contract with customers	7	8,496.80	7,022.61
II Other income		558.62	514.17
III Total income (I +II)		9,055.42	7,536.78
IV Expenses			
Cost of materials consumed		487.90	53.20
Employee benefits expense		413.80	288.60
Finance costs	8	5,797.62	5,782.27
Depreciation and amortization expense	4 (b)	1,680.23	2,139.98
Impairment of non-current assets	16	99.72	-
Other expenses		1,259.57	1,552.38
Total expenses		9,738.84	9,816.43
V Profit/(Loss) before exceptional item and tax (III-IV)		(683.42)	(2,279.65)
VI Exceptional item	15	1,766.53	-
VII Profit/(Loss) before tax (V-VI)		(2,449.95)	(2,279.65)
VIII Tax expense:			
a) Current tax		162.36	31.65
b) Deferred Tax charge/(credit) (Net off MAT Credit Entitlement)		264.94	(64.15)
Total tax expense /(credit)		427.30	(32.50)
IX Profit/(Loss) for the period (VII-VIII)		(2,877.25)	(2,247.15)
X Other comprehensive income			
Other comprehensive income not to be reclassified to statement of profit and loss in subsequent years:			
Re-measurement gains/(losses) on defined benefit plans		1.01	(0.08)
Income tax effect		-	0.02
Net other comprehensive income/ (expense) not to be reclassified to statement of profit and loss in subsequent year		1.01	(0.06)
Other comprehensive income /(expense) for the period, net of tax		1.01	(0.06)
XI Total comprehensive income/(expense) of the period, net of tax (IX+X)		(2,876.24)	(2,247.21)
XII Earnings/(Loss) per share: (Face Value Rs. 10 per share)			
Basic and Diluted (Amount in Rs.)	12	(1.75)	(1.25)

The accompanying notes form an integral part of these Unaudited Special purpose Interim Condensed Consolidated Financial Statements.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm's Registration Number: 301003E/E300005

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per Pravin Tulsyane

Partner

Membership Number:108044

For and on behalf of the Board of Directors
Hero Future Energies Private Limited
RAJESH PURI

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Rajesh Puri

Director

DIN: 06838940

Place: Gurugram

Date : December 14, 2021

Place: New Delhi

Date : December 14, 2021

Hero Future Energies Private Limited
Unaudited Special purpose Interim Condensed Consolidated statement of changes in equity for half year ended September 30, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

A. Equity Share Capital

Equity shares of Rs 10 each issued, subscribed and fully paid

As at April 01, 2020

Changes in Equity Share Capital during the year

As at March 31, 2021

Changes in Equity Share Capital during the period

As at September 30, 2021

Number of Equity Shares	Amount
7,039,284	70.40
1,011	0.01
7,040,295	70.41
-	-
7,040,295	70.41

B. Other Equity

	Attributable to equity holders of the parent				
	Securities premium	Debenture Redemption Reserve	Capital Reserve	Retained Earnings	Total equity
As at April 1, 2020	3,385.37	300.26	3,053.72	(10,278.96)	(3,539.61)
Add: Loss for the period	-	-	-	(2,093.10)	(2,093.10)
Add:- Other comprehensive expense	-	-	-	(0.06)	(0.06)
Total Comprehensive Income for the period	-	-	-	(2,093.16)	(2,093.16)
Add:- On account issue of equity shares	1.78	-	-	-	1.78
Add:- On account of Issuance of CCPS (net of tax)	-	-	136.61	-	136.61
Add: Transfer from Debenture Redemption Reserve	-	-	-	20.35	20.35
Less: Utilised during the period	-	(20.35)	-	-	(20.35)
Less: Share Issue Expenses	(1.79)	-	-	-	(1.79)
As at September 30, 2020	3,385.36	279.91	3,190.33	(12,351.77)	(5,496.17)
Add: Loss for the period	-	-	-	(3,355.44)	(3,355.44)
Add:- Other comprehensive expense	-	-	-	4.90	4.90
Total Comprehensive Income for the period	-	-	-	(3,350.54)	(3,350.54)
Add/(Less): Transfer from Debenture Redemption Reserve to Retained Earnings	-	(70.32)	-	70.32	-
Less: Others	-	-	(1.66)	-	(1.66)
As at March 31, 2021	3,385.36	209.59	3,188.67	(15,631.99)	(8,848.37)
As at April 1, 2021	3,385.36	209.59	3,188.67	(15,631.99)	(8,848.37)
Add: Loss for the period	-	-	-	(2,877.25)	(2,877.25)
Add:- Other comprehensive expense	-	-	-	1.01	1.01
Total Comprehensive Income for the period	-	-	-	(2,876.24)	(2,876.24)
Add/(Less): Transfer from Debenture Redemption Reserve to Retained Earnings	-	(209.59)	-	209.59	-
As at September 30, 2021	3,385.36	-	3,188.67	(18,298.64)	(11,724.61)

The accompanying notes form an integral part of these Unaudited Special purpose Interim Condensed Consolidated Financial Statements.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm's Registration Number: 301003E/E300005

per Pravin Tulsyan
Partner
Membership Number:108044

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For and on behalf of the Board of Directors
Hero Future Energies Private Limited

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Rajesh Puri
Director
DIN: 06838940

Place: New Delhi
Date : December 14, 2021

Hero Future Energies Private Limited
Unaudited Special purpose Interim Condensed Consolidated statement of Cash Flows for the half year ended September 30, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	For the half year ended September 30, 2021	For the half year ended September 30, 2020
I. Cash flow from operating activities		
Profit/(Loss) before tax	(2,449.95)	(2,279.65)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	1,680.23	2,139.98
Impairment of assets (Refer note 16)	99.72	-
Exceptional items (Refer note 15)	1,766.53	-
Amortisation of government grant	(48.60)	(40.25)
Liability/ Provision no longer required written back (Refer note 14)	(143.64)	(9.76)
Gain on sale of units of mutual funds	(1.28)	-
Unwinding of discount on financial assets measured at amortised cost	(2.30)	(2.03)
Fair value gain on financial assets measured at fair value through profit and loss	(1.34)	(9.77)
Finance costs	5,797.62	5,782.26
Finance income	(123.22)	(142.83)
Provision for doubtful receivables and advances	91.82	49.42
Net foreign exchange differences	76.14	(149.87)
Impairment of inventory	-	48.80
Mark to market loss/ (gain) on derivative instruments	(115.42)	255.83
	9,076.26	7,921.78
Operating profit before working capital changes	6,626.31	5,642.13
Change in working capital: (Excluding cash and cash equivalent)		
Increase in trade and other receivables	(3,361.66)	(1,422.09)
Decrease/(Increase) in inventories	21.21	(51.65)
Increase/ (decrease) in trade and other payables	653.47	(17.87)
(Increase)/ decrease in other financial assets	(910.99)	136.40
Increase in other assets	(589.42)	(186.05)
(Decrease)/Increase in other financial liabilities	(316.51)	89.48
Increase in other liabilities and provisions	118.28	148.60
Change in working capital	(4,385.62)	(1,303.18)
Cash generated from operations	2,240.69	4,338.95
Less : Income taxes (paid)/ refund received (net)	(72.40)	412.44
Net cash flow from operating activities	2,168.29	4,751.39
II. Cash flow from investing activities:		
Net proceeds from sale of mutual funds	116.24	0.02
Purchase of property, plant and equipment	(1,496.81)	(671.05)
Proceeds from sale of property, plant and equipment	25.64	8.51
Proceeds from Fixed deposits with banks (net)	1,092.91	112.55
Other bank balances (net)	(7,763.66)	-
Investment in fellow subsidiary	-	(72.97)
Interest received	76.40	124.03
Net cash generated used in investing activities:	(7,949.28)	(498.91)
III. Net cash flow from financing activities:		
Payment of principal portion of lease liabilities	(38.96)	(37.05)
Proceeds from Issue of Compulsory Convertible Preference shares ('CCPS')	-	789.74
Repayments of short term borrowings (Net)	(6,971.14)	(3,020.10)
Repayment of long term borrowings	(26,932.97)	(3,584.51)
Proceeds from long term borrowings	45,321.83	6,702.09
Interest paid	(4,518.92)	(3,935.65)
Net cash generated from/ (used in) financing activities	6,859.84	(3,085.48)
Net change in Cash & cash equivalents (I+II+III)	1,078.85	1,167.00
Cash and cash equivalents as at the beginning of the period	(97.22)	1,934.53
Cash and cash equivalents as at the end of the period	981.63	3,101.53
Cash and cash equivalents comprise of the following:		
Balances with banks:		
- Current account	3,546.30	3,858.70
- Deposits with original maturity of three months or less	147.92	825.15
Cash on hand	0.01	0.01
Bank overdraft	(2,712.60)	(1,582.33)
	981.63	3,101.53

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

The accompanying notes form an integral part of these Unaudited Special purpose Interim Condensed Consolidated Financial Statements.
As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm's Registration Number: 301003E/E300005

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per Pravin Tulseyan

Partner

Membership Number:108044

Place: Gurugram

Date : December 14, 2021

For and on behalf of the Board of Directors

Hero Future Energies Private Limited

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Director

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Place: New Delhi

Date : December 14, 2021

Hero Future Energies Private Limited
Unaudited Special purpose Interim Condensed Consolidated financial statement for half year ended September 30, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

1 Corporate Information

Hero Future Energies Private Limited ("HFE" or "the Company") is a Company domiciled in India and was incorporated on June 6, 2013, under the provisions of the Companies Act, applicable in India. The Company is primarily engaged in the implementation of power projects and generation of power through renewable sources of energy on its own and through its direct or indirect subsidiaries.

The Group had 3 ("Three") wholly owned direct subsidiaries namely Hero Solar Energy Private Limited, Hero Wind Energy Private Limited and Hero Rooftop Energy Private Limited and 33 step down subsidiaries (collectively known as Group) as at September 30, 2021. The Group, through its subsidiaries, is primarily engaged in the implementation of power projects and generation of power through renewable sources of energy. Following subsidiaries and step down subsidiaries have been considered in the preparation of the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements:

S. No.	Name of the entities	Country of Incorporation	% of voting power held as at September 30, 2021	% of voting power held as at March 31, 2021
1	Hero Solar Energy Private Limited	India	100.00%	100.00%
2	Hero Wind Energy Private Limited	India	100.00%	100.00%
3	Clean Solar Power (Eastern Europe) Limited (note (a))	United Kingdom	100.00%	100.00%
4	Clean Wind Power (Anantapur) Private Limited	India	100.00%	100.00%
5	Clean Wind Power (Pratapgarh) Private Limited	India	69.16%	69.16%
6	Clean Wind Power (Ratlam) Private Limited	India	100.00%	100.00%
7	Clean Wind Power (Satara) Private Limited	India	100.00%	100.00%
8	Clean Wind Power (Devgarh) Private Limited	India	100.00%	100.00%
9	Clean Wind Power (Manvi) Private Limited	India	68.97%	68.97%
10	Clean Wind Power (Jaisalmer) Private Limited	India	100.00%	100.00%
11	Clean Wind Power (Kurnool) Private Limited	India	100.00%	100.00%
12	Clean Wind Power (Bhavnagar) Private Limited	India	100.00%	100.00%
13	Clean Wind Power (Piploda) Private Limited	India	100.00%	100.00%
14	Clean Wind Power (Bableshtar) Private Limited	India	100.00%	100.00%
15	Clean Solar Power (Chitradurga) Private Limited	India	100.00%	100.00%
16	Clean Solar Power (Dhar) Private Limited	India	100.00%	100.00%
17	Clean Solar Power (Tumkur) Private Limited	India	100.00%	100.00%
18	Clean Solar Power (Bhadra) Private Limited	India	100.00%	100.00%
19	Clean Solar Power (Jaipur) Private Limited	India	100.00%	100.00%
20	Clean Solar Power (Gulbarga) Private Limited	India	100.00%	100.00%
21	Clean Solar Power (Bellary) Private Limited	India	100.00%	100.00%
22	Rajkot (Gujarat) Solar Energy Private Limited	India	100.00%	100.00%
23	Bhilwara Green Energy Limited	India	100.00%	100.00%
24	LNJ Power Ventures Limited	India	74.00%	74.00%
25	Hero Rooftop Energy Private Limited	India	100.00%	100.00%
26	Vayu Uria Bharat Private Limited	India	100.00%	100.00%
27	Clean Wind Power (Tuticorin) Private Limited	India	100.00%	100.00%
28	Clean Solar Power (Jodhpur) Private Limited	India	100.00%	100.00%
29	Clean Solar Power (Konch) Private Limited	India	100.00%	100.00%
30	Clean Solar Power (Kadapa) Private Limited	India	100.00%	100.00%
31	Clean Solar Power (Sirsa) Private Limited	India	100.00%	100.00%
32	Waaneep Solar Private Limited	India	100.00%	100.00%
33	Clean Solar Power (Baniyana) Private Limited	India	100.00%	100.00%
34	Clean Solar Power (Bhainsada) Private Limited (note (c))	India	51.00%	51.00%
35	Clean Solar Rooftop Private Limited	India	100.00%	100.00%
36	Clean Solar Power (Amarsar) Private Limited	India	100.00%	100.00%
37	Clean Renewable Energy (Bikaner) Private Limited (note (b))	India	100.00%	NA
38	Clean Renewable Energy (Barmer) Private Limited (note (b))	India	100.00%	NA
39	LLC GEA Solar Group (note (a))	Ukraine	100.00%	100.00%
40	LLC Greenway Solar Group (note (a))	Ukraine	100.00%	100.00%

Notes:

- (a) Clean Solar Power (Eastern Europe) Limited has acquired LLC GEA Solar Group and LLC Greenway Solar Group on June 05, 2019. Although, the Company, Hero Future Energies Private Limited hold 100% stake in the share capital of Clean Solar Power (Eastern Europe) Limited, basis the definition of 'Control' as provided under Ind AS 110 "Consolidated Financial Statements", the management is of the view that the entity, Clean Solar Power (Eastern Europe) Limited is controlled by Hero Future Energies Global Limited i.e. the intermediate holding Company and the same is not considered in these Unaudited Special Purpose Interim Condensed Consolidated Financial Statements.
- (b) Incorporated during the current period.
- (c) As per the Share Purchase agreement dated February 4, 2021, the group has divested 49% stake in the subsidiary to O2 power along with right to take all business decision to run the operations. Hence, as per the definition of 'Control' as provided under Ind AS 110 "Consolidated Financial Statements", the management is of the view that the Company, in its Unaudited Special purpose Interim Condensed consolidated financial statement does not need to consolidate Clean Solar Power (Bhainsada) Private Limited.

These Unaudited Special purpose Interim Condensed Consolidated Financial Statements were approved for issue in accordance with a resolution of the directors on December 13, 2021.

2 Purpose of Unaudited Special Purpose Interim Condensed Consolidated Financial Statements

The Unaudited Interim Condensed Consolidated Financial Statements are special purpose financial statements which have been prepared for the purpose of complying with financial reporting requirements under the indenture governing the US\$ senior notes ("USD Bonds") issued during previous year by one of the fellow subsidiary company. These Ind AS unaudited special purpose interim condensed consolidated financial statements presented herein reflect the Group results of operations, assets and liabilities and cash flows for the period presented.

3 Basis of preparation and significant accounting policies

3.1 Basis of Preparation:

The Unaudited Special Purpose Interim Condensed Consolidated Financial Statements ("financial statements") as at and for the half year ended September 30, 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

Management of the Group has prepared the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements which comprise the Unaudited Special Purpose Interim Condensed Consolidated Balance Sheet as at September 30, 2021, the Unaudited Special Purpose Interim Condensed Consolidated Statement of Profit and Loss including other comprehensive income, Unaudited Special Purpose Interim Consolidated Statement of Cash Flows and Unaudited Special Purpose Interim Condensed Consolidated Statement of Changes in Equity for the half year ended September 30, 2021, a summary of the significant accounting policies and other explanatory Information.

Management has prepared these Unaudited Special Purpose Interim Condensed Consolidated Financial Statements to depict the historical cost of the Group except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer note 9)

The Unaudited Special Purpose Interim Condensed Consolidated Financial Statements as at and for the half year ended September 30, 2021 do not include all the information and disclosures required in the complete set of financial statements and should be read in conjunction with the Company's annual Consolidated Financial Statements as at and for the year ended March 31, 2021.

The accounting policies followed in preparation of these Unaudited Special Purpose Interim Condensed Consolidated Financial Statements are consistent with those followed in the most recent annual financial statements of the Group i.e. for the year ended March 31, 2021, except for the adoption of new standards, interpretations and amendments effective as of April 1, 2021.

For Going Concern Assessment Refer note no. 13.

3.2 New Standards, Interpretations and amendments adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

(a) Ind AS 116 - COVID-19-Related Rent Concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Group.

(b) Interest Rate Benchmark Reform - Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- a) A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- b) Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- c) Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

(c) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Group.

(d) Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Group.

(e) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.

4 Property, plant and equipment

- (a) During the period ended September 30, 2021, the Group has added Rs. 500.04 million (March 31, 2021: Rs. 506.78 million) to gross block of property, plant and equipment. The addition majorly pertains to Plant and equipment. Further, the Group, during this period, disposed net block of property, plant and equipment worth Rs. 25.64 million (March 31, 2021: Rs. 119.22 million).
The Group has recognised a impairment charge of Rs. 686.44 millions. Refer Note 15 for more details.

(b) Change in Accounting Estimate

During the period ended September 30, 2021, as a part of its annual exercise of review of estimates, the Group have conducted an operational efficiency review of its wind power plants and solar power plants respectively, classified under category property, plant and equipment. Basis the study and technical advice, with effect from April 1, 2021, the expected useful life of wind power plants and solar power plants has been revised from 25 years to 30 years and 35 years respectively. As a result of change, depreciation expenses recognized in Statement of Profit and Loss during the current period is decreased as compared to previous period.
The effect of above changes on actual and expected depreciation expense was as follows.

Particulars	Actual effect in the current period	For the year ended				
		Expected amount of effect in future periods*				
		30-Sep-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Decrease in Depreciation Expense	451.84	903.68	903.68	903.68	903.68	903.68

*Expected amount of the effect in future periods on depreciation, computed without considering any changes for expected capitalization and disposals in Property, Plant and Equipment.

5 Cash and cash equivalents

Particulars	As at September 30, 2021	As at March 31, 2021
Balances with banks		
- Current account	3,546.30	2,522.58
- Deposits with original maturity of three months or less	147.92	1,230.53
Cash in hand	0.01	0.01
	3,694.23	3,753.12

5 (a) Other Bank Balances

Other bank balances includes restricted bank balance amounting to Rs. 7,763.66 (March 31, 2021: Rs. Nil) which is used in repayment of existing facilities in one of the subsidiary, Clean Solar Power (Tumkur) Private Limited subsequent to the Balance Sheet date as per agreement with lenders.

6 Borrowings

Particulars	As at September 30, 2021	As at March 31, 2021
Non-current		
Secured		
Term loan from banks	8,790.13	7,965.10
Term loans from financial institution	27,260.93	21,103.49
Non-Convertible Debentures	3,975.52	2,962.57
Supplier's credit	6,953.05	6,886.81
External Commercial Borrowings (ECB) Bonds (refer note 11)	25,350.14	-
Unsecured		
Cumulative Compulsorily Convertible Preference Share	21,821.30	20,774.52
Optional Convertible Cumulative Debentures	108.72	104.30
Compulsory Convertible Debentures	83.20	83.20
Term Loan from related parties (refer note 11)	1,485.05	-
	95,828.04	59,879.99
Current		
Secured		
Commercial Papers	373.09	-
Term Loans from banks	331.00	4,792.68
Long Term borrowings- current (refer note 't' below)	2,734.11	7,799.17
Current maturities of long term borrowings	15,838.06	28,253.15
Non-Convertible Debentures	-	892.52
Bank Overdraft	2,712.60	3,196.74
Working Capital facility	-	111.50
Unsecured		
Term Loans from banks	-	1,000.00
Term Loan from related parties (refer note 11)	1,743.42	2,490.67
Term Loan from others	7.50	7.50
Working Capital facility	875.00	500.00
Commercial Papers	641.47	-
Bank overdraft	-	653.60
	25,256.25	49,697.53
Total	121,084.29	109,577.52

- a) Long term loan from banks and financial institutions attract interest rate ranging from 8.85% p.a.- 11% p.a.
b) Non Convertible debentures carry interest in the range of 10 % p.a.- 12% p.a.
c) Interest on Supplier's credit is based on the LIBOR + spread ranging from 0.33-1.10%.

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(All amounts are in Indian Rupees (in millions), unless otherwise stated)

- d) Short term loan from banks and related parties, Working Capital facility and bank overdraft from banks carries interest @ 6% p.a.- 15% p.a.
- e) Compulsorily Convertible Preference Shares carry cumulative dividend @ 0.001% p.a., the Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- f) Commercial Papers carry interest in the range of 7% p.a.- 10% p.a.
- g) External Commercial Borrowings (ECB) Bonds carries interest @ 8.85%- 8.92% p.a.
- h) Vide "Common Facility Agreement" dated June 07, 2021, one of the subsidiary namely, Clean Solar Power (Bellary) Pvt Limited has availed the Rupee term loan facility from Federal Bank Ltd. (FBI) amounting to Rs. 970.00 million. The term Loan facility is repayable in 180 structured equal monthly instalments, starting from June 30, 2021. The Loan is secured by way of first charge of hypothecation and mortgage of all movable and immovable properties of the company including intangible assets and project documents as well as on all current assets (present and future) including book debts, operating cash flows, receivables, commissions and revenue of all nature. It also includes pledge of 30% shares of the company held by Hero Solar Energy Private Limited. The outstanding balance as on September 30, 2021 is Rs. 887.59 million.
- i) Vide "Term Loan Agreement" dated June 04, 2021, one of the subsidiary namely Clean Solar Power (Chitradurga) Pvt Ltd has availed the term loan facility with Power Finance Corporation Ltd. (PFC) amounting to Rs 2,127.00 million. The Term loan is repayable in 213 equal monthly instalments started from July 15, 2021. The Loan amount is secured by way of first charge of hypothecation and mortgage of all movable and immovable assets of the project (present & future) including intangibles, goodwill, uncalled capital (present and future) of the subsidiary specific to the project. It includes charge over project documents, Letter of credit, Corporate Guarantee (till perfection of security) and insurance policies in favour of the subsidiary as well as on all current assets (present and future) including book debts, operating cash flows, receivables, commissions, and revenue of all nature. It includes pledge of 51% of the equity share capital and Compulsory Convertible Debentures (issued to Hero Solar Energy private Limited) of the subsidiary such that the voting right does not fall below 51%. It also includes pledge on shareholder loan given as promotor/ sponsor contribution for the project. The outstanding balance as on September 30, 2021 is Rs. 1,993.98 million.
- j) Vide Sanction letter dated September 27, 2021, one of the subsidiary namely Hero Solar Energy Private Limited has availed sanctioned corporate loan facility amounting to Rs 1,000.00 million from Aditya Birla Finance Ltd ("ABFL"). Against the said facility, the Company has got disbursement of Rs. 974.80 million. As on September 30, 2021, the outstanding closing balance is Rs. 955.30 million. The said Loan is repayable in 2 equal annual instalments starting from August 31, 2022. The Loan amount is secured exclusively through first charge on cash flow from "surplus account" of all SPV's under international green bond issued by Clean Renewable Power (Mauritius) Pte. Ltd , hypothecation of shareholder (HFEPL) loan in the company and pledge of 30% shareholding in Clean Wind Power (Devgarh) Private Limited and creation of ISRA, combined value of security should be at least 1.5 times of facility amount and unconditional & Irrevocable Corporate Guarantee of HFEPL.
- k) One of the subsidiary namely, Hero Solar Energy Private Limited has issued 600 secured, rated, listed and redeemable Non- convertible debentures ('NCD') of face value of Rs 1.00 million each. The NCD would be repaid starting from September 2022, in 7 equal quarterly instalments. The 'NCD's are secured by exclusive charge by way of hypothecation of loan given by the company to the subsidiary required to maintain security cover of 1.1x.
- l) Vide "Common Facility agreement" dated August 23, 2021, one of the subsidiary namely Clean Wind Power (Anantapur) Private Limited has been sanctioned corporate Loan facility amounting to Rs. 1,115.00 million from PTC India Financial Services Limited. Against the said facility, the subsidiary has got disbursement of Rs. 900.00 million. As on September 30, 2021, the outstanding loan amount is Rs. 892.62 million. The said loan is repayable in 72 structured quarterly instalments starting from March 31, 2022. The Loan amount is secured by way of first charge of hypothecation, mortgage and assignment by way of Indenture Of Mortgage (IOM) of all movable and immovable assets of the project (present & future) including intangibles, goodwill, uncalled capital (present and future) of the subsidiary specific to the project. It includes charge over project documents, Letter of credit, Corporate Guarantee (till perfection of security excluding DSRA) and insurance policies in favour of the subsidiary as well as on all current assets (present and future) including book debts, operating cash flows, receivables, commissions, and revenue of all nature. It includes pledge of 51% of the equity share capital and Optionally Compulsory Convertible Debentures (issued to Hero Wind Energy private Limited) of the subsidiary such that the voting right does not fall below 51%. It also includes 51% pledge on shareholder loan given as promotor/ sponsor contribution for the project.
- m) Vide "Sanction letter" dated June 24, 2021 , one of the subsidiary namely Hero Wind Energy Private Limited has been sanctioned term loan facility amounting to Rs 500.00 million from SBM Bank (India) Limited). The subsidiary has got the full disbursement of Rs. 500.00 million. The tenure of loan is 36 months which is repayable in twelve equal quarterly instalment starting from September 29, 2021. The loan is secured by way of hypothecation of loans and advances given to Clean Wind Power (Anantapur) Private Limited to the extent of 1.1x cover of loan amount and corporate guarantee of Hero Future Energies Private Limited. The outstanding balance as on September 30, 2021 is Rs. 456.21 million.
- n) Vide "Sanction letter" dated March 24, 2021, one of the subsidiary namely Hero Wind Energy Private Limited has been sanctioned credit line limit of Rs 1,000.00 million, out of which working capital demand loan (WCDL) limit is Rs 500.00 million along with overdraft facility of 10.00 million sub-limit of WCDL and balance advance against deposit facility of Rs. 500.00 million against Fixed deposit from Federal Bank Limited for working capital requirement. The WCDL including OD limit (sublimit of WCDL) is unsecured. The Company has got the disbursement of Rs 500.00 million in the form of WCDL which is unsecured. The tenure of said WCDL facility is 180 days and overdraft facility 12 months. As on September 30, 2021, the outstanding amount of working capital demand loan is Rs. 375.00 million.
- o) Vide "Sanction letter" dated September 10, 2021, one of the subsidiary namely Bhilwara Green Energy Limited has been sanctioned cash credit/WCDL limit amounting to Rs 140.00 million from Axis Bank Limited for working capital requirement. The Cash credit is payable on demand and WCDL payable within 1 year. The facility is secured against first charges on the entire current assets of the borrower including present and future, secondary charges on entire movable fixed assets of the borrower including present and future and corporate guarantee of Hero Future Energies Private Limited. As on September 30, 2021, the outstanding amount is Rs. 126.27 Million.

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- p) During the period Clean Renewable Power (Mauritius) Pte Ltd has invested in INR dominated External Commercial Borrowings ("ECBs") amounting to Rs. 27,200.00 million issued by Indian Restricted Group entities at a discount of 3%. Following entities are part of the Indian Restricted Group.
- i) Clean Wind Power (Piploda) Private Limited
 - ii) Clean Wind Power (Bableshtar) Private Limited
 - iii) Clean Wind Power (Ratlam) Private Limited
 - iv) Clean Wind Power (Satara) Private Limited
 - v) Bhilwara Green Energy Limited
 - vi) Clean Solar Power (Dhar) Private Limited
 - vii) Rajkot (Gujarat) Solar Energy Limited
 - viii) Clean Solar Power (Gulbarga) Private Limited
- Accordingly, the Restricted Group entities has paid existing term loan and non-convertible debenture outstanding as at March 31, 2021 of Rs. 22,134.22 million in full by using aforesaid ECB. The said loan is repayable in structured half yearly installments starting from March 25, 2022 till March 25, 2027. The Loan amount is secured through mortgage/charge on certain immovable properties in relation to the project, charge by way of hypothecation over all movable property (tangible and intangible) assets, all current assets which includes revenues, receivables, book debts, deposits, cash flows and related bank accounts and pledge of 51% of the equity shares of the restricted group entities.
- q) Vide "Common Facility Agreement" dated September 24, 2021, one of the subsidiary namely Clean Solar Power (Tumkur) Private Limited has been sanctioned term loan facility amounting to Rs. 8,900.00 million from India Infradebt Limited, Tata cleantech capital limited and Tata capital financial services limited for repayment of existing facilities. The Company has got the disbursement of Rs 8,550.00 million. The tenure of loan is 17 Years and 6 months which is repayable in 70 structured quarterly instalments starting from September 30, 2021. The loan is secured by way of charge on all moveable and immovable properties. The outstanding balance as on September 30, 2021 is Rs 8,421.35 million
- r) During the period, the Company has issued Commercial Papers at the interest rate in the range of 7% p.a. to 9.75% p.a. As on September 30, 2021, the outstanding loan amount is Rs. 1,014.56 million. The Commercial Papers are unsecured except Commercial paper to one of the lender which is secured by way of charge (1.10x) on the loan receivables from Hero Wind Energy Private Limited ("the Subsidiary") in favour of Security Trust.
- s) Vide Sanction letter dated August 28, 2021 and September 23, 2021, one of the subsidiary namely Hero Solar Energy Private Limited has taken unsecured term loan amounting to Rs 2,000.00 million from Hero Fincorp Limited. The interest on loan is payable monthly. The repayment of the loan is as follows:
- a) Rs 250 million as bullet repayment at end of 7th month of disbursement or on March 31, 2022, whichever is earlier.
 - b) Rs 250 million as bullet repayment at end of 12th month from the date of disbursement i.e. Sept 2022.
 - c) Rs 1,500 million in 18 equal monthly instalments, starting from April 2022.
- t) During the year ended March 31, 2021, the Group has, for various reasons, breached covenants on loans. The breaches are primarily related to mortgage perfection of project land or non-financial covenants, and debt service coverage ratio ("DSCR") or other financial covenant breaches in a few projects. The lenders till date have not requested accelerated repayment of the loans and the terms of the loans remain unchanged. Further, the management has not carried out assessment of Compliance with Loan Covenants for the loans obtained from Banks and Financial Institutions as at September 30, 2021, as management believes that such compliance of loan covenants needs to be examined at each year-end based on year-end financial statements. Accordingly, basis March 31, 2021 non-compliances which have not been remedied till September 30, 2021 the Group has reclassified Rs. 2,734.11 million as at September 30, 2021 and Rs. 7,799.17 million as at March 31, 2021 of loans from non-current to current.

7 Revenue from Contract with Customers

Particulars	Half year ended September 30, 2021	Half year ended September 30, 2020
Revenue from Contract with Customers		
Sale of electricity	7,684.08	6,794.18
Less: Rebate and Discounts	(33.80)	(41.53)
Sale of electricity (net of rebate and discounts)	7,650.28	6,752.65
Sale of rooftop solar plant	564.47	60.42
Incentive under generation based incentive scheme	280.62	209.49
Sale of Services		
Operation and maintenance fees	1.43	0.05
Total	8,496.80	7,022.61

Disaggregation of Revenue

The Group derives its revenue from a single stream of revenue and from the transfer of electricity over time for each unit of electricity sold.

8 Finance costs

Particulars	Half year ended September 30, 2021	Half year ended September 30, 2020
Interest on debts and borrowings	3,996.52	4,967.24
Interest on ECB bonds from related parties (Refer note 11)	1,121.03	-
Interest on loan from related parties (Refer note 11)	181.67	180.96
Interest on compulsory convertible debenture	14.49	12.41
Interest on non-convertible debenture	252.81	318.92
Interest accretion on lease liability	22.82	28.04
Other finance costs	208.28	274.70
	5,797.62	5,782.27

9 Financial Instruments and Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

a) Fair value of financial assets:

	Carrying value		Fair value	
	As at	As at	As at	As at
	September 30, 2021	March 31, 2021	September 30, 2021	March 31, 2021
Financial assets measured at fair value through profit or loss				
Investment in mutual fund	85.08	198.70	85.08	198.70
Investment in equity shares	145.39	142.37	145.39	142.37
Derivatives not designated as hedges				
- Currency and interest rate swaps	64.76	-	64.76	-
Total A	295.23	341.07	295.23	341.07
Financial assets measured at amortised cost				
Security deposits	76.70	73.70	76.70	73.70
Trade receivables	10,911.41	7,631.57	10,911.41	7,631.57
Cash and cash equivalents	3,694.23	3,753.12	3,694.23	3,753.12
Other Bank Balances	9,557.61	2,758.28	9,557.61	2,758.28
Other financial assets	4,147.69	2,018.49	4,147.69	2,018.49
Total B	28,387.64	16,235.16	28,387.64	16,235.16

b) Fair value of financial liabilities:

	Carrying value		Fair value	
	As at	As at	As at	As at
	September 30, 2021	March 31, 2021	September 30, 2021	March 31, 2021
Financial liabilities measured at fair value through profit or loss				
Derivatives not designated as hedges				
- Currency and interest rate swaps	33.31	83.97	33.31	83.97
	33.31	83.97	33.31	83.97
Financial liabilities measured at amortised cost				
Borrowings	121,084.29	109,577.52	121,787.89	109,800.42
Trade payables	2,646.31	2,010.02	2,646.31	2,010.02
Other financial liabilities	3,066.77	4,303.86	3,066.77	4,303.86
	126,797.37	115,891.40	127,500.97	116,114.30

Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables, Interest accrued on borrowings and current maturities of long term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long term borrowings are primarily Indian domestic rupee denominated loans with fixed interest rate and floating interest rate borrowings. For floating interest rate borrowings, the interest rates are linked to market driven benchmark rates (Marginal Cost of Lending Rates/ Prime Lending Rates) of respective lenders plus minus a prefixed spread. As per contractual arrangement, these benchmark rates are periodically revised by the lenders at a pre-set interval to reflect prevalent market conditions.

Further, the Group has an option to prepay loans subject to terms of respective loan arrangement. Due to these reasons, management is of the opinion that they can achieve refinancing, if required, at similar cost of debt, as current effective interest rates. Accordingly, effective cost of debt for Borrowings in medium term time horizon will be in line with the prevalent market rates. Therefore, the discounting rate for calculating the fair value of floating interest rate borrowings has been taken in line with the current cost of debt. Further, if we consider a sensitivity of 25 basis point increase/decrease in the current cost of debt, the fair value of long-term borrowing with floating rate of interest rate will be approximately 0.23% lower than amortized cost as on September 30, 2021.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the group and in case of financial asset is the average market rate of similar credit rated instrument. The group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair values of the group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the rate as at the end of the reporting period. The own non-performance risk as at September 30, 2021 was assessed to be insignificant.
- Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.
- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
- Specific valuation techniques used to value financial instruments include:
 - Mutual fund classified in Level 1 above are valued on the basis of quoted rates available from securities markets in India. Mutual funds are valued using the closing NAV.
 - Fair value of other non-current assets and liabilities is determined based on discounted cash flow method using risk adjusted discount rate.

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- (e) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, cross currency swaps and foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs. As at September 30, 2021, the mark-to-market value of other derivatives positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets

Particulars	Level	As at September 30, 2021	As at March 31, 2021
Financial assets measured at fair value through profit or loss			
Investment in mutual fund	Level I	85.08	198.70
Investment in equity shares - Clean Solar Power Eastern Europe Limited	Level III	69.94	69.94
Investment in equity shares - Clean Solar Power (Bhainsada) Europe Limited	Level II	75.45	72.43
Derivatives not designated as hedges			
- Currency and interest rate swaps	Level II	64.76	-
Total A		295.23	341.07
Financial assets measured at amortised cost			
Security deposits	Level II	76.70	73.70
Trade receivables	Level II	10,911.41	7,631.57
Cash and cash equivalents	Level II	3,694.23	3,753.12
Other bank balances	Level II	9,557.61	2,758.28
Other financial assets	Level II	4,147.69	2,018.49
		28,387.64	16,235.16
Total (A+B)		28,682.87	16,576.23

Quantitative disclosures fair value measurement hierarchy for liabilities

Particulars	Level	As at September 30, 2021	As at March 31, 2021
Financial liabilities measured at fair value through profit or loss			
Derivatives not designated as hedges			
- Currency and interest rate swaps	Level II	33.31	83.97
Total A		33.31	83.97
Financial liabilities measured at amortised cost			
Borrowings	Level II	121,084.29	109,577.52
Trade Payable	Level II	2,646.31	2,010.02
Other financial liabilities	Level II	3,066.77	4,303.86
Total B		126,797.37	115,891.40
Total (A+B)		126,830.68	115,975.37

Fair value of variable interest bearing borrowings is considered approximate to their carrying amounts. Fair value of fixed interest bearing borrowings is computed using a combination of market and present value approach. Fair market interest, for this purpose, has been considered 10%.

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at September 30, 2021 is shown below:

Particulars	Valuation Technique	Significant unobservable inputs	Weighted Average Cost of Equity	Sensitivity of the input to fair value
	Fair Value based Net Asset Value			0.5% increase (decrease) in the discount rate would result in a decrease (increase) in fair value by Rs. 3.44 million
Investment in Equity Shares of Clean Solar Power (Eastern Europe) Limited	(Enterprise Value of GEA Solar LLC and Greenway Solar LLC has been derived basis FCFE)	Risk adjusted weighted average cost of capital	15.04%	

There have been no transfers between Level 1 and Level 2 during the period ended September 30, 2021.

10 Contingent Liabilities and commitments:

(a) Capital Commitments

As at September 30, 2021, the group has capital commitment (net of advance) pertaining to construction of wind and solar energy projects amounting to Rs. 3,081.05 million (March 31, 2021 Rs. 5,744.27 million).

(b) Contingent liabilities

Particulars	As at September 30, 2021	As at March 31, 2021
Bank guarantee outstanding	766.27	855.61
Corporate guarantee	-	1,380.00
Letter of credit	468.43	143.97
Viability Gap Funding*	1,643.10	1,382.80
Income Tax matters	4.18	0.22
Indirect tax matters	105.69	223.53
Total	2,987.67	3,986.13

* As per VGF Securitization Agreements dated March 28, 2014 and April 25, 2014, made between two of the subsidiaries namely Clean Solar Power (Dhar) Private Limited & Waaneep Solar Private Limited with Solar Energy Corporation of India (hereinafter referred to as "SECI") respectively, the said subsidiaries are liable to refund the amount of VGF received to SECI, if it commits certain defaults as specified in VGF Agreements.

Bank guarantees have been provided as a security to make payments to third parties in the event that the Group does not perform what is expected of it under the terms of any related contracts or commercial arrangements.

Corporate guarantees have been furnished to project finance lenders against loans availed by the Group.

Letter of credit represents financing arrangements for purchase of capital assets which are to be settled out of loans pending disbursements.

Viability gap funding represents the amount already received which the government agencies can demand repayment of in case the project fails to generate power for a long period of time.

Other Litigations

- (I) One of the subsidiary namely Clean Wind Power (Anantapur) Private Limited, having net block of Property, Plant & Equipment of Rs 1,271.67 million as on September 30, 2021, entered into an agreement dated December 31, 2013 with New & Renewable Energy Development Corporation of Andhra Pradesh ('NREDCAP') whereby NREDCAP sanctioned setting up of 100 MW wind farm (partly for captive consumption and partly for commercial sale). As Telangana was formed out of Andhra Pradesh on June 2, 2014, the project was undertaken under State of Telangana and the Group commissioned the Phase-1 of wind farm of 27.3 MW on June 30, 2018 vide commissioning certificate dated July 3, 2018 received from Southern Power Distribution Company Limited (SPDCL).

Further, in spite of the said subsidiary's agreement with NREDCAP, in absence of wind power policy in newly formed state of Telangana, the said subsidiary was unable to enter into Power Purchase Agreement ('PPA') and plant has been isolated from the grid from the date of commissioning itself. In view of the above regulatory delays, the said subsidiary has filed Writ Petition with High Court at Hyderabad against which High Court at Hyderabad has issued a direction to TSERC to decide the tariff petition filed by the said subsidiary before end of May, 2018. Accordingly, TSERC issued Tariff order dated October 6, 2018 declaring tariff of Rs. 3.61 per/kwh. Based on the said tariff order, the said subsidiary requested Telangana State Southern Power Distribution Company Limited ('TSSPDCL') vide letter dated November 1, 2018 to enter into Power Purchase Agreement (PPA), however TSSPDCL has declined the request of said subsidiary to enter into PPA at Rs. 3.61 per/kwh and proposed a tariff of Rs. 2.79 per/kwh.

As the tariff order issued by TSERC @ Rs. 3.61 per/kwh, which was lower than the expected tariff of Rs. 4.84 per kWh budgeted by the Group, the Group has carried out Impairment assessment per Ind AS 36 "Impairment of Assets" during the year ended March 31, 2019 and March 31, 2020 and has charged Rs. 528.02 million as Impairment to the Statement of Profit & Loss for the year ended March 31, 2019 and Rs 150.00 million for the year ended March 31, 2020.

Aggrieved with the TSSPDCL offer of Rs.2.79/kwh, the subsidiary approached Telangana High Court praying for the following reliefs:

- Direct TSSPDCL to execute PPA at Rs. 3.61/kwh
- In the interim direct TSSPDCL to execute PPA at Rs. 2.79/kwh subject to final decision on tariff by the High Court

High Court vide its Order dated October 31, 2019 directed TSSPDCL to sign PPA at the interim rate of Rs. 2.79/kwh subject to final decision of the High Court. In order to expedite the signing of PPA, the Company filed another interim application and the High Court vide order dated January 27, 2020 directed TSSPDCL to sign PPA at interim rate of Rs. 2.79/Kwh till final decision on tariff. Subsequently, the PPA got signed on February 24, 2021 at the interim rate of Rs. 2.79/kwh

Based on discussion with the concerned government bodies, Group's internal assessment supported by an expert legal opinion, the Group believes that the said subsidiary will get all requisite approval including signing of final PPA and at the final tariff rate of Rs. 3.61/ kwh. Accordingly, the Group believes that the project is fully viable at revised impaired carrying value and is expected to generate future economic benefits.

- (II) Waaneep Solar Private Limited (Waaneep) having net block of Property, Plant & Equipment of Rs 4,375.63 million as on September 30, 2021 and Vayu Urja Bharat Private Limited (Vayu Urja Bharat) having net block of Property, Plant & Equipment of Rs. 8,156.85 million, involved in litigation with Southern Power Distribution Company of Andhra Pradesh Limited ('APDISCOM') regarding the tariff rates applicable to the construction and commissioning of two 25MW power plants at Gurramkonda and Nagari. The PPAs for the Waaneep and Vayu Urja Bharat projects were entered into in December 2014 and July 2016.

On July 1, 2019, the newly elected State Government issued an order allowing DISCOMs to challenge PPA tariff rates agreed by the previous government. As a result, APDISCOM issued a letter to Waaneep and Vayu Urja on July 12, 2019, requesting a 50% reduction in the tariff rate applied to the PPAs. In response, the companies filed a review petition in the High Court of Andhra Pradesh and, ultimately, the Government Order and the APDISCOM letter were both set aside in September 2019. However, considering the level of outstanding payments and the weak financial position of the APDISCOM, the High Court granted an interim relief at a reduced tariff rate. This rate to apply until the disposal of petitions filed by the APDISCOM under OP 17 of 2019, challenging the regulation under which the PPA tariff rates were originally set. Vayu Urja had filed a writ appeal No. 394 of 2019, before the Division Bench of the Hon'ble High Court of Andhra Pradesh challenging the aforesaid judgment dated 24.09.2019 of the Hon'ble Single Judge in W.P. No. 2401 of 2019. In view of the pending High Court writ appeals, the matter is pending for final arguments.

Separately, on August 31, 2019, Vayu Urja obtained a favourable order from Andhra Pradesh Electricity Regulatory Commission ("APERC") to receive full payment at the original PPA tariff rates under OP 35 of 2019. Due to the High Court granting the interim relief described above, Vayu Urja filed a review petition to clarify that the APERC order still held, receiving confirmation in December 2019. Subsequently, Vayu Urja approached APERC for enforcement of its order for full payment as per the PPA and pursuant to APERC's directions, APDISCOM has started paying in instalments. The subsidiary got a favourable order from APERC for payment of our outstanding GBI and CUF amounts of Rs 705.40 million within 6 weeks.

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Waaneep appealed the High Court ruling in September 2019, seeking payment at the original tariff rate. High Court had inter alia directed the APSDCL to pay all pending and future bills of the Petitioner at the "interim" rate. The matter is currently up for final arguments.

The Discom had filed the appeal before the APTEL against the payment order in O.P 35 of 2019. Their appeal was dismissed by APTEL. Further DISCOM has filed the Civil appeal before Supreme Court against the APTEL Order dated September 25, 2020. Moreover, DISCOM has also filed the Special Leave Petition before the Supreme Court against the review order dated December 19, 2019 passed in subsidiaries favour by AP High Court. We have filed our reply on both the matters however, the next date of hearing is yet to be notified.

Revenues have been recorded at full tariff rates for Vayu Urja and Waaneep and that the APDISCOM has not disputed the payment order issued by the High Court in September 2019. However, uncertainty remains regarding both the timing and amount of cash inflows to be received in relation to these projects.

- (III) The Company had entered into Power Purchase Agreement with Hubli Electricity Supply Company Ltd ("HESCOM") on February 19, 2014 to commission 10 MW Solar Power project by August 18, 2015 (including extension of 5 months 8 days vide letter dated October 17, 2014 from HESCOM). The Company commissioned and received the Commission Certificate on August 14, 2015.

The Company had filed a petition before Karnataka Electricity Regulatory Commission ("KERC") on January 05, 2017 against reduction of tariff from 7.47 per kWh to 6.5 per kWh. KERC vide its Impugned Order dated October 17, 2017 while upholding the PPA tariff of Rs.7.47 per kWh in favour of HFE. However in the said order KERC arbitrarily, erroneously and retrospectively denied the already approved extension of time of 5 months and 8 days granted by HESCOM, after almost 3 years of such extension being granted.

As a result of the impugned order, HESCOM imposed liquidated damages ("LD") of Rs. 120.50 million (excluding Goods and Service Tax) vide order dated March 12, 2020. The Company has filed appeal dated July 8, 2020 with APTEL against such order and is awaiting to be heard. The amount of Rs. 253.74 million (March 31, 2021 Rs 206.01 million) is receivable from Hubli Electricity Supply Company Limited (HESCOM) on account of supply of energy.

Management believes, basis legal experts inputs and precedence basis judgement of other companies with similar case facts, is of the view that it has a good chance of succeeding in appeal as the extension was provided by HESCOM. Accordingly, these outstanding amounts have been considered fully recoverable in these financial statements.

11 Related Party transactions
a) List of related parties

Name of Related Party	Nature of relationship
Bahadur Chand Investments Private Limited	Enterprises having control
Brijmohan Lal Om Parkash, Partnership Firm	Ultimate Holding Entity
BM Munjal Energies Private Limited	Ultimate Holding Company
Hero Future Energies Global Limited, UK	Intermediate Holding Company
Hero Future Energies Asia Pte. Limited, Singapore	Holding Company
Hero Fincorp Limited	Enterprises, Key Managerial Personnel of which is able to exercise significant influence over the Company
Hero MotoCorp Limited	
Hero Future energies Limited Employees Group Gratuity Trust	
Clean Renewable Power (Mauritius) Pte Ltd	Fellow Subsidiary Company
Clean Solar Power (Eastern Europe) Limited	
Rahul Munjal- Chairman & Managing Director	Key Management Personnel
Renu Munjal- Director	
Abhimanyu Munjal- Director	
Vivek Mehra- Independent Director	
Osama Abdullatif A Alothman- Nominee Director (w.e.f February 28, 2020)	
Lubomir Georgiev Varbanov- Nominee Director (w.e.f June 29, 2020)	
Srivatsan Srinivas Iyer- Chief Executive Officer (w.e.f January 31, 2021)	
Sunil Jain- Chief Executive Officer (upto January 31, 2021)	
Mayur Maheshwari- Company Secretary	

b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	Half year ended September 30, 2021	Half year ended September 30, 2020
Hero Fincorp Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	Interest Paid on Loan	176.97	178.68
		Loan Repaid	1,250.00	1,000.00
		Loan Received	2,000.00	2,050.00
		Processing Fees Paid	-	0.83
Hero MotoCorp Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	Operation & Maintenance Fees	0.77	0.05
Bahadur Chand Investments Private Limited	Enterprises having control	Loan Repaid	1,500.00	500.00
		Loan Received	1,500.00	500.00
		Interest Paid on Loan	4.13	2.21
Clean Solar Power (Eastern Europe) Limited	Fellow Subsidiary Company	Loan Given	1,050.28	-
		Interest Income	50.57	-
		Investment in equity shares	-	72.97
Clean Renewable Power (Mauritius) Pte Ltd	Fellow Subsidiary Company	Interest on ECB Bond	1,121.03	-
		ECB Bond Received	26,384.01	-
		Discount on issue of bonds	815.99	-

Compensation of Key management personnel of the Company

	Half year ended September 30, 2021	Half year ended September 30, 2020
Short-term employee benefits*	103.02	48.65
Director sitting fees and consultancy fees	0.60	1.00
	<u>103.62</u>	<u>49.65</u>

*Remuneration to the key managerial personnel does not include the provisions made for gratuity and leave encashment, as they are determined on an actuarial basis for the Company as a whole.

c) Closing balance of related parties

Name of Related Party	Relationship	Nature of Transaction	As at September 30, 2021	As at March 31, 2021
Hero Fincorp Limited	Enterprises, Key Managerial Personnel of which is able to exercise significant influence over the Company	Payable on account of interest on loan	4.96	7.08
		Payable on account of loan	3,250.00	2,500.00
Hero Future energies Limited Employees Group Gratuity Trust	Enterprises over which key management personnel and their relatives able to control	Contribution to gratuity trust fund	59.85	59.85
Hero MotoCorp Limited	Enterprises owned or significantly influenced by KMP	Receivables	9.40	2.06
Hero Future Energies Asia Pte. Limited	Holding Company	Compulsorily convertible Preference shares	1,682.93	1,682.93
		Other Receivables	0.12	0.12
Hero Future Energies Global Ltd.	Intermediate Holding Company	Compulsorily convertible Preference shares	2,920.22	2,920.22
Clean Solar Power (Eastern Europe) Limited	Fellow Subsidiary Company	Loan receivable	2,463.40	1,446.53
		Interest receivable	61.20	10.63
Clean Renewable Power (Mauritius) Pte Ltd	Fellow Subsidiary Company	ECB Bond	26,439.59	-
		Interest accrued on ECB Bond	6.54	-

12 Earnings/(Loss) per share

Particulars	Period ended September 30, 2021	Period ended September 30, 2020
Loss attributable to the equity holders of the parent	(2,877.25)	(2,247.15)
Add: Interest accretion on CCPS	1,046.78	943.63
Loss considered for calculation	(1,830.47)	(1,303.52)
Weighted average number of equity shares for basic and diluted EPS	1,043,769,471	1,043,486,374
Basic and Diluted Earnings/(loss) per share (in Rupees) (not annualised)	(1.75)	(1.25)

13 Going Concern

The Group has incurred a loss of Rs. 2,877.25 million during the period ended September 30, 2021, its net worth has been fully eroded owing to accumulated losses of Rs. 18,298.64 million as at period end and the Group's current liabilities of Rs. 31,954.36 million (including impact of loan covenant breaches) exceeded its current assets of Rs. 29,043.28 million as at the balance sheet date. However, based on approved business plan and cash flow projections approved by the Board of Directors, raising additional borrowings/ equity, replacement of loans maturing in next one year with long term tenure, possibility of obtaining waiver/ deferral letter for covenant breaches as at next financial year, history of no recall of loans in past periods for covenant breaches, disbursement of project finance loans to meet current liabilities of the respective subsidiary and the support provided by the holding company/ intermediate holding company to various entities, the management believes that each entity in the Group to have sustainable cash flows addressing any uncertainties around the going concern assumption. Accordingly, the financial statements continue to be prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

14 Employee Stock Option Plan

During the period ended September 30, 2021, the Company has reassessed the liability/provision carried in the books towards employee stock option scheme as at September 30, 2021. Based on said reassessment, a write back of Rs. 127.24 million has been recognised in the profit and loss of the current period and the same has been disclosed under other income.

- 15 During the current period, an agreement is executed with an investor to fund a 250 MW solar power plant project which is being constructed at Jodhpur, Rajasthan. The Group has given guarantee to said investor to infuse funds to support project cost overruns (over and above the agreed threshold limit) and to indemnify the financial loss to investor on account of various contingent events as stipulated in those agreements. Consequent to above mentioned guarantees and indemnity, the Group has estimated the expected loss of Rs. 1,766.53 million which has been recognised as an "Exceptional item" in the statement of Profit and Loss.

Hero Future Energies Private Limited

Unaudited Special purpose Interim Condensed Consolidated financial statement for half year ended September 30, 2021

(All amounts are in Indian Rupees (in millions), unless otherwise stated)

- 16 The subsidiary, Clean Wind Power (Bhavnagar) Private Limited, had signed Power Purchase agreement (PPA) with Maharashtra Electricity Distribution Company Limited (MSEDCL) on July 17, 2018 for development of 75.6 MW Wind Power Project in the state of Maharashtra. As per PPA, the subsidiary was required to achieve the Scheduled Commercial Operation of Plant within 18 months from the date of signing of PPA i.e. January 17, 2020. However, the subsidiary was unable to develop the project due to various unforeseen reasons.

During the period ended September 30, 2021, the subsidiary has approached Maharashtra Electricity Regulatory Commission (MERC) by way of a petition for inter alia seeking frustration of the said PPA on account of various prolonged Force Majeure events that amounts to frustration of the PPA and seeking stay against encashment of performance bank guarantee (PBG) amounting INR 151.20 million. Subsequently, it was agreed between the parties that amount equivalent to PBG will be deposited by the subsidiary and MSEDCL will not encash the PBG. The subsidiary has deposited the amount equivalent to PBG Rs. 151.20 million and consequently the MERC released the PBG on October 01, 2021.

As per legal opinion, the management believes that MSEDCL is likely to refund the amount of Rs.151.20 million. Hence no provision is made in the books for the period ended September 30, 2021.

Further, the Group has decided to liquidate the assets acquired for this project and recognized net realizable value loss of Rs. 83.75 million and also recognized impairment loss of Rs 15.97 million on preoperative expenses capitalized in this project.

- 17 Central Government imposed safeguard duty on import of Solar cells vide notification dated July 30, 2018. One of the subsidiary, Clean Solar Power (Bhadla) Private Limited considered imposition of safeguard duty as 'Change in Law' and sought recovery of Safeguard duty paid amounting to Rs 1,390.52 million from Solar Energy Corporation of India ('SECI') as per the terms of PPA.

During the period ended September 30, 2021, pursuant to favourable CERC order and upon receipt of first instalment of aforesaid claim, the Group has recognised an amount of Rs.1,390.52 million as receivable which is expected to be received in 13 years from the date of COD of the respective plants (in accordance with CERC order) and has correspondingly recognised deferred government grant, which will be amortised over the PPA tenure.

18 Segment Reporting

The Group is engaged in a single segment i.e., the business of "generation and sale of power" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the Group's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

The Group operates within India and does not have operations in economic environments with different risks and returns.

19 Events after reporting period

There are no events occurred after the reporting period which may impact the financial position as on September 30, 2021.

- 20 The figures for the corresponding previous year/ period have been regrouped/reclassified wherever necessary including requirements of the amended schedule III to the Companies Act, 2013

- 21 Figures have been rounded off to the nearest millions unless otherwise stated.

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm's Registration Number: 301003E/E300005

**PRAVIN
TULSYAN**

Digitally signed by PRAVIN TULSYAN
DN: cn=PRAVIN TULSYAN, c=IN,
o=Personal,
email=pravin.tulsyani@srb.in
Location: Gurugram
Date: 2021.12.14 16:59:37 +05'30'

per Pravin Tulsyani
Partner

Place: Gurugram

Date : December 14, 2021

**For and on behalf of the Board of Directors of
Hero Future Energies Private Limited**

**RAJESH
PURI**

Digitally signed by
RAJESH PURI
Date: 2021.12.14
16:47:45 +05'30'

Rajesh Puri
Director
DIN: 06838940

Place: New Delhi

Date : December 14, 2021

Hero Future Energies Private Limited
Results of Operations- Consolidated Financials for half year ended September 30, 2021
(Amount in Rs million, unless otherwise stated)

Operating Results

Revenue from contract with customers

Revenue from contract with customers increased to Rs. 8,496.80 million for the period ended September 30, 2021, from Rs. 7,022.61 million for the period ended September 30, 2020. This change was primarily on account of (i) higher revenue generation from wind power plants owing to higher average wind speed during the current period and (ii) increase in revenue from Rooftop projects (C&I).

Generation for the year ended September 30, 2021 and September 30, 2020 was 1,760.74 GWh million units and 1,590.17 GWh million units respectively, representing a 10.73% increase as compared to the Period ended September 30, 2020.

Other income

Other income increased to Rs. 558.62 million for the period ended September 30, 2021, from Rs. 514.17 million for the period ended September 30, 2020. This increase is primarily on account of (i) Rs. 115.42 million due to mark to market gain on the derivate instruments (ii) Rs. 133.88 million on account of balances written back during the current period. This increase was partially offset by a decrease in interest income on fixed deposit amounting to Rs. 85.99 million and exchange fluctuation gain amounting to Rs. 149.87 million recognised during the previous period.

Expenses

Cost of material consumed

Cost of materials consumed increased to Rs. 487.90 million for the period ended September 30, 2021 from Rs. 53.20 million for the period ended September 30, 2020, in line with increase in revenue of rooftop projects (C&I)

Employee benefits expense

Employee benefits expense increased to Rs. 413.80 million for the period ended September 30, 2021, from Rs. 288.60 million for the period ended September 30, 2020, primarily due to increase in salaries, wages on account of annual increment cycle, new hirings and impact of performance linked incentive provision during the current period.

Finance costs

Finance costs during the period ended September 30, 2021, increased by 0.30% to Rs. 5,797.62 million from Rs. 5,782.27 million for the period ended September 30, 2020.

Depreciation and amortization expense

Depreciation and amortization expense was Rs. 1,680.23 million for the period ended September 30, 2021 and Rs. 2,139.98 million for the period ended September 30, 2020. This change is attributable to lower depreciation on account of revision in useful lives of wind power plants and solar power plants from 25 years to 30 years and 35 years respectively with effect from April 01, 2021 prospectively.

Hero Future Energies Private Limited
Results of Operations- Consolidated Financials for half year ended September 30, 2021
(Amount in Rs million, unless otherwise stated)

Impairment of assets and Exceptional items

Impairment of assets

Impairment of assets was Rs. 99.72 million for the half year ended September 30, 2021 compared to Rs Nil million for the half year ended September 30, 2020. Refer note 16 of Unaudited Special Purpose Interim Condensed Consolidated financial statements for more details.

Exceptional Items

During the period ended September 30, 2021, the group has recorded exceptional loss of Rs. 1,766.53 million, refer note 15 of Unaudited Special Purpose Interim Condensed Consolidated financial statements for more details.

Other expenses

Other expenses decreased to Rs. 1,259.57 million for the period ended September 30, 2021 from Rs. 1,552.38 million for the period ended September 30, 2020, primarily due to (i) Rs. 255.83 million decrease in mark-to-market losses on derivative instruments, (ii) Rs. 206.70 million decrease in damages for delay in commissioning recognised in previous period. This decrease is offset by (i) an increase of Rs. 52.53 million legal and professional charges, (ii) an increase of Rs. 76.14 million in exchange fluctuation expense due to unfavourable exchange rate, and (iii) an increase of Rs 28.17 million in Operation and Maintenance expenses.

Tax expense

Tax expense increased to a net tax expense of Rs. 427.30 million for the period ended September 30, 2021, from a net tax credit of Rs. 32.50 million for the period ended September 30, 2020, primarily on account of the reversal of deferred tax asset.

Net Profit/(loss) for the period

As a result of the foregoing, loss for the period increased to Rs 2,877.25 million for the period ended September 30, 2021, from Rs. 2,247.15 million for the period ended September 30, 2020.

Cash Flow Discussion

Net cash flow from operating activities

For the period ended September 30, 2021, the net cash flow from operating activities was Rs. 2,168.29 million. This net cash inflow was primarily attributable to operating profit before working capital changes as adjusted by change in working capital. The operating profit before working capital changes was Rs 6,626.31 million for the period ended September 30, 2021. The changes in working capital for the period ended September 30, 2021, was primarily attributed to (i) increase in trade and other receivables of Rs. 3,361.66 million on account of overdue of trade receivables, (ii) increase in other financial assets of Rs. 910.99 million, (iii) increase in other assets of Rs 589.42 million (iv) decrease in other financial liabilities of Rs. 316.51 million and (v) increase in tax payments of Rs 72.40 million. These effects were partially offset by increase in other liabilities and provisions of Rs. 118.28 million and increase in trade and other payable of Rs. 653.47 million.

Net cash generated from investing activities

For the period ended September 30, 2021, the net cash flow used in investing activities was Rs. 7,949.28 million, which primarily attributable to (i) Rs. 1,496.81 million of purchase of property, plant and equipment including capital work in progress, capital creditors and capital advances and (ii) Rs.

Hero Future Energies Private Limited

Results of Operations- Consolidated Financials for half year ended September 30, 2021

(Amount in Rs million, unless otherwise stated)

7,763.66 million increase in other bank balances which is offset by net proceeds from fixed deposits of Rs. 1,092.91 million with banks and interest received of Rs. 76.40 million

Net cash generated from financing activities.

For the period ended September 30, 2021, the net cash flow from financing activities was Rs. 6,859.84 million, which primarily consisted of Rs. 45,321.83 million proceeds from borrowings. These effects were partially offset by Rs 33,904.11 million of repayments made on borrowings, and interest paid of Rs. 4,518.92 million.