

INDEPENDENT AUDITOR'S REPORT

To the Members of Hero Future Energies Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Hero Future Energies Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company, and its subsidiaries together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. We draw attention to Note 37(c)(i)(i) to the Consolidated Financial Statements of the Group, which describes liquidated damages of Rs.120.50 Million (excluding goods and service tax) imposed on the Company by Hubli Electricity Supply Company Ltd ("HESCOM") due to delay in commissioning of project. Considering the fact that HESCOM has previously granted an extension for the delay, and the management of the Company has filed an appeal against this imposition with Appellate Tribunal for Electricity (APTEL), the management, based on the reasons stated in the Note 37(c)(i)(i) has considered good the trade receivables from HESCOM aggregating to Rs.171.63 Million and no loss allowance has been recognised against the carrying value of these trade receivables in the Consolidated Financial Statements for the year ended March 31, 2024.
2. We draw attention to Note 37(c)(i)(ii) to the Consolidated Financial Statements of the Group, which describes that in one of the subsidiaries, Vayu Urja Bharat Private Limited (the "Subsidiary"), Southern Power Distribution Company of Andhra Pradesh Limited ('APSPDCL') is paying the Subsidiary the full PPA tariff, subject to certain deductions, which include claims related to the Generation Based Incentive (GBI) payments and deductions related to breach of Capacity Utilisation Factor (CUF) limits. The Management of the Group considers these deductions to be invalid and has initiated recovery actions.



Based on the reasons stated in Note 37(c)(i)(ii), the Management believes that no loss allowance is required against outstanding balance of trade receivables from the APSPDCL in the Consolidated Financial Statements for the year ended March 31, 2024.

Our opinion is not modified in respect of the above matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated financial statements and our auditor's report thereon. The Director's report has not been made available to us.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.



Other Matters

- a. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 0.10 Million as at March 31, 2024, total revenues of Nil and net cash flows amounting to Rs. 0.10 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
- b. The consolidated financial statements of the Company for the year ended March 31, 2023, were audited by another auditor whose report dated July 27, 2023 expressed an unmodified opinion on those statements.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 1(h)(vi) below on reporting under Rule 11(g).
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. The reservation related to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 1(b) above on reporting under Section 143(3) and paragraph 1(h)(vi) below on reporting under Rule 11(g).
 - g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".



- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 37 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
 - iv.
 - a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us for the Holding Company and the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
 - v. The Group has neither declared nor paid any dividend during the year.
 - vi. Based on our examination, the Holding Company and its subsidiaries incorporated in India and whose accounts are audited under the Act, have used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024 in respect of the software to log any direct data changes.



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Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level as stated above, in respect of which the audit trail facility has not operated throughout the year for all relevant transactions recorded in this accounting software during the year ended March 31, 2024.

Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

2. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Group as it is a private Company.
3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sr. No	Name of the Company	CIN	Type of Company (Holding /Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
1	Hero Future Energies Private Limited	U40300DL2013PTC253648	Holding Company	(iii)(a), (iii)(f), (vii)(b), (xi)(c) and (xvi)(a)
2	Hero Solar Energy Private Limited	U40106DL2013PTC250501	Subsidiary Company	(iii)(a), (iii)(f), (vii)(b), (xvi)(a) and (xvii)
3	Hero Wind Energy Private Limited	U40300DL2013PTC251839	Subsidiary Company	(iii)(a), (iii)(f), (vii)(b), (xvi)(a) and (xvii)
4	Clean Wind Power (Manvi) Private Limited	U40300DL2014PTC268890	Step down Subsidiary Company	(iii)(a) and (vii)(b)
5	Clean Solar Power (Tumkur) Private Limited	U40101DL2016PTC298461	Step down Subsidiary Company	(i)(c), (vii)(b) and (xviii)
6	Clean Wind Power (Anantapur) Private Limited	U40300DL2013PTC255351	Step down Subsidiary Company	(i)(c), (vii)(b) and (xvii)
7	Clean Wind Power (Satara) Private Limited	U40300DL2013PTC255815	Step down Subsidiary Company	(i)(c), (iii)(a) and (iii)(f)
8	Clean Solar Power (Gulbarga) Private Limited	U40100DL2016PTC303003	Step down Subsidiary Company	(i)(c), (iii)(a) and (xviii)
9	Clean Solar Power (Dhar) Private Limited	U40300DL2013PTC261133	Step down Subsidiary Company	(iii)(a) and (iii)(e)
10	Rajkot (Gujarat) Solar Energy Private Limited	U40101DL2013PTC261607	Step down Subsidiary Company	(iii)(a) and (iii)(e)
11	Bhilwara Green Energy Limited	U74899DL1995PLC066321	Step down Subsidiary Company	(iii)(a) and (iii)(e)



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Sr. No	Name of the Company	CIN	Type of Company (Holding /Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
12	Clean Wind Power (Bableshtar) Private Limited	U40106DL2016PTC307619	Step down Subsidiary Company	(iii)(a), (iii)(e) and (xviii)
13	Clean Wind Power (Piploda) Private Limited	U40200DL2016PTC299448	Step down Subsidiary Company	(vii)(b) and (xviii)
14	Clean Wind Power (Ratlam) Private Limited	U40300DL2013PTC255814	Step down Subsidiary Company	(iii)(a)
15	Clean Solar Rooftop Private Limited	U40105DL2020PTC364972	Step down Subsidiary Company	(xviii)
16	Clean Solar Power (Chitradurga) Private limited	U40106DL2013PTC255428	Step down Subsidiary Company	(xvii)
17	Clean Solar Power (Bellary) Private Limited	U40108DL2016PTC304768	Step down Subsidiary Company	(xviii)
18	Clean Solar Power (Bhadla) Private Limited	U40106DL2016PTC298528	Step down Subsidiary Company	(xviii)
19	Clean Wind Power (Pratapgarh) Private Limited	U40300DL2013PTC255124	Step down Subsidiary Company	(iii)(a)
20	Clean Wind Power (Devgarh) Private Limited	U40106DL2012PTC245031	Step down Subsidiary Company	(iii)(a)
21	LNJ Power Ventures Limited	U74899DL1995PLC065394	Step down Subsidiary Company	(xvii)
22	Waaneep Solar Private Limited	U40300DL2014PTC341389	Step down Subsidiary Company	(iii)(a), (vii)(b) and (xviii)

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nipun Gupta
Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGFOC9116



Place: Gurugram
Date: July 25, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HERO FUTURE ENERGIES PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

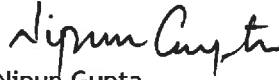


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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGF0C9116



Place: Gurugram
Date: July 25, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HERO FUTURE ENERGIES PRIVATE LIMITED

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Hero Future Energies Private Limited on the consolidated Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of Hero Future Energies Private Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management and Board of Director's Responsibility for Internal Financial Controls

The respective Management and Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.



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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGF0C9116



Place: Gurugram
Date: July 25, 2024

Hero Future Energies Private Limited
CIN: U40300DL2013PTC253648
Consolidated Balance Sheet as at March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	77,312.99	80,405.78
(b) Right of use asset	3B	656.04	599.00
(c) Capital work-in-progress	4	1,091.21	396.28
(d) Goodwill	5	350.81	304.76
(e) Other intangible assets	5	1,515.08	1,633.51
(f) Financial assets			
(i) Investments	6	-	-
(ii) Trade receivables	7	422.81	894.21
(iii) Other financial assets	10B	724.10	240.61
(g) Deferred tax assets (net)	32	891.88	678.94
(h) Other non-current assets	11	883.34	761.66
(i) Non-current tax assets (net)	12	397.96	570.57
Total non-current assets		84,246.22	86,485.32
Current assets			
(a) Inventories	13	162.30	205.27
(b) Financial assets			
(i) Investments	6	390.57	94.25
(ii) Trade receivables	7	5,357.26	6,021.00
(iii) Cash and cash equivalents	8	4,926.61	4,159.90
(iv) Other bank balances	9	3,551.73	2,998.08
(v) Loans	10A	8.00	50.00
(vi) Other financial assets	10B	3,486.91	2,340.35
(c) Other current assets	11	885.17	1,240.83
		18,768.55	17,109.68
Assets classified as held for sale	14	21.21	915.27
Total current assets		18,789.76	18,024.95
Total assets		103,035.98	104,510.27
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	129.21	101.65
(b) Other equity	16	(10,753.68)	(13,381.93)
Total equity		(10,624.47)	(13,280.28)
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	94,590.18	93,218.31
(ii) Lease liabilities	36	390.59	305.32
(iii) Other financial liabilities	19	3.29	4.13
(b) Provisions	21	186.24	157.09
(c) Deferred tax liabilities (net)	32	1,700.23	1,129.10
(d) Other non-current liabilities	20	3,048.53	2,662.99
Total non-current liabilities		99,919.06	97,476.94
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	9,688.76	15,560.30
(ii) Lease liabilities	36	47.49	46.20
(iii) Trade payables	18		
- total outstanding dues of micro enterprises and small enterprises		40.40	35.03
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,538.67	1,767.86
(iv) Other financial liabilities	19	1,534.38	1,878.53
(b) Other current liabilities	20	597.68	729.18
(c) Provisions	21	265.82	289.44
(d) Current tax liabilities (Net)	22	28.19	7.08
Total current liabilities		13,741.39	20,313.62
Total liabilities		113,660.45	117,790.56
Total equity and liabilities		103,035.98	104,510.27

Basis of preparation, measurement and material accounting policies

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The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm's Registration Number: 105047W

Nipun Gupta

Nipun Gupta
Partner
Membership Number: 502896



Place: Gurugram
Date: July 25, 2024

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

Anuj Agarwal
Anuj Agarwal
Director
DIN: 01866057
Place: New Delhi
Date: July 25, 2024

Benjamin Paul Fraser
Benjamin Paul Fraser
Director
DIN: 09759173
Place: London
Date: July 25, 2024

Srivatsan Srinivas Iyer
Srivatsan Srinivas Iyer
Chief Executive Officer

Place: Paris
Date: July 25, 2024

Mayur Maheshwari
Mayur Maheshwari
Company Secretary
M.No. - F7379
Place: New Delhi
Date: July 25, 2024

Hero Future Energies Private Limited
CIN: U40300DL2013PTC253648
Consolidated Statement of Profit and Loss for the year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
I Revenue from operations	23	14,617.65	14,645.05
II Other income	24	1,253.94	1,928.18
III Total income (I + II)		<u>15,871.59</u>	<u>16,573.23</u>
IV Expenses			
Cost of materials consumed	25	15.40	210.69
Employee benefits expense	26	721.68	778.93
Finance costs	27	8,529.84	12,615.60
Depreciation and amortization expense	28	3,413.28	3,420.57
Other expenses	29	2,634.89	2,528.51
Total expenses		<u>15,315.09</u>	<u>19,554.30</u>
V Profit/(Loss) before exceptional items and tax (III-IV)		<u>556.50</u>	<u>(2,981.07)</u>
VI Exceptional items	56	57.74	5.35
VII Profit/ (Loss) before tax (V-VI)		<u>498.76</u>	<u>(2,986.42)</u>
VIII Tax expense:	30		
a) Current tax		184.24	223.29
b) Adjustment of tax relating to earlier years		(69.62)	0.46
b) Deferred Tax charge/(credit)		360.19	(55.31)
Total tax expense		<u>474.81</u>	<u>168.44</u>
IX Profit/ (Loss) for the year (VII-VIII)		<u>23.95</u>	<u>(3,154.86)</u>
X Other comprehensive income			
Other comprehensive income not to be reclassified to statement of profit and loss in subsequent years:			
Re-measurement (loss)/ gains on defined benefit plans	31	(11.75)	5.93
Income tax effect	31	1.99	0.08
Net other comprehensive income/ (loss) not to be reclassified to statement of profit and loss in subsequent years		<u>(9.76)</u>	<u>6.01</u>
Other comprehensive income for the year, net of tax		<u>(9.76)</u>	<u>6.01</u>
XI Total comprehensive income/(loss)of the year, net of tax (IX+X)		<u>14.19</u>	<u>(3,148.85)</u>
XII Earning/ (Loss) per share: (Face Value Rs. 10 per share) Basic and Diluted (Amount in Rs.)	33	0.02	(1.02)
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm's Registration Number: 105047W

Nipun Gupta
Nipun Gupta
Partner
Membership Number: 502896



Place: Gurugram
Date : July 25, 2024

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

Anuj Agarwal
Anuj Agarwal
Director
DIN: 01866057
Place: New Delhi
Date : July 25, 2024

Srivatsan Srinivas Iyer
Srivatsan Srinivas Iyer
Chief Executive Officer

Place: Paris
Date : July 25, 2024

Benjamin Paul Fraser
Benjamin Paul Fraser
Director
DIN: 09759173
Place: London
Date : July 25, 2024

Mayur Maheshwari
Mayur Maheshwari
Company Secretary
M.No.- F7379
Place: New Delhi
Date : July 25, 2024

Hero Future Energies Private Limited
CIN: U40300DL2013PTC25648
Consolidated Statement of Changes in Equity for the year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

A. Equity Share Capital

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

	Number of Equity Shares	Amount
As at April 01, 2022	7,040,295	70.40
Issue of share capital	3,124,824	31.25
As at March 31, 2023	10,165,119	101.65
Issue of share capital	2,755,525	27.56
As at March 31, 2024	12,920,644	129.21

B. Other Equity

Particulars	Attributable to equity holders of the parent			Total other equity
	Securities premium	Capital Reserve	Retained Earnings/ (Losses)	
Balance as at April 1, 2022	3,385.36	3,188.67	(21,056.24)	(14,482.21)
Less: Share issue expenses	-	-	(6.88)	(6.88)
Add: (Loss) for the year	-	-	(3,154.86)	(3,154.86)
Add: Other comprehensive income for the year	-	-	6.01	6.01
Add: Issue of equity shares	4,256.01	-	-	4,256.01
Balance as at March 31, 2023	7,641.37	3,188.67	(24,211.97)	(13,381.93)
Balance as at April 1, 2023	7,641.37	3,188.67	(24,211.97)	(13,381.93)
Add: Profit for the year	-	-	23.95	23.95
Add: Other comprehensive (loss) for the year	-	-	(9.76)	(9.76)
Less: Share issue expenses	-	-	(3.69)	(3.69)
Add: Issue of equity shares	2,617.75	-	-	2,617.75
Balance as at March 31, 2024	10,259.12	3,188.67	(24,201.47)	(10,753.68)

Basis of preparation, measurement and material accounting policies

Refer note 2

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm's Registration Number: 105047W

Nipun Gupta
Nipun Gupta
Partner
Membership Number: 502896



Place: Gurugram
Date : July 25, 2024

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

Anuj Agarwal
Anuj Agarwal
Director
DIN: 01868057
Place: New Delhi
Date : July 25, 2024

Benjamin Paul Fraser
Benjamin Paul Fraser
Director
DIN: 09759173
Place: London
Date : July 25, 2024

Srivatsan Srinivas Iyer
Srivatsan Srinivas Iyer
Chief Executive Officer
Place: Paris
Date : July 25, 2024

Mayur Maheshwari
Mayur Maheshwari
Company Secretary
M.No.- F7379
Place: New Delhi
Date : July 25, 2024

Hero Future Energies Private Limited
CIN: U40300DL2013PTC253648
Consolidated Statement of Cash Flows for the year ended March 31, 2024
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
I. Cash flow from operating activities		
Profit/ (Loss) before tax	498.76	(2,986.42)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	3,413.28	3,420.57
Impairment of assets	-	(17.04)
Provision for exceptional item	57.74	5.35
Amortisation of government grant	(144.12)	(97.52)
Provision no longer required written back	(250.02)	(149.19)
Finance costs	8,529.84	12,615.60
Finance income	(540.59)	(631.56)
Provision for doubtful receivables and advances	73.22	221.93
Foreign exchange fluctuation gain	(10.90)	(154.84)
Insurance claim	(121.62)	(106.47)
Gain on settlement of derivatives	-	(57.49)
Loss on disposal of property, plant and equipment	-	41.40
Write down of Inventory	98.76	-
Gain on sale /Mark to market gain on mutual funds	(5.84)	(1.77)
Unwinding of discount	(126.06)	(112.21)
Adjustment on account of lease modification	-	(27.65)
	10,973.69	14,949.11
Operating profit before working capital changes	11,472.45	11,962.69
Change in working capital:		
Decrease in trade and other receivables	1,209.27	2,136.42
Decrease/ (Increase) in inventories	117.01	(47.86)
(Decrease) in trade and other payables	(112.88)	(205.17)
(Increase) in other financial assets	(27.79)	(362.40)
Decrease/ (Increase) in other assets	208.48	(368.43)
Net liabilities in relation to asset held for sale	(161.48)	238.69
(Decrease) in other financial liabilities	(31.61)	(331.15)
(Decrease)/ Increase in other liabilities and provisions	(73.85)	51.79
Change in working capital	1,127.15	1,111.89
Cash generated from operating activities	12,599.60	13,074.58
Less : Taxes paid/ (net of refunds)	79.09	(170.63)
Net cash generated from operating activities	12,678.69	12,903.95
II. Cash flow from investing activities:		
Proceeds from sale of mutual funds	100.00	86.98
Investment in mutual funds	(390.48)	(153.64)
Proceeds from sale of property, plant and equipment	0.21	12.39
Purchase of property, plant and equipment	(1,151.30)	(2,459.19)
Proceeds from Insurance claim	121.62	106.47
Proceeds from sale of assets classified as held for sale	894.06	96.62
Fixed deposits with banks (net)	(2,427.80)	(538.41)
Proceeds from loan repayment from related parties	50.00	3,094.81
Short term Loan given	(8.00)	-
Acquisition of subsidiary	(95.12)	-
Proceeds from Government grant	384.14	725.95
Interest received	850.47	313.72
Net cash used in investing activities:	(1,672.20)	1,285.70
III. Net cash flow from financing activities:		
Proceeds from equity share capital (net of share issue expense)	2,641.63	4,280.38
Payment of principal portion of lease liabilities	(47.25)	(51.10)
Net (repayment)/ proceeds of borrowings	(4,707.01)	(6,488.47)
Interest paid	(8,103.74)	(9,651.93)
Net cash used in financing activities*	(10,216.37)	(11,911.12)

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Hero Future Energies Private Limited
CIN: U40300DL2013PTC253648
Consolidated Statement of Cash Flows for the year ended March 31, 2024
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net change in cash and cash equivalents (I+II+III)	790.12	2,278.53
Less: Closing cash relating to deconsolidating subsidiary	-	(119.83)
Net change in cash and cash equivalents	790.12	2,158.70
Cash and cash equivalents as at the beginning of the year (a)	3,903.53	1,744.83
Cash and cash equivalents as at the end of the year (b)	4,693.65	3,903.53
Net change in cash and cash equivalents (b-a)	790.12	2,158.70
Reconciliation for cash and cash equivalent as per cash flow statement for the year:		
	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
- In current account	3,571.20	2,696.77
- Deposits with original maturity of three months or less	1,355.41	1,463.13
Bank overdraft (refer note 17)	(232.96)	(256.37)
Cash and cash equivalents as at the end of the year	4,693.65	3,903.53

Note:

The Cash Flow statement has been prepared under the indirect method as set out in the Ind AS 7th Statement of Cash Flows*

Figures in bracket represents cash outflow.

* Refer note 45 for change in financing activities disclosure pursuant to amendment to Ind AS 7

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm's Registration Number: 105047W

Nipun Gupta

Nipun Gupta
Partner
Membership Number: 502896



Place: Gurugram
Date : July 25, 2024

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

Anuj Agarwal

Anuj Agarwal
Director
DIN: 01866057
Place: New Delhi
Date : July 25, 2024

Srivatsan Srinivas Iyer

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Chief Executive Officer

Place: Paris
Date : July 25, 2024

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Benjamin Paul Fraser
Director
DIN: 09759173
Place: London
Date : July 25, 2024

Mayur Maheshwari

Mayur Maheshwari
Company Secretary
M.No.- F7379
Place: New Delhi
Date : July 25, 2024

1: Corporate Information

The Consolidated Financial Statements comprise financial statements of Hero Future Energies Private Limited ("the Company" or "Parent") and its subsidiaries (collectively, the Group) for the year ended March 31, 2024. The Company is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

The registered office of the Company is located at Plot No. 202, Second Floor, Okhla Industrial Estate, Phase - III New Delhi – 110020.

The Group is primarily engaged in the implementation of power projects and generation of power through renewable sources of energy and to provide professional consultancy services in relation thereto.

The Group, as at March 31, 2024 has 3 wholly owned direct subsidiaries namely Hero Solar Energy Private Limited, Hero Wind Energy Private Limited and Hero Rooftop Energy Private Limited and 50 step down subsidiaries (collectively referred to as 'the subsidiaries / the subsidiary companies').

The Consolidated Financial Statements were authorised for issue in accordance with a resolution of the directors on July 25, 2024.

2 Basis of Preparation, Measurement and Material Accounting Policies

2.1 Basis of Preparation:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The Consolidated Financial Statements have been prepared using presentation and disclosure requirements of the Division II of Schedule III of the Companies Act 2013, (IND AS Compliant Schedule III) as applicable to Consolidated financial statements.

The Consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
 - Business combination
 - Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- These financials are prepared on going concern basis. Refer note 48.

The accounting policies adopted in the preparation of Consolidated Financial Statements are consistent with those used in the annual financial statements for the year ended March 31, 2023.

The financial statements are presented in Rupees Millions and all values are rounded to the nearest millions upto two decimals thereof except otherwise stated.

2.2 Principles of consolidation:

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent, i.e., year ended March 31, 2024. When the end of the reporting year of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.



Hero Future Energies Private Limited
CIN: U40300DL2013PTC253648

Notes to the Consolidated Financial Statements

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill), liabilities of the subsidiary, carrying amount of any non-controlling interests and cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received, fair value of any investment retained, any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Following subsidiary companies and step down subsidiary companies have been considered in the preparation of the Consolidated Financial Statements:

S. No.	Name of the group	Holding Company	Country of Incorporation	% of voting power held as at March 31, 2024	% of voting power held as at March 31, 2023
1	Hero Solar Energy Private Limited	Hero Future Energies Private Limited	India	100.00%	100.00%
2	Hero Wind Energy Private Limited	Hero Future Energies Private Limited	India	100.00%	100.00%
3	Hero Rooftop Energy Private Limited	Hero Future Energies Private Limited	India	100.00%	100.00%
4	Clean Wind Power (Anantapur) Private Limited	Hero Wind Energy Private Limited	India	100.00%	100.00%
5	Clean Wind Power (Pratapgarh) Private Limited (refer note a)	Hero Wind Energy Private Limited	India	69.16%	69.16%
6	Clean Wind Power (Ratlam) Private Limited	Hero Wind Energy Private Limited	India	100.00%	100.00%
7	Clean Wind Power (Satara) Private Limited	Hero Wind Energy Private Limited	India	100.00%	100.00%
8	Clean Wind Power (Devgarh) Private Limited	Hero Wind Energy Private Limited	India	100.00%	100.00%
9	Clean Wind Power (Manvi) Private Limited (refer note a)	Hero Wind Energy Private Limited	India	69.81%	69.81%
10	Clean Wind Power (Jaisalmer) Private Limited	Hero Wind Energy Private Limited	India	100.00%	100.00%
11	Clean Wind Power (Kurnool) Private Limited (refer note c)	Hero Wind Energy Private Limited	India	100.00%	100.00%
12	Clean Wind Power (Bhavnagar) Private Limited	Hero Wind Energy Private Limited	India	100.00%	100.00%
13	Clean Wind Power (Piploda) Private Limited	Hero Wind Energy Private Limited	India	100.00%	100.00%
14	Clean Wind Power (Bableshtar) Private Limited	Hero Wind Energy Private Limited	India	100.00%	100.00%
15	Clean Solar Power (Chitradurga) Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
16	Clean Solar Power (Dhar) Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
17	Clean Solar Power (Tumkur) Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
18	Clean Solar Power (Bhadla) Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
19	Clean Solar Power (Jaipur) Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
20	Clean Solar Power (Gulbarga) Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
21	Clean Solar Power (Bellary) Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
22	Rajkot (Gujarat) Solar Energy Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
23	Bhilwara Green Energy Limited	Hero Wind Energy Private Limited	India	100.00%	100.00%
24	LNJ Power Ventures Limited (refer note a)	Hero Wind Energy Private Limited	India	74.00%	74.00%
25	Vayu Urja Bharat Private Limited	Hero Wind Energy Private Limited	India	100.00%	100.00%
26	Clean Wind Power (Tuticorin) Private Limited	Hero Wind Energy Private Limited	India	100.00%	100.00%
27	Clean Solar Power (Konch) Private Limited (refer note c)	Hero Solar Energy Private Limited	India	100.00%	100.00%
28	Clean Solar Power (Kadapa) Private Limited (refer note c)	Hero Solar Energy Private Limited	India	100.00%	100.00%
29	Clean Solar Power (Sirsai) Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
30	Waaneep Solar Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
31	Clean Solar Power (Baniyana) Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
32	Clean Solar Rooftop Private Limited	Hero Rooftop Energy Private Limited	India	100.00%	100.00%
33	Clean Solar Power (Amarsar) Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
34	Clean Renewable Energy (Bikaner) Private Limited	Hero Rooftop Energy Private Limited	India	100.00%	100.00%
35	Clean Renewable Energy (Barmer) Private Limited	Hero Solar Energy Private Limited	India	100.00%	100.00%
36	Clean Renewable Energy KK One Private Limited	Hero Rooftop Energy Private Limited	India	100.00%	100.00%
37	Clean Renewable Energy TN One Pvt Ltd.	Hero Rooftop Energy Private Limited	India	100.00%	-
38	Clean Renewable Energy MH One Pvt Ltd.	Hero Rooftop Energy Private Limited	India	100.00%	-
39	Clean Renewable Energy KK 1A Pvt Ltd	Hero Rooftop Energy Private Limited	India	100.00%	-
40	Clean Renewable Energy KK 2A Pvt Ltd	Hero Rooftop Energy Private Limited	India	100.00%	-
41	Clean Renewable Energy KK 2B Pvt Ltd	Hero Rooftop Energy Private Limited	India	100.00%	-
42	Clean Renewable Energy KK 2C Pvt Ltd	Hero Rooftop Energy Private Limited	India	100.00%	-
43	Clean Renewable Energy KK 2D Pvt Ltd	Hero Rooftop Energy Private Limited	India	100.00%	-
44	Clean Renewable Energy MH 1A Pvt Ltd.	Hero Rooftop Energy Private Limited	India	100.00%	-
45	Clean Renewable Energy Hybrid One Pvt. Ltd.	Hero Solar Energy Private Limited	India	100.00%	-
46	Clean Renewable Energy Hybrid Two Pvt. Ltd.	Hero Solar Energy Private Limited	India	100.00%	-
47	Clean Renewable Energy Hybrid Five Pvt. Ltd.	Hero Solar Energy Private Limited	India	100.00%	-
48	Clean Renewable Energy Hybrid Three Pvt. Ltd.	Hero Solar Energy Private Limited	India	100.00%	-
49	Clean Renewable Energy Hybrid Four Pvt. Ltd.	Hero Solar Energy Private Limited	India	100.00%	-
50	Clean Renewable Energy Hybrid Six Pvt. Ltd.	Hero Solar Energy Private Limited	India	100.00%	-
51	Clean Renewable Energy Hybrid Seven Pvt. Ltd.	Hero Solar Energy Private Limited	India	100.00%	-
52	Vision Renewables and Projects Private Limited (refer note d)	Hero Solar Energy Private Limited	India	100.00%	-
53	Clean Renewable Energy AP One Pvt Ltd.	Hero Solar Energy Private Limited	India	100.00%	-



- (a) The projects are captive generating plants and as per Electricity (Amendment) Rules, 2018 at least 26% of the equity base of 30% of capital employed needs to be invested by captive user. The management believes that these are draft regulations therefore no Non controlling interest has been disclosed for these projects.
- (b) On April 21, 2022, the project has achieved its commercial operation (COD). As per investment agreement dated September 23, 2021, the investor has direct exposure to variable return from the said project starting from COD, therefore, basis the definition of 'control' per IND AS 110, the management is of the view that investor would possess control over the said SPV i.e. "Clean Solar Power (Jodhpur) Private Limited" w.e.f its COD date of April 21, 2022. Refer Note 51(ii) and accordingly the same has not consolidated in these financial statements.
- (c) The Management of the said Companies has applied for the name of the Company to be strike-off from the register of Registrar of Companies vide application dated May 13, 2024 and is in the process of obtaining the approval for the same. On account of the above, the management of the said Companies has assessed that the going concern assumption in the preparation of the financial statement for the year ended March 31, 2024, is no longer considered appropriate. Accordingly, financial statements of the said companies have been prepared on alternate basis i.e. liquidation basis and all assets are stated at the amounts at which they are expected to be realized and the liabilities are stated at values at which they are expected to be settled.
- (d) During the year, the group has acquired the entity. Refer note 57.

2.3: Summary of material accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent years.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.



Notes to the Consolidated Financial Statements

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement year, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement year adjustments. The measurement year does not exceed one year from the acquisition date.

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method.

The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's Consolidated Financial Statements. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The components of equity of the acquired companies are added to the same components within the Group's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

The Group's shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting year presented.

b) Current versus non-current classification

Assets and liabilities in the balance sheet are presented based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
 - b) Held primarily for the purpose of trading
 - c) Expected to be realised within twelve months after the reporting period, or
 - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

Liabilities:

A liability is current when:

- (a) It is expected to be settled in normal operating cycle
- (b) It is held primarily for the purpose of trading
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The entities in the Group has identified twelve months as its operating cycle.

c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the respective group entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured in the consolidated financial statements 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) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. (Refer Note 39).

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps are valued at mark to market which uses valuation techniques and employs the use of market observable inputs. The valuation technique incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the currency, interest rate curves and forward rate curves of the underlying instrument.

At each reporting date, the management of the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies of the Group.

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

This note summarises the accounting policy for determination of fair value. Other fair value related disclosures are given in the relevant notes as following:



Hero Future Energies Private Limited
CIN: U40300DL2013PTC253648

Notes to the Consolidated Financial Statements

- Quantitative disclosures of fair value measurement hierarchy (Refer Note 40)
- Financial instruments (including those carried at amortised cost) (Refer Note 41)
- Disclosure for significant estimates and assumptions (Refer Note 2.4)

d) Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(i) Sale of power

Revenue from sale of power is recognised net of estimated rebates and other similar allowances over the time on the supply of units generated from plants to the grid as per terms of Power Purchase Agreements ("PPA") entered into with the customers.

(ii) Generation based Incentive

Generation based incentive ('GBI') is recognized with reference to "Extension scheme for GBI for Grid connected Wind Power Projects dated September 4, 2013 whereby GBI would be available for wind turbines commissioned on or after April 1, 2012. Under the scheme, GBI will be provided to wind electricity producers @ Rs 0.50 per unit of electricity fed into the grid for a year not less than 4 years and a maximum year of 10 years with a cap of Rs. 10 million per MW. GBI is recognized on the basis of supply of units generated by the Group to the state electricity board from the eligible project in accordance with the scheme of the "Generation Based Incentive (GBI)".

(iii) Sale of Engineering, Procurement and Construction services :

The Group provides operating and maintenance services and sells solar rooftop panels. The Group has determined that these services and provision of goods represent individual performance obligation which are satisfied over time. Revenue is recognised on the percentage of completion method. The percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost. Profit on contracts is recognised on the percentage of completion method and losses are accounted as soon as these are anticipated. However, profit is not recognised unless there is reasonable progress on the contract.

The transaction price is based on an agreed contract price which is generally fixed. Extra claims on construction contracts are accounted for as variable consideration. The revenue on account of extra claims on construction contracts is accounted for at the time of acceptance in principle by the customers due to uncertainties attached.

(iv) Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the consolidated statement of profit and loss.

Contract balances:

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (s) Financial Instruments – initial recognition and subsequent measurement.

Trade receivables include unbilled revenue represents services rendered by the Company but not invoiced as at balance sheet date as the right to consideration is unconditional and only passage of time is required before payment of that consideration is due.

e) Foreign currencies

Functional and presentational currency

The Group's Consolidated Financial Statements are presented in Indian Rupees (Rs.) which is also the functional currency of all entities in the Group. Functional currency is the currency of the primary economic environment in which a group operates and is normally the currency in which the group primarily generates and expends cash. All the financial information presented in Rs million except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current income tax assets and liabilities are offset if a legally enforceable right exists to set off these.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future



Notes to the Consolidated Financial Statements

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In the situations where one or more entities are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday year, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday year. Deferred tax in respect of temporary differences which reverse after the tax holiday year is recognized in the year in which the temporary differences originate. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first."

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified year. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future year based on the internal projections of the Management. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

g) Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant related to an expense item, it is recognized as income on a systematic basis over the years that the related costs, for which it is intended to compensate, are expensed. When the grant related to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When grants of non-monetary assets is received, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

The grants related to an expense item is presented as other income in the Statement of Profit and Loss.

h) Property, Plant and Equipment

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

i) Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.



j) **Depreciation/amortization of Property Plant & Equipment and Intangibles**

Based on expert legal opinion, management is of the view that rates notified by the Central Electricity Regulatory Commission (CERC) or State Electricity Regulatory Commission (SERC) are not applicable to the Group and accordingly the management is providing Depreciation on Property, plant and equipment based on useful life given in Part (a) and (c) of Schedule II of Companies Act, 2013 and is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives as given below, the management believes that these estimated useful lives are realistic and reflect fair approximation of the year over which the assets are likely to be used.

Assets	Useful Life (in years)
Plant & Equipment's (including Wind Turbine Generator, Solar plants and transmission lines*)	30-35
Building & Substation	5-35
Computers and Data processing Machines	1-6

* Based on internal technical assessment, the Management believes that the useful life of Wind Turbine Generator, solar plants and transmission lines as given above, which best represents the year over which Management expects the use of assets. Hence the useful life of these assets is different from the useful life as prescribed under Part C of schedule II of Companies Act, 2013.

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

Intangible assets with finite lives are amortized over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization year and the amortization method for an intangible asset with finite life are reviewed at least at the end of each reporting year.

Type of asset	Useful lives (in years)
Customer Contracts acquired during business	13-25
Right to Use asset	2-30
Computer Software	3-5

k) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) **Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used;

Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

The present value of the expected cost for dismantling and removing the underlying asset and restoring the site after its use is included in the cost if the recognition criteria for a provision are met.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low value

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense as they are incurred.



The Group assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other available fair value indicators.

The Group bases its impairment indicator assessment on detailed budgets and forecast calculations (if required), which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover the term of the Power Purchase Agreement.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss.

n) Share based payment

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions or cash-settled transactions). Until the time holding company gets listed on any recognised stock exchange in India, the holding company evaluate its Employees Stock Option Plan (herein after called as 'Plan') as Cash Settled Stock Option Plan in accordance Ind AS 102 by using fair value model.

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Black Scholes model, further details of which are given in Note 47. This fair value is expensed over the year until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined benefit plan

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The group accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

Other Long Term Employee Benefits

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future years to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary. The group records an obligation for such compensated absences in the year in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

p) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning costs:

Liability for decommissioning costs is provided for those lease arrangements where the Group has a binding obligation at the end of the lease year to restore the leased premises in a condition similar to inception of lease. Provision for decommissioning costs is provided at the present value of expected costs to settle the obligation using discounted cash flows and is recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognised in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.



q) **Inventory**

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

r) **Sale of Carbon credits**

Carbon credits which are received on projects registered under the United Nations Framework on Climate Change, are recorded as inventory and initially measured at fair value when there is reasonable assurance that such Credits will be received, with credit being recognised as income from sale of carbon credit under other operating revenue in the statement of profit or loss. Such credits are subsequently measured at cost or net realisable value, whichever is lower. The Group derecognises the credits when the certificate is sold, which occurs when units are transferred to the customer and the income from sale of carbon credit is recognised in statement of Profit & Loss.

s) **Financial instruments**

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The category applies to the group's trade and other receivables, cash and cash equivalents, security deposits and other loans and advances, etc.

A debt instrument is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as an income or expense in statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss.

Equity Instruments

All equity investments in the scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

t) **Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g. deposits, trade receivables and bank balances. Financial asset that are debt instruments and are measured as at FVTOCI.

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

While applying the ECL model, the Group classifies the receivables into following categories:

- (i) non-litigated receivables
- (ii) litigated receivables
- (iii) receivables under LPS scheme
- (iv) receivables under GBI scheme and
- (v) others.

The Group follows a simplified approach for recognition of impairment loss allowances on non-litigated trade receivables, contract assets and receivables under GBI scheme.

The simplified approach does not require the Group to track changes in credit risk. Instead, it recognises impairment loss allowances based on lifetime ECLs at each reporting date from initial recognition. Under this approach, the Group determine impairment losses based on the provision matrices that are based on historical trend in different ageing buckets adjusted with forward-looking macroeconomic factors. The credit risk of the receivables is insignificant since the Group's receivables are primarily with the central government or with state owned DISCOMs.



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For litigated receivables, the Group determines the impairment loss based on the legal assessment of recoverability and applies appropriate loss.

For the recognition of impairment losses on other financial assets including receivables under the LPS scheme and risk exposure, the Group determines whether there has been a significant increase in credit risk since initial recognition. If the credit risk has not increased significantly, a 12 month ECL is used to provide for impairment loss. However, lifetime ECL is used if the credit risk has increased significantly. If, in a subsequent year, the credit quality of the customer/counterparty improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that is possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) is recognized during the period as expense/ income in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for financial instruments is described below:

For financial assets measured at amortised cost: ECL is presented as an allowance i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

u)

Financial Liabilities

Initial recognition and measurement

On the date of issuance Financial Instruments with conversion feature are evaluated for equity, liability and compound instrument classification as per the contractual terms. Basis the assessment if considered appropriate, consideration received is allocated to different components per the applicable accounting guidance. If there is any embedded derivative same has been accounted as per guidance.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities of the Group include trade and other payables, derivative financial instruments, loans and borrowings including bank overdraft and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as discussed below:-

Trade Payables

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

The Group recognise debt modifications agreed with lenders to restructure their existing debt obligations. Such modifications are done to take advantage of falling interest rates by cancelling the exposure to high interest fixed rate debt, pay a fee or penalty on cancellation and replace it with debt at a lower interest rate (exchange of old debt with new debt). The qualitative factors considered to be relevant for modified financial liabilities include, but are not limited to, the currency that the debt instrument is denominated in, the interest rate (that is fixed versus floating rate), conversion features attached to the instrument and changes in covenants. The accounting treatment is determined depending on whether modifications or exchange of debt instruments represent a settlement of the original debt or merely a renegotiation of that debt. The exchange of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Reclassification of financial assets and liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.



Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

v) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net off bank overdrafts as they considered an integral part of the Group's cash management.

w) Earnings per share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issue data later date. Dilutive potential equity shares are determined independently for each year presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

x) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

y) Events occurring after the Balance Sheet date

Impact of events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective assets and liabilities.

The Group does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting year.

The Group makes disclosures in the financial statement in cases of significant events.

z) Changes in accounting policies and disclosures

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective from April 01, 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the new mandatory requirement.

aa) Standards issued but not yet effective

There are no new standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Assessment of useful life and residual value of property, plant and equipment and intangible asset

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013 (Refer note 3A, 3B, 4 and 5).

ii) Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 39 for further disclosures.



Notes to the Consolidated Financial Statements

iii) Recognition and estimation of tax expense including deferred tax

The Group makes various assumptions and estimates while computing deferred taxes which include production related data (PLFs), projected operations and maintenance costs, projected finance costs, proposed avallment of deduction under section 80IA of the Income Tax Act, 1961 and the period over which such deduction shall be availed, usage of brought forward losses etc. While these assumptions are based on best available facts in the knowledge of management as on the balance sheet date however, they are subject to change year on year depending on the actual tax laws and other variables in the respective year. Given that the actual assumptions which would be used to file the return of income shall depend upon the tax laws prevailing in respective year, management shall continue to reassess these assumptions while calculating the deferred taxes on each balance sheet date and the impact due to such change, if any, is considered in the respective year. Refer note 32.

iv) Estimation of assets and obligations relating to employee benefits (including actuarial assumptions)

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Refer note 35.

v) Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, legal interpretations of various other acts/laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies. Refer note 37.

vi) Impairment of non-Financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for useful life of the project and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Refer note 53.

vii) Provision for expected credit losses of trade receivables and contract assets

The Group follows 'simplified approach' for recognition or impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. As concluded by the management that there is no risk of default from the DISCOMs/State Government bodies being a state government entities. Accordingly, no provision for default risk is required for receivables from DISCOM. As per the requirements of Ind AS 109, on subsequent measurement, the management while making ECL assessment considered the past experience with the Government of honouring its commitments and the strong capacity and ability of the Government to meet its contractual cash flow obligations. Refer note 41.

(viii) Application of interpretation for Service Concession Arrangements (SCA):

Management has assessed applicability of Appendix C of Indian Accounting Standards 115: Service Concession Arrangements ("SCA") for the power purchase agreement which the company has entered into. In assessing the applicability of SCA, the management has exercised significant judgement in relation to the underlying ownership of the assets, the attached risks and rewards of ownership, residual interest and the fact that secondary lease periods are not at nominal lease rentals etc. in concluding that the arrangements don't meet the criteria for recognition as service concession arrangements.

(ix) Going concern - Note 48



3A Property, plant and equipment

	Freehold land (refer note (a) below)	Plant and equipment's	Building and Substation	Computers and Data processing machines	Total
Gross Block (At cost)					
As at April 01 2022	4,182.17	102,488.66	5,227.82	250.21	112,148.86
Additions made during the year	24.63	7,165.59	29.01	16.26	7,235.49
Disposals / adjustments during the year	(25.13)	(120.57)	-	(15.07)	(160.77)
Decognition due to loss of control of subsidiary (Refer note 10 and 56)	(686.45)	(13,270.39)	-	(15.22)	(13,972.06)
As at March 31, 2023	3,495.22	96,263.29	5,256.83	236.18	105,251.52
Additions made during the year	28.37	172.24	12.45	19.28	232.34
Disposals / adjustments during the year	(16.84)	(98.81)	-	(2.67)	(118.32)
As at March 31, 2024	3,506.75	96,336.72	5,269.28	252.79	105,365.54
Depreciation and impairment					
As at April 01 2022	686.45	20,494.50	945.85	207.11	22,333.91
Depreciation charge for the year	-	3,119.21	103.33	27.85	3,259.39
Impairment during the year	-	404.70	-	-	404.70
On disposals / adjustments during the year	-	(22.09)	-	(14.26)	(36.35)
Decognition due to loss of control of subsidiary (Refer note 10 and 56)	(686.45)	(420.07)	-	(0.39)	(1,106.91)
As at March 31, 2023	-	23,576.25	1,049.18	220.31	24,845.74
Depreciation charge for the year	-	3,112.47	103.91	22.63	3,239.01
On disposals / adjustments during the year	-	(29.74)	-	(2.46)	(32.20)
As at March 31, 2024	-	26,658.98	1,153.09	240.48	28,052.55
Net book value					
As at March 31, 2023	3,495.22	72,687.04	4,207.65	15.87	80,405.78
As at March 31, 2024	3,506.75	69,677.74	4,116.19	12.31	77,312.99

Notes:

a) Two subsidiaries of the Group are having 232.10 acre (March 31, 2023: 281.25 acre of freehold land amounting to Rs.189.21 million (March 31, 2023: Rs. 226.69 million) in different states, which is not yet registered in the name of the said subsidiaries due to pending approval of conversion of agricultural land to non-agricultural land (NA), for which General Power of Attorney (GPA) and Agreement to Sell (ATS) are available with the said subsidiaries. The management believes that delay in registration of land in the name of the subsidiaries is only a procedural delay and the Group will get the NA conversion approval and registration of land in near future.

During the year ended March 31, 2024, Siemens Gamesa Renewable Power Private Limited ('Gamesa') has transfer clear and marketable title of the parcel of land in one subsidiary namely, Clean Wind Power (Manvi) Private Limited measuring 131.35 acre of freehold land amounting to Rs. 132.45 million which was pending due to certain procedural formalities and approval process for conversion of agriculture land to non-agriculture land (NA).

(b) Two subsidiaries of the Group namely, Clean Wind Power Anantapur Private Limited and Clean Wind Power Satara Private Limited having total land of 71.03 acres and 48.51 acres respectively out of which original sales deed of 13.50 acres and 2.00 acres respectively are not available however scan copies are available.

(c) The amount of borrowing costs capitalised during the year ended March 31, 2024 was Rs Nil (March 31, 2023 Rs. 5.75 million).

(d) Depreciation on Right of use asset for under construction project is capitalised during the year ended March 31, 2024 is Rs 1.73 million (March 31, 2023 Nil).

(e) Refer note 17 for charge against the above mentioned assets.

3B Right of use asset

	Right of use asset (Land)	Right of use asset (Building)	Total
Gross Block (At cost)			
As at April 01 2022	627.13	209.24	836.37
Additions made during the year	-	-	-
Disposals / adjustments during the year	-	(100.54)	(100.54)
As at March 31, 2023	627.13	108.70	735.83
Additions made during the year	132.80	-	132.80
Disposals / adjustments during the year	(18.50)	(12.55)	(31.05)
As at March 31, 2024	741.43	96.15	837.58
Depreciation			
As at April 01, 2022	83.12	77.56	160.68
Depreciation charge for the year	25.48	23.77	49.25
On disposals / adjustments during the year	-	(73.10)	(73.10)
As at March 31, 2023	108.60	28.23	136.83
Depreciation charge for the year	27.65	26.34	53.99
On disposals / adjustments during the year	-	(9.28)	(9.28)
As at March 31, 2024	136.25	45.29	181.54
Net book value			
As at March 31, 2023	518.53	80.47	599.00
As at March 31, 2024	605.18	50.86	656.04



4 Capital work-in-progress

	Total
As at April 1, 2022	6,395.54
Addition during the year	1,236.23
Capitalised during the year	(7,235.49)
As at March 31, 2023	396.28
Addition during the year	927.27
Capitalised during the year	(232.34)
As at March 31, 2024	1,091.21

Capital work-in-progress (CWIP) as at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	705.07	79.48	176.63	100.54	1,061.71
Projects temporarily suspended	-	-	25.86	3.64	29.50
Total	705.07	79.48	202.49	104.18	1,091.21

Capital work-in-progress (CWIP) as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	89.61	202.49	-	100.54	392.64
Projects temporarily suspended	-	-	-	3.64	3.64
Total	89.61	202.49	-	104.18	396.28

- a) During the year, interest accretion on lease liability amounting Rs 3.62 million is transferred to Capital work-in-progress.
b) There are no project whose completion is overdue or has exceeded its cost compared to its original plan during the financial year 2023-24.
c) Includes CWIP for projects in which construction has started which primarily includes Government order fees and land aggregator fees.

5 Intangible assets

	Customer contracts acquired under business combination	Other intangible assets	Sub total	Goodwill	Total
Gross Book (At cost)					
As at April 01, 2023	2,072.70	116.51	2,189.21	736.36	2,925.57
Additions made during the year	-	-	-	-	-
As at March 31, 2023	2,072.70	116.51	2,189.21	736.36	2,925.57
Additions made during the year	-	3.58	3.58	46.05	49.63
As at March 31, 2024	2,072.70	120.09	2,192.79	782.41	2,975.20
Amortisation and impairment					
As at April 01, 2023	378.03	56.74	434.77	431.60	866.37
Amortisation for the year	106.67	14.26	120.93	-	120.93
As at March 31, 2023	484.70	71.00	555.70	431.60	987.30
Amortisation for the year	108.64	13.37	122.01	-	122.01
As at March 31, 2024	593.34	84.37	677.71	431.60	1,109.31
Net book value					
As at March 31, 2023	1,588.00	45.51	1,633.51	304.76	1,938.27
As at March 31, 2024	1,479.36	35.72	1,515.08	350.81	1,865.89

* Other Intangible assets mainly includes CMS software.

During the year, the group has acquired Vision Renegies and Projects Private Limited, the goodwill arises from acquisition is Rs. 46.05 million. (Refer note 57).

The value of goodwill allocated to each is CGU as at March 31, 2024 is Rs 350.81 million comprising of Bhitwara Green Energy Limited Rs 46.84 million, LNJ Power Ventures Limited Rs 22.58 million, Vision Renegies and Projects Private Limited Rs 46.05 million and Waaneep Solar Private Limited Rs 235.34 million.

The Group is required to test, on an annual basis, whether goodwill, has suffered any impairment. An impairment loss is recognised when the recoverable amount of CGU falls below its net book value as at the date of testing. Based on the results of the Goodwill impairment test, no impairment charge has been recognised during the year.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

Particulars	CGU - Waaneep Solar Private Limited	Approach used to determine values	Sensitivity
Plant Load Factor (PLF)	20.01%	Based on historical trend, this has been computed basis weighted average of PLF of 3 sites (Nageri, Gurukunda and Ichawar)	If PLF used in value in use calculation had been lower by 30% by management estimate, the Group would have to recognise impairment of goodwill by Rs. 75.64 million
O&M escalation rate	5.00%	Escalation in operation and maintenance fees determined as signed contracts with O&M vendor	Increase in 80% in escalation rate would result impairment of Rs. 18.06 million
Salary and other expenses escalation rate	5.00%	Assumed to be consistent with O&M escalation rate	
Discounting rate	9.48%	Represents weighed average cost of capital	Additional increase by WACC by 3.8% would result impairment of Rs. 73.47 million



	As at March 31, 2024	As at March 31, 2023
6 Financial assets		
Investment		
Non-current		
Investment in equity shares- measured at fair value	72.97	72.97
Less: Provision for impairment of investment in equity share of subsidiaries (refer note 54)	(72.97)	(72.97)
	-	-
Current		
Investment in mutual funds**	390.57	94.25
	390.57	94.25
Total	390.57	94.25
** Under lien held as margin money		
Breakup of Investments is as follows:		
Investments at fair value through profit or loss - In equity shares		
9 equity shares in Clean Solar Power (Eastern Europe) Limited (March 31, 2023 : 9 share)	72.97	72.97
Less: Provision for impairment of investment in equity share of subsidiaries (Refer note 54)	(72.97)	(72.97)
Total	-	-
Investments at fair value through profit or loss - In unquoted mutual funds		
ABSL Liquid Fund -Growth Plan, 121,564.46 units (March 31, 2023: 121,564.46 units)	46.88	43.74
SBI Liquid Fund- Growth- Nil units (March 31, 2023 : 14,448.92 units)	-	50.51
ICICI Prudential short term - Growth : 1,967,233.09 units (March 31, 2023 : Nil units)	101.65	-
HDFC Short term debt- Growth 5,379,293.75 units (March 31, 2023: Nil units)	242.04	-
	390.57	94.25
Aggregate value of unquoted investments	463.54	187.22
Aggregate amount of impairment in value of investments	(72.97)	(72.97)
Aggregate value of unquoted investments (net of impairment)	390.57	94.25

	As at March 31, 2024	As at March 31, 2023
7 Trade receivables		
Non-current		
Trade receivables		
- Receivables considered good - Unsecured; (note 55)	422.81	894.21
	422.81	894.21
Current		
Trade receivables*		
- Receivables considered good - Secured;	-	100.00
- Receivables considered good - Unsecured;	5,357.26	5,921.00
- Receivables - credit impaired	632.51	580.58
	5,989.77	6,601.58
Impairment Allowance (allowance for bad and doubtful debts)		
- Receivables - credit impaired	(632.61)	(580.58)
	5,357.26	6,021.00
Total Trade Receivables - Non-current and Current	5,786.07	6,915.21
* Trade receivable include the amount of unbilled revenue. Please refer accounting policy on Trade receivable	1,183.84	1,185.15
* Trade receivable include the amount receivable from related parties (refer note 54)	218.03	249.83

a) For terms and conditions relating to related party receivables, refer note 34

b) Trade receivables are non-interest bearing and generally on terms of 45 to 60 days except receivables agreed under LPS Rules 2022 (refer note 55).

As at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,119.00	1,482.30	586.57	51.55	119.44	22.09	30.66	3,411.60
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	0.58	2.99	3.40	29.63	7.20	13.66	57.26
(iv) Disputed Trade Receivables - considered good	44.84	84.03	296.74	237.06	606.16	314.61	583.03	2,368.47
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	69.78	42.22	110.09	77.82	275.36	575.25
Total	1,163.84	1,566.91	956.06	334.23	1,067.22	421.72	902.60	6,412.59

As at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,152.92	3,096.04	796.51	199.10	49.03	5.46	38.29	5,337.35
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	0.11	12.37	2.77	0.04	34.74	50.03
(iv) Disputed Trade Receivables - considered good	21.92	0.01	56.99	467.51	263.62	312.75	455.06	1,577.86
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	10.31	55.37	46.46	50.65	90.44	124.43	152.69	530.55
Total	1,185.15	3,151.42	900.07	729.83	405.86	442.68	680.78	7,495.79

*Trade receivable ageing include current and Non current receivables.



8 Cash and cash equivalents

Balances with banks
- In current account
- Deposits with original maturity of three months or less*

* includes deposits held as margin money against term loan

a) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

Balances with banks:
- In current account
- Deposits with original maturity of three months or less
Bank overdraft (refer note 17)

9 Other bank balances

Deposits with original maturity for more than 3 months but less than or equal to 12 months*

* includes deposits held as margin money against bank guarantee and term loan

10A Other financial assets

Current
Loan to related parties** (refer note 34)
Loan to others

** Loan given to Clean Solar Power (Bhainsada) Private Limited. Refer Note 51.

10B Other financial assets

Non-current
Deposits with remaining maturity of more than 12 months*
Security deposits
Less: provision for doubtful advance
Other receivables

Current
Deposits with remaining maturity of less than 12 months*
Accrued interest on fixed deposits
Accrued interest on loan to related parties
Security deposits
Receivable for loss of control in subsidiary (Refer Note 56)
Other receivables
Less: provision for doubtful advance

Total

* Includes fixed deposit with interest under lien held as margin money

a) Break up of financial assets carried at amortised cost:

Security Deposits
Trade receivables (Refer to note 7)
Cash and cash equivalents (Refer to note 8)
Other bank balances (Refer to note 9)
Loans (Refer to note 10A)
Other financial assets (Refer to note 10B)
Total

b) Break up of financial assets carried at fair value through profit or loss:

Investment (Refer to note 6)

11 Other assets
(Unsecured, considered good, unless otherwise stated)

Non-current
Capital advances
Less: Provision for doubtful capital advances
Prepaid expenses
Prepaid gratuity (funded) (net of provision for gratuity)
Deferred asset*
Contract Assets**
Other receivable

Current
Balance with government authorities
Advance to Vendors
Less: provision for doubtful advance
Prepaid expenses
Other advances (including employees)
Prepaid gratuity (funded) (net of provision for gratuity)
Deferred asset*
Other receivables

* Represents fair value difference of security deposits discounted

** Contract Assets is accounted due to step up pricing in Power Purchase Agreement (PPA) with Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL)

As at March 31, 2024	As at March 31, 2023
3,571.20	2,696.77
1,355.41	1,463.13
4,926.61	4,159.90
302.48	-

As at March 31, 2024	As at March 31, 2023
3,571.20	2,696.77
1,355.41	1,463.13
(232.96)	(256.37)
4,693.65	3,903.53

As at March 31, 2024	As at March 31, 2023
3,551.73	2,998.08
3,551.73	2,998.08
1,704.38	2,310.06

As at March 31, 2024	As at March 31, 2023
-	50.00
8.00	-
8.00	50.00

As at March 31, 2024	As at March 31, 2023
618.45	59.18
84.53	98.88
(0.78)	(0.76)
23.88	113.33
724.10	240.61

1,561.93	245.07
11.57	16.52
-	304.93
16.50	20.03
1,537.29	1,487.14
474.78	345.29
(116.25)	(79.23)
3,486.91	2,340.35
4,211.01	2,580.96

662.80 202.07

As at March 31, 2024	As at March 31, 2023
100.36	88.75
5,780.07	6,915.21
4,926.61	4,159.90
3,551.73	2,998.08
8.00	50.00
4,110.05	2,492.21
18,477.42	16,704.15

As at March 31, 2024	As at March 31, 2023
390.57	94.25
390.57	94.25

As at March 31, 2024	As at March 31, 2023
184.38	130.85
(108.03)	(108.03)
22.21	21.74
23.41	15.61
134.26	142.22
379.84	359.07
247.27	191.20
883.34	781.66

260.64	495.35
342.46	399.17
(6.04)	(121.13)
206.20	375.53
5.44	3.05
3.37	12.79
7.58	7.38
67.52	68.88
855.17	1,240.83



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

12 Non-current tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Advance Income Tax (Net) *	397.96	570.57
	<u>397.96</u>	<u>570.57</u>
* net of provision for tax	8.94	185.61

13 Inventories

	As at March 31, 2024	As at March 31, 2023
Stores and spares	162.30	295.27
	<u>162.30</u>	<u>295.27</u>

14 Assets classified as held for sale

	As at March 31, 2024	As at March 31, 2023
Plant and Equipments (Refer Note 51)	21.21	830.01
Investment in equity shares-measured at fair value (Refer Note 51)	-	85.26
	<u>21.21</u>	<u>915.27</u>

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification. For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable, and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

15 Equity Share Capital

	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
Equity Share capital		
787,500,000 (March 31, 2023: 787,500,000) equity shares of Rs. 10 each	7,875.00	7,875.00
Issued, subscribed and paid up		
Equity Share capital		
12,920,844 (March 31, 2023: 10,165,119) equity shares of Rs. 10 each	<u>129.21</u>	<u>101.65</u>
	<u>129.21</u>	<u>101.65</u>

a) Reconciliation of authorised, issued and subscribed share capital:

	No. of shares	(Rs. in million)
I. Reconciliation of authorised share capital as at year end :		
Balance as at April 1, 2022	787,500,000	7,875.00
Increase(decrease) during the year	-	-
Balance as at March 31, 2023	787,500,000	7,875.00
Increase(decrease) during the year	-	-
Balance as at March 31, 2024	<u>787,500,000</u>	<u>7,875.00</u>

II. Reconciliation of issued and subscribed share capital as at year end :

	No. of shares	(Rs. in million)
Balance as at April 1, 2022	7,040,295	70.41
Issue during the year	3,124,824	31.25
Balance as at March 31, 2023	10,165,119	101.66
Issue during the year	2,755,626	27.56
Balance as at March 31, 2024	<u>12,920,844</u>	<u>129.21</u>

b) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and entitled to receive dividends as declared from time to time.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the company

	No. of shares	Holding %
As at March 31, 2024		
Hero Future Energies Asia Pte. Limited (holding company) along with its nominee*	12,920,844	100.00%
As at March 31, 2023		
Hero Future Energies Asia Pte. Limited (holding company) along with its nominee*	10,165,119	100.00%

* 1 equity share held by other shareholder as nominee on behalf of Hero Future Energies Asia Pte. Limited

d) The Company has not issued any shares pursuant to any contract without payment being received in cash or as fully paid up by way of bonus shares during the period of five years immediately preceding the balance sheet date. The Company has not bought back any shares.

e) Shareholding of Promoters as under:

Particulars	Name of the promoters	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of total shares at the year end	% Change during the year
Equity shares of Rs 10 each fully paid up						
For the year ended March 31, 2024	Hero Future Energies Asia Pte. Ltd.	10,166,119.00	2,755,625.00	12,920,844.00	100%	27.11%
For the year ended March 31, 2023	Hero Future Energies Asia Pte. Ltd.	7,040,295.00	3,124,824.00	10,165,119.00	100%	44.38%



16	Other Equity	
	Retained Earnings*	Amount
	Opening Balance (April 1, 2022)	(21,056.24)
	Add:- (Loss) for the year	(3,154.86)
	Add:- Other comprehensive income	6.01
	Less: Share issue expenses	(6.86)
	Closing Balance (March 31, 2023)	(24,211.97)
	Add: Profit for the year	23.95
	Add:- Other comprehensive expense	(9.75)
	Less: Share issue expenses	(3.69)
	Closing Balance (March 31, 2024)	(24,201.48)

*Retained earnings are the profit(losses) that the group has earned/incurred till date, net of appropriations. It is a free reserve available to the group and eligible for distribution to its shareholders, in case where it is having positive balance representing net earning till date.

	Other Reserves	
	Securities premium	
	Opening Balance (April 1, 2022)	3,385.36
	Add:- Addition during the year	4,256.01
	Less:- Share Issue Expenses	-
	Closing Balance (March 31, 2023)	7,641.37
	Add:- Addition during the year	2,617.75
	Less:- Discount on issue of equity	-
	Closing Balance (March 31, 2024)	10,259.13
	Capital Reserve	
	Opening Balance (April 1, 2022)	3,188.67
	Add:- Addition during the year	-
	Less:- Others	-
	Closing Balance (March 31, 2023)	3,188.67
	Add:- Addition during the year	-
	Less:- Others	-
	Closing Balance (March 31, 2024)	3,188.67

Nature and Purpose of Reserve:

Debt redemption reserve

The group is required to create debt redemption reserve in terms of Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of Companies (Share Capital & Debenture Rules, 2014), however in view of losses the same has not been created.

Securities Premium

Securities premium reserve is created to record the premium on issue of shares of Hero Future Energies Asia Pte. Limited, Singapore ("Holding Company"). The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

The Group recognizes profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve. Capital Reserve include equity component of preference shares

This space has been left intentionally



17 Borrowings

	As at March 31, 2024	As at March 31, 2023
Non-current		
Secured		
Term loan from banks	16,162.54	14,219.64
Term loans from Financial Institutions	31,035.99	29,723.14
Non-Convertible Debentures	740.83	996.50
Onshore ECB Bonds (Refer Note 34)	21,618.25	23,246.16
Unsecured		
Cumulative Compulsorily Convertible Preference Share	24,949.67	24,949.67
Compulsorily Convertible Debentures	83.20	83.20
	84,590.18	93,218.31
Current		
Secured		
Current maturities of long term borrowings from Banks	3,483.83	1,406.73
Current maturities of long term borrowings from Financial Institutions	2,659.30	1,933.80
Current maturities of Onshore ECB Bonds	1,627.92	1,492.85
Short term loans from banks	-	5,375.06
Short term loans from Financial Institutions	-	249.05
Long Term borrowings-current*	76.94	148.00
Current maturities of Non-Convertible Debentures	406.71	2,338.20
Bank overdraft	-	254.37
Unsecured		
Optionally Convertible Cumulative Debentures	-	120.59
Loan from related parties (Refer Note 34)	-	1,118.12
Commercial Papers	-	1,115.43
Term Loan from others	4.10	4.10
Non-Convertible Debentures	1,167.00	-
Bank overdraft	232.96	2.00
	9,593.78	15,890.39
Total	104,278.94	108,778.61

* Refer security terms note 16

a) Quarterly returns or statements of current assets filed by the Group with financial institution are in agreement with the books of accounts.

b) The discount on issuance of ECBs and the issuance expenses in case of ECBs, term loans and Non-Convertible debentures have been recorded using the effective interest rate method and the unamortized balance of such amount as of March 31, 2024 is Rs.933.36 million (March 31, 2023 is Rs.956.23 million).

c) Long Term Loan from Banks and Financial Institutions attract interest rate ranging from 8.50% p.a - 12.00% p.a.

d) Non Convertible Debentures carry interest in the range of 9.05% p.a.- 12.00% p.a.

e) Short term loan from banks and related parties, Working Capital facility and bank overdraft from banks carries interest ranging from 7.25% p.a - 12% p.a.

f) Cumulative 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.

g) Commercial Papers carry interest of 10.00% p.a.

h) ECB bonds carries interest ranging from @ 8.85%- 8.92% p.a.

Security and Repayment terms for Borrowings				Repayment terms	Security and other details
Entity name	Nature of Lender	Amount (in millions) March 31, 2024	Amount (in millions) March 31, 2023		
(i) Term Loan					
	ICICI Bank Ltd	337.49	367.66	The principal amount is repayable in 56 structured quarterly instalments starting from August 18, 2016 till May 18, 2030.	Refer Note 1(a)
Hero Future Energies Private Limited (HFEPL)	Arka Fincorp Limited	-	124.43	The Term Loan is repaid during the year ended March 31, 2024.	
	Tata Capital Ltd (earlier known as Tata Cleantech Capital Ltd)	-	1,492.50	The Term Loan is repaid during the year ended March 31, 2024.	
	India InfraDebt Limited	3,639.47	3,792.29		
Clean Solar Power (Tumkur) Private Limited	Aditya Birla Finance Limited	596.16	936.12	The facility is repayable in 70 structured quarterly instalments starting from September 30, 2021 till March 31, 2039.	Refer Note (2)
	Tata Capital Ltd (earlier known as Tata Cleantech Capital Ltd)	3,248.10	3,385.19		
Clean Solar Power (Chitradurga) Private Limited	Power Finance Corporation Limited	1,724.14	1,838.76	The term loan facility is repayable in 213 equal monthly instalments, starting from July 2021 till March 31, 2039.	Refer Note (3)
	India InfraDebt Limited	5,074.55	1,490.82	During the year ended March 31, 2024, L&T Finance Limited and L&T Infra Credit Limited (previous lenders) has downsize the borrowings outstanding amounting to Rs. 2,293.55 million to India InfraDebt Limited amounting to Rs. 1,035.81 million and to Tata Capital Limited (previously known as Tata Cleantech Capital Ltd), ("TCCL") amounting to Rs. 1,257.75 million. Further, the existing Rupee term loan facility from TCCL and ABFL have been refinanced from India InfraDebt Limited. The term loan facility is repayable in 54 structured quarterly instalments from the disbursement date till March 31, 2037.	Refer Note (4)
Clean Wind Power (Davgarh) Private Limited	Aditya Birla Finance Limited ("ABFL")	-	1,491.16	The Term Loan (old loan from India InfraDebt Limited) is repayable in 66 structured quarterly instalments starting from March 31, 2018 till June 30, 2034.	
	L&T Finance Company Limited	-	772.81		
	L&T Infra Credit Limited	-	1,506.17		
Yayu Usha Bharat Private Limited	Union Bank of India	-	1,177.95	During the year, the loan from Union Bank of India and South Indian Bank Ltd refinanced with Indian Renewable Energy Development Agency ("IREDA"). The new loan availed during the year is Rs. 3,877.49 millions. The new loan is repayable in 44 structured quarterly instalments, starting from March 31, 2024 till December 30, 2034.	Refer Note (5)
	South Indian Bank Ltd	6,719.10	3,101.36	The old facility from IREDA is repayable in 68 structured quarterly instalments till June 30, 2035.	
	Indian Renewable Energy Development Agency				
	PTC India Financial Service Ltd	2,143.12	2,277.76	The loan is repayable in 66 structured quarterly instalments commencing from June 30, 2018 and ending on June 30, 2035.	
	Yes Bank	-	182.12		
LNJ Power Ventures Limited	International Finance Corporation	-	181.06	During the year ended March 31, 2024, the entity has refinanced existing Rupee term loan facility of Yes Bank Limited and International Finance Corporation (IFC) from India InfraDebt Limited. The new term loan facility is repayable in 38 structured quarterly instalments till March 31, 2033.	Refer Note (6)
	India InfraDebt Limited	520.79	-		
	India InfraDebt Limited	1,868.93	2,059.42	The Term Loan is repayable in 68 structured quarterly instalments starting from December 31, 2012 till September 30, 2036.	Refer Note 7(a)
Clean Wind Power (Marvi) Private Limited	Aditya Birla Finance Ltd	797.19	846.76	The Term Loan is repayable in 64 structured quarterly instalments starting from June 30, 2019 including the moratorium period of 6 months till March 31, 2035.	Refer Note 7 (b)



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

Entity name	Nature of Loan	Amount (in millions) March 31, 2024	Amount (in millions) March 31, 2023	Repayment terms	Security and other details
Clean Wind Power (Pratapgarh) Private Limited	ICICI Bank Ltd	367.37	407.55	The Term Loan is repayable in 38 structured quarterly instalments, starting from December 31, 2022 till March 31, 2032.	Refer Note (11)
	Axis Bank Ltd	1,881.64	1,951.93	92.5% of the Term Loan is repayable in 67 consecutive structured quarterly instalments commencing from June 30, 2022 and 7.5% of the facility to be repaid in bullet instalment along with last instalment payment on December 31, 2038.	
Clean Solar Power (Bhadra) Private Limited	State Bank of India	8,616.63	8,952.16	92.5% of the Term Loan is repayable in 74 consecutive structured quarterly instalments commencing from February 28, 2021 and 7.5% of the facility to be repaid in bullet instalment along with last instalment payment on December 31, 2038. The increased limit of Rs. 1,200.00 millions is repayable 138 monthly instalments commencing from October 31, 2021 till March 31, 2033.	Refer Note (12)
Clean Solar Power (Bellary) Private Limited	Federal Bank	749.17	807.62	The Term Loan facility is repayable in 50 structured quarterly instalments, starting from September 2021 till June 30, 2036	Refer Note (9)
	PTC India Financial Services Ltd	-	830.78		
Clean Wind Power (Anantapur) Private Limited	India Infradebt Ltd	799.22	-	During the year ended March 31, 2024, the entity has refinanced the existing Rupee term loan facility of PTC India Financial Service Ltd from India Infradebt Limited.	
				The Loan is repayable in 66 structured quarterly instalments, starting from December 31, 2023 till March 31, 2040.	Refer Note (8)
	IndusInd Bank Ltd	2,742.39	1,241.05	1) The Company has got disbursement of Rs. 2,200.00 million of Medium Term Loan facility (MTL-2). The (MTL-2) is repayable in 13 quarterly structured instalments starting from December 31, 2021 till December 31, 2024. 2) Vide letter dated March 27, 2023, the Company has been sanctioned Indian Rupee Medium Term Loan facility amounting to Rs. 2,750.00 million from IndusInd Bank Limited. The loan is repayable in 14 quarterly structured instalments till March 31, 2027 after moratorium of 6 months.	Refer Note (13)
Hero Solar Energy Private Limited (HSEPL)	Tata Capital Ltd (earlier known as Tata Cleantech Capital Ltd)	700.40	727.00	The term Loan facility is repayable in 71 structured quarterly instalments, starting from September, 2022 till March 31, 2040.	The Loan is secured by way of first charge of hypothecation of all moveable properties pertaining to the projects as well as on all current assets (present and future) including book debts, Bank accounts (including DSRA amount), operating cash flows, receivables, commissions and revenue of all nature pertaining to projects and intangible assets and rights, titles, interest, benefits and demands of the borrowers in the project documents. It also includes corporate guarantee from promoter Hero Future Energies Private Limited.
	Aditya Birla Finance Ltd	745.60	742.50	The said Loan is repayable in 4 half yearly equal payments starting from September 30, 2024 till March 31, 2026, after moratorium of 12 months.	Refer Note (14)
	Federal Bank Limited	2,847.93	1,374.00	During the year the term Loan facility from Federal Bank was repaid and new facility of Rs. 2,000 million is availed. The facility is repayable in 18 equal monthly instalments, starting from September, 2024 till February 28, 2026, after moratorium of 12 months.	The Loan is secured by way of a) hypothecation of loans and advances given by HSEPL to the SPVs to the extent of 1.1x, b) Pledge of 22% shares of HSEPL held by HFEPL.
	Arka Fincorp Limited	-	125.32	The Loan is repaid during the year ended March 31, 2024.	
	PTC India Financial Services Ltd	-	3,442.25	The Term Loan from PTC India Financial Services Ltd was refinanced during the year with TCCL and Kotak Infrastructure Debt Fund Limited. The new availed facility is of Rs. 4,150 million. The term Loan facility is repayable in 59 structured quarterly instalments, starting from March, 2024 till September 30, 2036.	
Waneep Solar Private Limited	Tata Capital Ltd (earlier known as Tata Cleantech Capital Ltd)	2,851.55	-		Refer Note (10)
	Kotak Infrastructure Debt Fund Limited	1,226.76	-		
	SBM Bank (India) Limited	41.44	207.83	The loan is repayable in 12 structured quarterly instalments starting from September 30, 2021 to June 29, 2024.	This loan is secured by way of hypothecation of loans and advances given by Hero Wind Energy Private Limited to Clean Wind Power (Anantapur) Private Limited to the extent of 1.1x and corporate guarantee of Hero Future Energies Private Limited.
	Aditya Birla Finance Ltd	745.65	742.54	The said Loan is repayable in 4 half yearly equal instalments starting from September 30, 2024 after moratorium of 12 months, till March 31, 2026.	Refer Note (10a)
Hero Wind Energy Private Limited (HWEPL)	Federal Bank Limited	2,050.32	4,000.00	During the year the term Loan facility from Federal Bank was repaid and new facility of Rs. 2,100 million is availed. The facility is repayable in 18 equal monthly instalments, starting from September, 2024 after moratorium of 12 months, till February 2026.	The loan is secured by way of:- 1. Hypothecation of loans & advances given by HFEPL to HSEPL and/or HWEPL to extent of 1.1x 2. 30% pledge of shares of HWEPL held by HFEPL as per RBI compliance to be created.
Clean Solar Power Rooftop Private Limited	ICICI Bank	76.88	93.42	The term Loan facility is repayable in 47 structured equal quarterly instalments, starting from September, 2022 till June 30, 2033.	The Loan is secured by way of first charge of hypothecation and mortgage of all moveable and immovable properties pertaining to the projects 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 subsidiary held by its Holding company Hero Rooftop Energy Private Limited.
Total		53,428.30	53,057.81		



Hero Future Energies Private Limited

CIN: U46300DL2013PT0253446

Notes to the Consolidated Financial Statements

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

Entity name	Nature of Lender	Amount (In millions) March 31, 2024	Amount (In millions) March 31, 2023	Repayment terms	Security and other details
(ii) Non-Convertible Debentures					
Hero Solar Energy Private Limited	Non-Convertible Debentures (NCD)	1,820.62	1,084.31	The repayment terms are as follows: a) 11.50% Non convertible debentures is scheduled to be repaid in 7 equal quarterly instalments starting from November 2022 to May 2024. b) 11.65% Non convertible debentures is scheduled to be repaid in bullet payment in December 3, 2025. c) 11.10% Non convertible debentures issued is scheduled to be repaid in 10 equal quarterly instalments starting from December 2022 to March 2025. d) Issued 1,187 unsecured, unlisted and redeemable Non- convertible debentures (NCD) of face value of Rs 1.00 million each. The NCD are repayable in bullet payment in September 2024.	a) The NCDs are secured by exclusive charge by way of pledge of 49% of investment in equity share of subsidiary "Waansap Solar Private Limited" and loan given by the company to subsidiary "Waansap Solar Private Limited" required to maintain security cover of 1.1X b) The NCD are secured by exclusive charge by - Security of 1.1x of principal plus final redemption amount (P+I) to be provided upfront. (hypothecation of loans from HFEPL to HSEPL) - Corporate Guarantee by the HFEPL - DSRA at the end of 37 months c) The NCD's are secured by exclusive charge by way of hypothecated assets (i.e shareholder loan extended from HFEPL) charged as security maintaining security cover of 1.1x
Hero Wind Energy Private Limited	Non-Convertible Debentures	513.92	2,250.40	The repayment terms are as follows: a) 9.05% Non convertible debentures issued during the year ended March 31, 2023 is repaid during the year. b) 11.10% Non convertible debentures issued is scheduled to be repaid in 10 equal instalments starting from December 2022 to March 2025. c) 11.65% Non convertible debentures is scheduled to matured 40 months from the allotment date (bullet repayment on December 03, 2025) d) 9.05% Non convertible debentures is scheduled to matured 18 months from the allotment with final redemption date of April 21, 2024. e) 9.57% Non convertible debentures is repaid during the year.	Refer Note (15)
Total		2,334.54	3,334.71		
(iii) Onshore External Commercial Borrowings (ECB) Bonds					
Clean Solar Power (Dhar) Private Limited	Clean Renewable Power (Mauritius) Pte Ltd	850.52	905.15		
Clean Solar Power (Gulbarga) Private Limited		9,038.22	9,618.68		
Clean Wind Power (Ratlam) Private Limited		4,915.63	5,231.28		
Clean Wind Power (Piploda) Private Limited		1,635.68	1,740.72		
Clean Wind Power (Satara) Private Limited		1,661.02	1,661.25	Repayable in half yearly structured instalments starting from March 25, 2022 till March 25, 2027	
Bhāwera Green Energy Limited		1,268.31	1,340.77		
Clean Wind Power (Baleshwar) Private Limited		2,004.93	2,133.68		
Rajkot (Gujarat) Solar Energy Private Limited		1,971.86	2,096.49		
Total		23,246.17	24,739.62		
(iv) Cumulative Compulsorily Convertible Preference Share					
Hero Future Energies Private Limited	Compulsorily convertible preference shares issued to equity shareholder and preference shareholder of Hero Future Energies Private Limited (emerged/merged co.) of R. 100/- each fully paid at par.	24,949.67	24,949.67	Refer Note 1(b) to 1(d)	Refer Note 1(b) to 1(d)
Total		24,949.67	24,949.67		
(v) Compulsory Convertible Debentures					
LNJ Power Ventures Limited	RSWM Limited	83.20	83.20	The group has issued 832 Compulsorily Convertible Debentures (CCDs) to its related company RSWM Limited, having a face value of Rs. 0.10 million each to finance the project. CCDs shall have a maturity period of 20 years from the date of issuance to original holder i.e. March 21, 2013. CCDs shall be converted into equity shares, based on the fair market value determined by the valuer appointed by the Company at the end of 20th year. These CCDs shall carry coupon of 14% annualised yield (i.e. internal rate of return) on the face value.	CCD is unsecured and shall carry coupon of 14% annualised yield (i.e. internal rate of return) on the face value.
Total		83.20	83.20		



Hero Future Energies Private Limited

CIN: U40300DL2013PTC283948

Notes to the Consolidated Financial Statements

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

Entity name	Nature of Lender	Amount (in millions) March 31, 2024	Amount (in millions) March 31, 2023	Repayment terms	Security and other details
(vi) Optionally Convertible Cumulative Debentures					
Hero Solar Energy Private Limited	O2 Power SG PTE Ltd	-	120.50	The said Debentures are repaid during the year.	The debenture is allotted on March 02, 2021 and carries the rate of interest of 0.001% p.a. This transaction was part of sale of SPV Clean Solar Power (Bheinsada) Private Limited
Total		-	120.50		
(vii) Loan from Related Party					
Hero Solar Energy Private Limited	Hero FinCorp Limited	-	498.12	The loan is repaid during the year ended March 31, 2024.	Unsecured
Hero Wind Energy Private Limited	Behadur Chand Investments Private Limited	-	620.00	The loan is repaid during the year ended March 31, 2024.	Unsecured
Total		-	1,118.12		
(viii) Bank Overdraft					
Hero Future Energies Private Limited	Axis Bank Ltd	142.90	0.18	Repayable on demand	Unsecured
Hero Wind Energy Private Limited	Axis Bank Ltd	30.51	0.50	Repayable on demand	Unsecured
Hero Solar Energy Private Limited	Axis Bank Ltd	32.01	0.92	Repayable on demand	Unsecured
Rajkot (Gujarat) Solar Energy Private Limited	Axis Bank Ltd	-	18.14	Repayable on demand	The facility was secured by way of first charge on the entire current assets, second charge on entire movable fixed assets of the Company and corporate guarantee by Hero Future Energies Private Limited.
Clean Wind Power (Pratapgarh) Private Limited	Axis Bank Ltd	27.54	-	Repayable on demand	Unsecured
Hero Rooftop Energy Private Limited	Axis Bank Ltd	-	0.31	Repayable on demand	Unsecured
Vayu Urja Bharat Private Limited	Axis Bank Ltd	-	152.13	Repayable on demand	Secured by way of first pari passu charge on entire movable fixed assets and current assets of the company both present and future.
Clean Wind Power (Devgarh) Private Limited	Axis Bank Ltd	-	14.10	Repayable on demand	Secured by a pari passu charge over the current assets and movable assets
Hero Future Energies Private Limited	Federal Bank	-	60.00	Repayable on demand	Secured by creation of Fixed deposit.
Total		232.96	286.15		
(ix) Commercial Papers					
Hero Future Energies Private Limited	Commercial papers	-	1,115.43	Commercial papers repaid during the year.	Unsecured
Total		-	1,115.43		
(x) Term Loan from others					
Waaneep Solar Private Limited	Jet Infrastructure Limited	1.04	1.04		Unsecured
	Harshok Properties Private Limited	1.74	1.74		Unsecured
	Thar Commercial Finance Private Limited	0.71	0.71	Repayable on demand	Unsecured
	Waaneep Energies Limited	0.61	0.61		Unsecured
Total		4.10	4.10		
Total		104,278.94	106,779.02		



Notes on Security Terms:

1 (a) The Term Loan along with interest and other monies are secured by way of pledge of 30% of paid up share capital, equitable mortgage over the entire immovable properties of the 10 MW Solar Power Plant, hypothecation over all the movable fixed assets including plant & machinery, machinery spares, tools and documents executed for the acquisition of land, assignment over all of the rights under the project documents including insurance policies, rights, titles, permits, clearances, exclusive charge by way of hypothecation on all current assets pertaining to the 10 MW Solar Power Plant (present & future) including book debts, operating cash flows, receivables, commissions and revenues of all nature, exclusive charge on all the bank accounts including Trust and Retention account and DSRA pertaining to the 10 MW Solar Power Plant.

(b) Terms attached to Cumulative Compulsorily Convertible Preference Share -Series A ('CCPS V2'):

During the year ended March 31, 2018 vide NCLT order dated February 07, 2018, the Company has issued 33,329,801 Cumulative Compulsorily Convertible Preference Shares (CCPS V2) to holders of CCPS V1 and 123,345,767 CCPS V2 to the equity shareholders of Hero Future Energies Private Limited (amalgamated company) of Rs. 100 each fully paid at per as purchase consideration on March 30, 2018. These CCPS V2 are convertible into equity shares at higher of fair market value of equity share of the Company (i) at the time of conversion or (ii) at the time of issuance of CCPS V2.

The CCPS V2 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.

(c) Terms attached to Cumulative Compulsorily convertible Preference Shares-Series A1 ('CCPS V3'):

During the year ended March 31, 2019, the Company has issued 16,829,290 cumulative compulsory convertible Preference shares (CCPS V3) to Hero Future Energies Asia Pte Ltd. and 26,573,621 to Hero Future Energies Global Limited of Rs. 100 each fully paid at par. These CCPS V3 are convertible into equity shares at higher of fair market value of equity share of the Company (i) at the time of conversion or (ii) at the time of issuance of CCPS V3.

The CCPS V3 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.

Further, during the year ended March 31, 2020, the Company has issued 2,626,506 Cumulative Compulsorily Convertible Preference Shares ('CCPS V3') at a consideration of Rs 262.86 million to Hero Future Energies Global Ltd. These CCPS V3 have a face value of Rs. 100 each and are fully paid.

During the year ended March 31, 2023, the CCPS V3 issued by the company to Hero Future Energies Global Limited has been transferred to International Financial Corporation (IFC) and IFC GfH Holding II Cooperative U.A.

(d) Terms attached to Cumulative Compulsorily Convertible Preference Shares-Series A2 ('CCPS V5'):

During the year ended March 31, 2020, the Company has issued 38,883,348 Cumulative Compulsorily Convertible Preference Shares ('CCPS V5') at a consideration of INR 3,888.33 million to Abu Dhabi Future Energy Company PJSC-Masdar (Masdar). These CCPS V5 have a face value of INR (in Rupees) 100 each and are fully paid.

These CCPS V5 are convertible into equity shares at higher of fair market value of equity share of the Company (i) at the time of conversion or (ii) at the time of issuance of CCPS V5. The CCPS V5 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.

During the year ended March 31, 2021, the Company has issued 7,866,253 Cumulative Compulsorily Convertible Preference Shares ('CCPS V5') at a consideration of Rs. 786.63 million to Abu Dhabi Future Energy Company PJSC-Masdar (Masdar). These CCPS V5 have a face value of Rs. 100 each and are fully paid.

These CCPS V5 are convertible into equity shares at higher of fair market value of equity share of the Company (i) at the time of conversion or (ii) at the time of issuance of CCPS V5. The CCPS V5 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.

During the year ended March 31, 2023, 39,164,629 numbers of Cumulative Compulsorily Convertible Preference Shares ('CCPS V5') were purchased by Hero Future Energies Global Limited and remaining 7,524,972 CCPS V5 were purchased by BM Masdar Energies Private Limited from Masdar.

(2) The facility is secured with first charge by way of mortgage over the entire immovable properties of the Company, over all the movable fixed assets including plant and machinery, machinery spares, tools, spares and accessories of the Project by way of hypothecation, charge on all rights under Project Documents including power purchase agreements insurance policies, rights, titles, permits, approvals, clearances and all benefits incidental thereto of the project, hypothecation on all current assets of the Project (present and future) including book debts, operating cash-flows, receivables, commissions, revenues, first charge on all Project accounts including Trust and Retention account, a pledge of pledged securities and first charge on 100% of the shareholder loan infused as promoter contribution.

(3) 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, Guarantees and insurance policies in favour of the company 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 51% of the compulsorily convertible debentures of the subsidiary and DSRA of amount of equivalent to Principal and interest repayment due in 2 quarters is to be maintained.

(4) The facility together with all obligations is secured by way of first ranking security interest, mortgage on all the rights, title, interest in immovable properties including freehold land/ leasehold land together with all structures and appurtenances, on all the tangible movable assets in relation to the project including movable plant & machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets (both present and future), charge over all accounts in relation to the projects including all bank accounts, Trust and Retention account, sub accounts, Debt service Reserve Account, charge over the current assets of the subsidiary both present and future, charge on all revenues and scheduled or unscheduled receivables of the Borrower, book debts, operating cash flows and other commissions and revenues and cash of the subsidiary and all insurance proceeds, both present and future, charge on all intangible assets of the subsidiary including goodwill, intellectual rights, uncalled capital and undertakings in relation to the project, charge and assignment by way of security in all the rights, titles, interest in the project documents including PPAs entered into with state Utilities, guarantees in favour of the subsidiary, clearances, letter of credits, insurance contracts. It also includes security interest by way of pledge of 51% of total equity shares, preference shares, NCDs, OGDs together with all accretions, assignment by way of security interest of 51% of the subordinate loans, unsecured shareholder loan, financial assistance, funds infused by the promoters. The lenders agree that the security may be extended on a pari-passu basis to the extent of an amount not exceeding 550 million of the working capital facilities.

(5) The Loan amount is secured by way of first charge of hypothecation and mortgage of all movable and immovable properties pertaining to the 120 MW of Wind project of the said subsidiary and project documents as well as on all current assets (present and future) including operating cash flows, receivables, book debts, and revenue of all nature, intangibles, goodwill, undertaking and uncalled capital pertaining to the project of the said subsidiary. It also includes pledge of 51% shares and Optionally Convertible Cumulative Debentures (OCCD) of the said subsidiary held by Hero Wind Energy Private Limited.

(6) The Loan is secured by way of first charge of hypothecation and mortgage of all movable and immovable properties pertaining to the projects 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 51% of the fully paid up share capital, NCD/OCCD/CCPS of the borrower, in demat form (free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholder agreement), together with all the accretions thereon and first charge on 51% of the funds infused by the promoter's contribution.

(7) (a) The Loan is secured by way of first right on immovable properties pertaining to the project of the subsidiary, hypothecation of all the tangible movable project assets, both present and future, first charge over the book debts, operating cash flows and all current assets, first charge over all the accounts of borrower, first charge on all the intangible assets of the borrower, first charge cum assignment of all rights, titles, benefits under the project documents, letter of credit, Pledge of 51% of the fully paid up share capital, NCD/OCCD/CCPS/Preference Shares of the Borrower, in dematerialized form together with all accretions thereon.

(7) (b) The Loan is secured by way of first right on immovable properties pertaining to the subsidiary, hypothecation of all the tangible movable project assets, both present and future, first charge over the book debts, operating cash flows and all current assets, first charge over all the accounts of borrower, all right, title and interest of the borrower under the PPA, a first ranking pledge over the pledged shares in favour of the security trustee, which shall rank pari passu with the security interest created over the pledged share in favour of the existing Lenders, a first ranking pledge on pari passu basis, as applicable, charge / assignment by way of hypothecation on 51% of quasi equity instruments considered as Sponsor Contribution for the Project, if any.

(8) The Loan is secured by way of first charge of hypothecation and mortgage of all movable and immovable properties pertaining to the projects 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 51% of the fully paid up share capital, NCD/OCCD/CCPS of the borrower, in demat form (free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholder agreement), together with all the accretions thereon and first charge on 51% of the funds infused by the promoter's contribution.

(9) The Loan amount is secured by way of first charge of hypothecation and mortgage of all movable and immovable properties of the subsidiary including intangible assets and project documents as well as on all current assets (present and future) including book debts, current account (including TRA), operating cash flows, receivables, commissions and revenue of all nature. It also includes pledge of 30% shares of the subsidiary held by Hero Solar Energy Private Limited and DSRA of amount of equivalent to Principal and interest repayment due in 3 months is to be maintained.

(10) The Loan is secured with first charge by way of mortgage over the entire immovable properties of the subsidiary, over all the movable fixed assets including plant and machinery, machinery spares, tools, spares and accessories of the Project by way of hypothecation, charge on all rights under Project Documents including power purchase agreements insurance policies, rights, titles, permits, approvals, clearances and all benefits incidental thereto of the project, first charge on all current assets including book debts, operating cash-flows, receivables, commissions, revenues, first charge on all other bank accounts including Trust and Retention account, and Pledge over Equity Shares representing 51% percent of the Equity Shares of the subsidiary in favour of the Lenders/Security Trustee and corporate guarantee from the Hero Future Energies Private Limited and Hero Solar Energy Private Limited. DSRA equivalent to 1 quarter of interest and principal servicing for Project-1 and 2 quarters for Project-2 and Project-3.

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Hero Future Energies Private Limited
CIN: U40300DL2013PTC253845

Notes to the Consolidated Financial Statements

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

- (10e) The Facility together with all Obligations in relation thereto shall be secured by the following (collectively referred to as the "Security"):
- first charge on all cash flows of the Borrower (including but not limited to management fee, O&M fee, dividend, development fee, interest etc. but excluding cash flows from rooftop projects under the Borrower, which are already charged to its project lenders), until the Final Settlement Date;
 - an assignment / hypothecation of HFEPL Loans by HFEPL, until the Interim Security End Date;
 - an assignment / hypothecation of the identified Project SPV Loans by the Borrower, until the Final Settlement Date;
 - a pledge of the Pledged Securities by the Pledgor part passu with the lenders of the Other Borrower Facility, until the Final Settlement Date;
 - an unconditional and irrevocable corporate guarantee to guarantee the Facility and the Obligations to be provided by each of the Guarantors (the "Corporate Guarantee") until the Final Settlement Date;
 - an exclusive charge on the Interest Service Reserve Amount.
- (11) a) First charge by way of mortgage on all the immovable properties & first charge by way of mortgage over movable fixed assets but not limited to Land, plant & machinery, spares, Tools.
b) First charge by way of assignment of deed of hypothecation on rights under the project documents.
c) First part passu charge by way of hypothecation on all borrower's current assets, book debts, commissions, operating cash flows.
d) First charge by way of hypothecation on all the bank accounts of the borrowers including trust and retention account.
e) Pledge of promoter shares (in the dematerialised form) representing a minimum of 30%.
- (12) The Loan amount is secured by way of first charge of hypothecation on all bank accounts (including DSRA) and mortgage of all movable and immovable assets of the project (present & future) including intangibles, goodwill, uncalled capital (present and future) of the said subsidiary specific to the project. It includes charge over project documents, Letter of credit, Guarantees 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 of the subsidiary.
- (13) The Loan amount is secured exclusively through:
- Pledge of 26% investment in form of shares/convertible equity instrument, Shareholder's loan, Promoter contribution of HSEPL held by HFEPL
 - Pledge of equity shares/convertible instruments of identified SPVs of HSEPL and/or HWEPL and hypothecation over loans and advances given by HSEPL and/or HWEPL to identified SPVs.
 - Charge over accounts of HSEPL and/or HWEPL designated to receive minimum Rs. 1,250 million annual cash flow from underlying identified SPVs.
- (14) The Facility (together with all interests, liquidated damages, fees, costs, charges, expenses and other monies and all other amounts stipulated and payable by the Borrowers to the ABFL) (whether expended by the ABFL itself or not) shall be secured by –
- First part passu charge on all cash flows of the Borrower including but not limited to Management Fee, O&M Fee, Dividend, Development Fee, Interest etc. (excluding cashflows from rooftop projects housed under HSEPL, which are already charged to their respective Project Lenders);
 - Pledge of 26% shareholding (on a fully diluted basis) of HSEPL at all times (to be shared on a part passu basis with ABFL Facility in HWEPL)
 - Assignment / Pledge of promoter debt / subordinated debt in identified Project SPVs of the HSEPL/HWEPL to provide a minimum security cover of 1.20x on book value.
 - ISRA equivalent to 1 quarter interest servicing
 - Unconditional & irrevocable Corporate Guarantee of the Guarantors
 - OPN
 - Interim Security: Co shall hypothecate unsecured loans from HFEPL to HSEPL/HWEPL to provide a minimum security coverage of 1.20x times
- (15) (a) The 9.05% non-convertible debentures (unlisted) are secured by way
- Security of 1.1x of principal to be provided upfront. (hypothecation of loans from HFEPL to HWEPL)
 - Corporate guarantee of HFEPL.
- (b) The 11.10% non-convertible debentures (unlisted) are secured by way
- Security of 1.1x of principal to be provided upfront. (hypothecation of loans from HFEPL to HWEPL)
 - Corporate guarantee of HFEPL.
- (c) The 11.65% non-convertible debentures (unlisted) are secured by way
- Security of 1.1x of principal plus final redemption amount (P+I) to be provided upfront. (hypothecation of loans from HFEPL to HWEPL)
 - Corporate guarantee of HFEPL.
 - DSRA at the end of 37 months.
- (16) The Subsidiary namely Clean Solar Rooftop Private Limited breaches financial covenant therefore the total non current amount of loan of Rs 70.02 million is being reclassified from non-current to current. Hence the total current portion of loan is Rs 78.64 million

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18 Trade payables

Trade payables
- total outstanding dues to micro and small enterprises
- total outstanding dues to parties other than micro and small enterprises

As at March 31, 2024	As at March 31, 2023
40.40	35.03
1,538.67	1,767.85
1,579.07	1,802.88

For explanations on the Company's credit risk management processes, refer to note 41.

Trade payables ageing schedule as at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed total outstanding dues of micro and small enterprises	-	13.79	24.29	0.78	0.44	1.10	40.40
(b) Undisputed total outstanding dues of creditors other than micro and small enterprises	1,010.25	34.58	145.54	10.80	3.54	7.93	1,212.74
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	213.71	13.50	91.02	3.78	1.51	2.41	325.93
Total	1,223.96	61.87	260.85	15.36	5.49	11.44	1,579.07

Trade payables ageing schedule as at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed total outstanding dues of micro and small enterprises	-	21.58	13.47	-	-	0.00	35.03
(b) Undisputed total outstanding dues of creditors other than micro and small enterprises	1,389.42	231.54	118.89	2.80	1.14	14.01	1,757.80
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	-	0.92	4.40	2.33	0.85	1.56	10.00
Total	1,389.42	254.02	136.76	5.13	1.99	15.57	1,802.88

19 Other Financial Liabilities

Non-current
Security deposit
Interest accrued but not due

Current
Interest accrued on borrowings
Interest accrued on loan from related parties (refer note 34)
Payables for property, plant and equipment and intangible asset
Other payable

As at March 31, 2024	As at March 31, 2023
2.50	3.53
0.70	0.60
3.29	4.13
409.60	431.31
238.80	208.94
826.02	1,149.55
67.06	86.03
1,534.38	1,878.53
1,637.67	1,892.66

Breakup of financial liabilities at amortised cost:

Borrowings (Refer note 17)
Trade payables (Refer note 18)
Other financial liabilities (Refer note 10)

As at March 31, 2024	As at March 31, 2023
104,276.04	106,776.01
1,579.07	1,802.88
1,637.67	1,882.66
107,395.68	112,464.16

20 Other liabilities

Non-current

Contract Liabilities:
Deferred revenue (Refer note 50)
Others:
Deferred Liability
Deferred government grant (Refer note 44)
Operation and maintenance equalisation reserve

As at March 31, 2024	As at March 31, 2023
554.86	317.92
0.85	-
2,206.09	1,906.14
286.90	438.93
3,048.53	2,662.99

Current

Contract Liabilities:
Advance from customers
Deferred revenue (Refer note 50)
Others:
Deferred Liability
Statutory dues
Operation and maintenance expense equalisation reserve
Other Payables

2.06	99.52
142.14	136.11
158.14	136.47
0.04	-
109.46	193.91
152.13	126.81
33.71	37.36
597.68	726.18

Total

3,646.21	3,392.17
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Hero Future Energies Private Limited
CIN: U40300DL2013PTC253548
Notes to the Consolidated Financial Statements
(All amounts are in Indian Rupees (in million), unless otherwise stated)

21 Provisions

Non-current
Provision for employee benefits
- Provision for gratuity (Refer note 35)
- Provision for compensated absences
Others
Provision for decommissioning cost (refer note below)

Current
Provision for employee benefits:
- Provision for gratuity (Refer note 35)
- Provision for compensated absences
Provision for employee stock option plan (Refer note 47)
Others:
Provision for onerous contract*

*Provision against bank guarantee provided to Solar Energy Corporation of India Limited "SECI"

Movement of Provision for Decommissioning cost

Opening Balance
Accretion during the period
Additions
Change in estimate
Closing Balance

As at March 31, 2024	As at March 31, 2023
9.50	4.35
48.81	35.76
127.93	118.96
186.24	157.69
2.12	0.79
6.46	6.06
256.24	250.64
-	22.75
265.82	289.44
116.98	107.50
11.55	0.48
10.29	-
(10.86)	-
127.93	118.96

22 Current tax liabilities (Net)

Liabilities for current tax (net of advance tax)*

* Net of advance tax

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As at March 31, 2024	As at March 31, 2023
28.19	7.08
28.19	7.08
141.29	66.10



23	Revenue from operations	Year ended	
		March 31, 2024	March 31, 2023
	Type of goods or service		
	Sale of electricity*	13,972.58	13,589.12
	Sale of rooftop solar plant	7.97	243.91
	Incentive under generation based incentive scheme	352.85	386.06
	Sale of traded goods	0.15	0.53
	Sale of Services		
	Operation and maintenance fees	11.78	14.95
	Other operating revenue		
	Sale of Carbon Credit	187.20	383.19
	Income from amortisation of deferred revenue	85.12	27.29
	Total revenue from operations	14,617.65	14,645.05

Performance Obligation

Sale of Electricity

The Group considers the power supplied under PPAs to be a distinct performance obligation and the sale of power to be series of distinct goods that are substantially the same and have the same pattern of transfer to the customer. The Group has therefore determined that the sale of power meets the revenue recognition criteria to be recognised over time.

Sale of Carbon credit

Revenue from the sale of carbon credit emissions are recognized at the time of transfer of carbon credits to the customers, at consideration agreed under the sale agreements.

Operation and Maintenance Fees

The performance obligation of the Group is to Operation and Maintenance services to its customers and accordingly recognize revenue over the period of the contract based on service rendered.

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 in India.

* Subsequent to year end, in one of the subsidiary Clean Solar Power Tumkur Private Limited, GESCOM has paid the tariff difference amounting INR 64.94 million till March 31, 2023 and LD deduction of INR 5.20 million for Gangavathi site. Original PPA tariff also stands restored for this project. Out of Rs 79.20 million, Rs 5.20 million is shown in other income as Balance and Provision written back, Rs 16.09 million as Sale of electricity for the period for which revenue was not recognised and balance amount Rs 48.83 million adjusted with Provision for doubtful debts and advances. Refer Contingent liabilities note 37(c)(i)(iii).

Contract Balances

	As at March 31, 2024	As at March 31, 2023
Trade Receivables (Refer Note 7)	5,780.07	6,915.21
Contract Assets (Refer Note 11)	379.84	359.07
Contract Liability:		
Deferred revenue (Refer Note 20)	696.83	453.03
Advance from customers (Refer Note 20)	2.06	99.52

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year ended	
	March 31, 2024	March 31, 2023
Revenue as per contracted price	14,763.27	14,760.10
Adjustments for:		
Rebate and Discounts	(71.01)	(69.26)
Deviation settlement charges	(74.61)	(45.79)
Revenue from operations	14,617.65	14,645.05

24	Other income	Year ended	
		March 31, 2024	March 31, 2023
	Late payment surcharge	36.83	487.27
	Balances and Provision written back	250.02	149.19
	Interest income on fixed deposits	467.69	243.21
	Interest income on loan to related parties	-	305.94
	Mark to market gain on mutual funds	6.78	1.76
	Exchange fluctuation (net)	10.90	154.84
	Unwinding of discount	126.06	112.21
	Insurance claim received*	121.62	106.47
	Amortisation of deferred government grant (Refer note 44)	144.12	97.52
	Income from SGD and GST refund (Refer note 50)	49.29	49.53
	Mark to market gain on derivative instruments	-	57.49
	Interest income on income tax refund	23.61	32.88
	Gain on sale of mutual funds	0.94	-
	Fair value gain on asset held for sale (Refer note 51)	-	17.04
	Miscellaneous income	16.08	112.83
	Total	1,253.94	1,928.18

*The Company recognises income from insurance claims from third parties when the compensation becomes receivable.



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	Year ended	
	March 31, 2024	March 31, 2023
25 Cost of material consumed		
Balance at the beginning of the year	205.27	110.23
Add : Purchases during the year	75.67	305.73
Less :Adjustment during the year	(78.23)	-
Less : Transfer to CWIP	25.01	-
	177.70	415.96
Less: Balance at the end of the year	162.30	205.27
Cost of materials consumed	15.40	210.69
26 Employee benefit expenses		
Salaries, wages and bonus	674.80	728.74
Contribution to provident and other funds (Refer note 35)	31.12	30.01
Gratuity expense (Refer note 35)	9.58	10.06
Staff welfare expenses	6.18	10.12
	721.68	778.93
27 Finance cost		
Interest expense on financial liabilities measured at amortised cost:		
Interest on debts and borrowings banks and financial institutions	5,605.57	6,438.94
Interest on Onshore ECB Bonds (Refer note 34)	2,355.79	2,480.25
Interest accretion on Cumulative Compulsorily Convertible Preference Share	-	2,087.31
Interest on loan from related parties (Refer note 34)	32.71	306.92
Interest on compulsory convertible debenture	37.14	32.15
Interest on non convertible debenture	318.17	456.28
Interest accretion on lease liability*	33.14	37.24
Interest accretion on ECL	-	276.06
Other finance costs	147.32	500.45
	8,529.84	12,615.60
* During the year interest accretion on lease liability amounting Rs 3.62 million is transferred to Capital work-in-progress.		
28 Depreciation and amortization expense		
Depreciation of tangible assets (refer note 3A)	3,237.28	3,250.39
Amortization of intangible assets (refer note 5)	122.01	120.93
Depreciation of Right of use asset (refer note 3B)	53.99	49.25
	3,413.28	3,420.57
29 Other expenses		
Operation and maintenance expenses*	1,067.65	1,067.38
Legal and professional expense	393.12	329.18
Provision for doubtful debts and advances	73.22	221.93
Insurance	189.17	184.90
Repair and maintenance	165.18	152.69
Application , Processing & Registration Fees	75.17	1.94
Rent, rates and taxes	136.84	101.10
Travelling and conveyance	102.72	109.02
Management Fees	68.35	65.12
Power and fuel	51.63	46.04
Write down of Inventory	98.76	-
Loss on disposal of Property, Plant and Equipment	-	41.30
Auditor's remuneration	12.96	33.95
Advertisement and sales promotion	31.52	23.81
Brokerage and commission	22.00	16.59
Erection and commissioning expenses	0.85	15.89
Corporate Social Responsibility expenditure	18.23	5.27
IT and Software subscription fees	61.33	44.47
Miscellaneous expenses	66.19	67.93
	2,634.89	2,528.51

* Includes operation and maintenance equalisation reserve recognised over life of the Operation & maintenance contract



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30 Tax expense

Current tax
Adjustment of tax relating to earlier periods
Deferred tax

Year ended	
March 31, 2024	March 31, 2023
184.24	223.29
(69.62)	0.46
360.19	(55.31)
474.81	168.44

31 Other Comprehensive Income

Re-measurement gains on defined benefit plans
Income Tax Effect

Year ended	
March 31, 2024	March 31, 2023
(11.75)	5.93
1.99	0.08
(9.76)	6.01

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32 Deferred Tax

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023 as follows:

	As at March 31, 2024	As at March 31, 2023
Accounting loss before tax	498.76	(2,986.42)
Applicable tax rate	25.17%	26.00%
Computed Tax Expense	125.53	(776.47)
Difference in tax Rates	(1.11)	19.78
Non-deductible expenses**	687.33	730.03
Effect on tax due to new tax regime opted#	187.88	(372.42)
Effect on tax due to reassessment of temporary differences reversing under tax holiday period	(105.59)	(283.11)
Deferred tax not recognised including carry forward losses *	16.56	549.75
Interest accretion on CCPS	-	340.80
Adjustment of tax relating to earlier years	(215.13)	-
Others	(220.65)	(39.92)
Income tax charged to Consolidated Statement of Profit & Loss	474.81	168.44

* In case of subsidiary, Vayu Urja Bharat Private Limited, As per clause 2.4 of the Power purchase agreement (PPA), the Income Tax/MAT is a pass through and to be paid by the Distribution Licensee (Discom) to the Developer (the subsidiary) upon receipts of claim from the subsidiary. Since, the subsidiary has right to recover such tax expense from DISCOM, hence deferred tax liability of Rs 18.12 million (March 31, 2023 deferred tax asset of Rs 190.41 million) is not recognised in the consolidated financial statements.

** Primarily includes Section 94B and 36(i) disallowance.

#On September 20, 2019, vide Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance'), the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019, subject to certain conditions. The group has decided to opt for the reduced corporate tax rates for its subsidiaries in March 31, 2023 and March 31, 2024 and the full impact of this change has been recognised in tax expense during the year ended March 31, 2023 and March 31, 2024. Accordingly, the group has recognised Provision for Income Tax and re-measured its deferred taxes as per the provisions of the Ordinance. This has resulted in re-assessment of deferred tax asset by Rs 187.88 million as at March 31, 2024 and deferred tax liability by Rs 372.42 millions as at March 31, 2023. In cases where the timing differences were reversing within the tax holiday period under the provisions of section 80-IA of the Income Tax Act, deferred tax were not recognised on those permanent differences till previous year, however same has been recognised during the year as the group has opted for new tax regime.

(i) On periodical basis, the entities in the group reassess its projected taxable profits during the tax holiday period based on current year actual performance and other external factors impacting the projected project performance. Based on revised projections, the entities have reassessed its deferred tax and its impact thereon.

(ii) Deferred tax assets and liabilities have been offset where they arise in the same taxing jurisdiction with a legal right to offset but not otherwise. Accordingly the net deferred tax (assets)/liability has been disclosed in the Balance Sheet as follows :

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	891.88	678.94
Deferred tax liabilities	(1,700.23)	(1,129.10)

b) Component of Deferred tax Assets/liabilities (net):

As on March 31, 2024

Significant components of deferred tax asset/(liabilities)	Opening Balance as on April 01, 2023	(Charged) / credited to Statement of profit and loss	Charged / (credited) to OCI	Closing Balance as on March 31, 2024
Carry forward tax loss and Unabsorbed depreciation	8,609.32	1,281.98	-	9,891.30
Accelerated depreciation for tax purposes	(9,201.89)	(1,384.80)	-	(10,586.69)
Operation and maintenance equalisation reserve	157.79	1.79	-	159.58
Equity component of compound financial instruments	132.78	(47.58)	-	85.20
Deferred Government Grant	653.06	273.17	-	926.23
Minimum alternative tax credit entitlement [refer note (a) below]	885.98	(660.00)	-	225.98
Others	472.19	257.90	1.99	732.08
Total	1,709.23	(277.54)	1.99	1,433.68
Not recognised	(1,910.69)	(100.76)	-	(2,011.45)
Reversal on account of recoverable of future tax liability from customer as per terms of PPA	(248.70)	18.12	-	(230.58)
Deferred Tax Assets/(Liability) net	(450.16)	(360.19)	1.99	(808.35)



As at March 31, 2023

Significant components of deferred tax asset/(liabilities)	Opening Balance as on April 01, 2022	(Charged) / credited to Statement of profit and loss	Charged / credited to OCI	Closing Balance as on March 31, 2023
Carry forward tax loss and Unabsorbed depreciation	8,462.07	147.25	-	8,609.32
Higher depreciation and amortization for tax purposes	(9,029.99)	(171.90)	-	(9,201.89)
Operation and maintenance equalisation reserve	156.86	0.93	-	157.79
Optionally Cumulative Convertible Debentures	-	-	-	-
Equity component of compound financial instruments	(194.51)	327.29	-	132.78
Deferred Government Grant	443.96	209.10	-	653.06
Minimum alternative tax credit entitlement [refer note (a) below]	699.18	186.80	-	885.98
Others	532.88	(60.87)	0.08	472.19
Total	1,070.55	638.60	0.08	1,709.23
Not recognised	(1,550.67)	(360.02)	-	(1,910.69)
Reversal on account of recoverable of future tax liability from customer as per terms of PPA	(58.97)	(189.73)	-	(248.70)
Deferred Tax Assets/(Liability) net	(539.09)	88.85	0.08	(450.16)

(a) The Group has recognized an asset of Rs 225.98 million (March 31, 2023: Rs 885.98 million) as "MAT credit entitlement". It represents that portion of MAT liability which can be set off in subsequent years based on provisions of Income Tax Act 1961. In current year the Group has opt new tax regime in six step down subsidiary companies which has lead to reversal of MAT during the year. The management based on future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the remaining companies to utilize MAT credit assets which are still in old tax regime.

(b) In cases where the timing differences are reversing within the tax holiday period under the provisions of section 80-IA of the Income Tax Act, deferred tax has not been recognised on those differences.

(c) Certain subsidiaries of the Group have not recognised deferred tax assets on losses and unabsorbed depreciation in absence of reasonable certainty that future profits will be available. As of March 31, 2024, the Group has not recognised deferred tax asset of Rs. 82.77 million (2023: Rs. 549.75 million) primarily due to the carry forward losses and unabsorbed depreciation.

Under Income Tax Act, Business Losses are allowed to be carried forwarded for a period of 8 years, while unabsorbed depreciation can be carried forwarded indefinitely. Below is the summary of expiry of losses/unabsorbed depreciation on account of which no deferred tax asset has been recognised by the Group.

Financial year of expiry

	As at March 31, 2024	As at March 31, 2023
FY 2024-25	0.26	0.26
FY 2025-26	243.66	243.66
FY 2026-27	465.23	465.23
FY 2027-28	553.04	553.04
FY 2028-29	298.93	298.93
FY 2029-30	167.10	167.10
FY 2030-31	153.42	173.96
FY 2031-32	297.59	-
Indefinite- Unabsorbed Depreciation	1,951.63	1,664.58
	4,130.87	3,566.76

(d) Certain subsidiaries of the Group have undistributed retained earnings, which if distributed out as dividend would result in tax liability of group. Keeping in view that, no profit is proposed to be distributed in the immediate future by way of dividend out of such undistributed retained earnings, no deferred tax liabilities has been recognised.

33 Earnings per share (EPS)

	As at March 31, 2024	As at March 31, 2023
Loss attributable to the equity holders of the parent	23.95	(3,154.86)
Add: Interest accretion on Cumulatively Compulsorily Convertible Preference Share	-	2,087.31
	23.95	(1,067.55)
Weighted average number of equity shares for basic and diluted EPS*	1,048,238,085.24	1,043,906,450.78
Basic and diluted earnings per share (face value RS. 10 per share)	0.02	(1.02)

*Inclusive of Compulsorily Convertible Preference Share as those shares are issuable solely after the passage of time and are not contingently issuable shares, because the passage of time is a certainty.

For the purpose of EPS computation, management has assumed that Compulsorily Convertible Preference Share (CCPS) shall be converted at fair market value of shares at the time of issuance, as the number of shares that will be issued are based on the fair market value at the time of conversion or at the time of issuance of CCPS, whichever is higher.



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34 Related Party Disclosures

a) List of related parties

Name of Related Party	Nature of relationship
Brijmohan Lal Om Prakash, Partnership Firm	Ultimate Holding Entity
Bahadur Chand Investments Private Limited	Enterprise having control
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	
Rockman Industries Limited	
Hero Future energies Limited Employees Group Gratuity Trust	Enterprise having significant influence over the Company
International Finance Corporation	
Clean Renewable Power (Mauritius) Pte Ltd	
Clean Solar Power Eastern Europe Limited	Fellow Subsidiary Company
Renu Munjal- Director (Resigned w.e.f December 31, 2022)	Key Management Personnel
Abhimanyu Munjal- Director (Resigned w.e.f December 31, 2022)	
Vivek Mehra- Independent Director (Resigned w.e.f December 31, 2022)	
Rajesh Puri - Director (Resigned w.e.f September 30, 2022)	
Osama Abdulatif A Alotman- Nominee Director (Resigned w.e.f April 19, 2022)	
Srivatsan Srinivas Iyer- Chief Executive Officer	
Sumit Kumar Roy- Director (w.e.f December 30, 2022)	
Harish Pant- Director (w.e.f December 30, 2022)	
Benjamin Paul Fraser- Director (w.e.f December 30, 2022)	
Anuj Agarwal- Director (w.e.f January 12, 2023)	
Mayur Maheshwari- Company Secretary	

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b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Hero Fincorp Limited	Enterprise owned or significantly influenced by key management personnel or their relatives	Interest expense	-	181.85
Hero MotoCorp Limited	Enterprise owned or significantly influenced by key management personnel or their relatives	Loan Repaid	500.00	1,750.00
Rockman Industries Limited	Enterprise owned or significantly influenced by key management personnel or their relatives	Operation & Maintenance Fees	4.70	4.88
Hero Future Energies Asia Pte. Limited	Enterprise owned or significantly influenced by key management personnel or their relatives	Operation & Maintenance Fees	-	0.35
Bahadur Chand Investments Private Limited	Enterprise owned or significantly influenced by key management personnel or their relatives	Sale of Electricity	21.52	18.38
Clean Solar Power (Eastern Europe) Limited	Holding Company	Collection received	24.72	15.52
International Finance Corporation	Enterprise having control	Issue of Equity Shares	2,645.31	4,287.26
Clean Renewable Power (Mauritius) Pte Ltd	Fellow Subsidiary Company	Loan Repaid	1,240.00	880.00
		Loan Received	620.00	-
		Interest Paid on Loan	29.99	111.00
		Accrued Interest Received*	305.94	-
		Loan repaid*	-	2,992.35
		Interest Income	-	161.47
		Loan repaid	183.25	33.58
		Interest expense	9.03	20.79
		Interest expense on onshore ECB Bonds**	2,205.47	2,332.46
		Repayment of onshore ECB Bonds	1,631.98	1,359.99

* Excludes foreign exchange realisation gain.

** Excludes amortisation of discount on issuance of onshore ECB Bonds.

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c) Closing Balance of related parties

Name of Related Party	Relationship	Nature of Transaction	As at March 31, 2024	As at March 31, 2023
Hero Fincorp Limited***	Enterprise, Key Managerial Personnel of which is able to exercise significant influence over the Company	Payable on account of interest on loan	-	1.64
Bahadur Chand Investment Private Limited	Enterprise having control	Payable on account of loan	-	500.00
		Loan Payable	-	620.00
		Cumulative Compulsorily Convertible Preference Share	5,569.57	5,569.57
Hero Future energies Limited Employees Group Gratuity Trust	Enterprise over which key management personnel and their relatives able to control	Contribution to gratuity trust fund	83.85	75.52
Hero MotoCorp Limited	Enterprise owned or significantly influenced by key management personnel or their relatives	Receivables	1.61	1.82
Rockman Industries Limited	Enterprise owned or significantly influenced by key management personnel or their relatives	Trade Receivables	1.05	4.09
Hero Future Energies Asia Pte. Limited	Holding Company	Other Receivables	-	0.12
Hero Future Energies Global Ltd.	Intermediate Holding Company	Equity Shares	10,388.33	7,743.02
		Cumulative Compulsorily Convertible Preference Share	1,682.93	1,682.93
		Cumulative Compulsorily Convertible Preference Share	3,916.46	3,916.46
		Cumulative Compulsorily Convertible Preference Share	762.50	762.50
BM Munjal Energies Private Limited	Ultimate Holding Company	Other Receivables	0.03	-
Clean Solar Power (Eastern Europe) Limited	Fellow Subsidiary Company	Interest receivable	-	305.94
International Finance Corporation	Enterprise having significant influence over the Company	Investment in Equity shares	72.97	72.97
IFC GIF Holding II Cooperative U.A	Enterprise having significant influence over the Company	Loan Payable	-	183.25
		Cumulative Compulsorily Convertible Preference Share	3,125.54	3,125.54
		Cumulative Compulsorily Convertible Preference Share	3,127.67	3,127.67
Clean Renewable Power (Mauritius) Pte Ltd	Fellow Subsidiary Company	Onshore ECB Bonds	23,663.77	25,295.76
		Interest accrued on onshore ECB Bonds	26.97	28.82

*** The closing balance of related parties excludes the Ind AS adjustment with regards to processing fees.



d) Compensation of Key management personnel of the Company

Particulars	As at	
	March 31, 2024	March 31, 2023
Short-term employee benefits*	103.20	224.07
Reimbursement of expense (per diem)	-	12.87
Director Sitting Fees and consultancy fees	-	0.70
Total compensation paid to key management personnel	103.20	237.64

*Remuneration to the Key managerial personnel does not include the provision made for gratuity and leave encashment, as they are determined on an actuarial basis for the Group as whole.
As at March 31, 2024, total payable to key management personnel is Rs 38.54 million (March 31, 2023 Rs 189.98 million)

e) Terms and conditions of transactions with related parties
All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except the interest bearing loan and settlement occurs in cash. There have been no guarantees provided or received for any related party payables/receivables on a consolidated basis.



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35 Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Group makes contribution towards provident fund/ pension fund. Under the scheme, the Group is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to the defined contribution scheme. The Group has recognized Rs. 31.12 million (March 31, 2023: Rs. 30.01 million) during the year as expense towards contribution to the plan.

	Year ended	
	March 31, 2024	March 31, 2023
Provident fund	31.12	30.01
Total	31.12	30.01

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Group is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each year of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan

	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Change in benefit obligation		
1 Present value of obligation as at the beginning of the year	52.24	50.75
2 Add: Current service cost	11.28	11.57
3 Add: Interest cost	3.82	3.50
4 Add: Actuarial (gain) / loss	14.55	(8.14)
5 Less: Benefits paid	(13.38)	(5.44)
Present value of obligation as at the end of the year	68.51	52.24

d) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	Year ended	
	March 31, 2024	March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Cost for the year included under employee benefit		
Add: Current service cost	11.28	11.57
Add: Interest cost	3.82	3.50
Less: Investment Income	(5.52)	(5.01)
Net cost	9.58	10.06

e) Changes in the fair value of the plan assets are as follows:

	Year ended	
	March 31, 2024	March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning		
Add: Investment income	75.54	72.74
Add: Expected return on plan assets	5.52	5.01
Fair value of plan assets at the end	83.85	75.54

The Plan assets has been invested in Insurance policies with Bajaj Allianz Life Insurance Co. Ltd and Life Insurance Corporation of India.

The major categories of plan assets are as follows:

Categories	Year ended	
	March 31, 2024	March 31, 2023
Insurer managed funds	8.08	7.57
Equity	14.78	12.99
Corporate bond	8.70	13.41
Sovereign	48.50	34.83
Money Market, Deposits & Other	3.79	6.73
Total	83.85	75.54

f) Detail of actuarial gain/loss recognised in OCI is as follows:

	Year ended	
	March 31, 2024	March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
1 Actuarial gain / (loss) for the year – obligation	(14.55)	8.14
2 Actuarial gain / (loss) for the year - plan assets	2.80	(2.21)
3 Total gain / (loss) for the year	(11.75)	5.93
4 Actuarial gain / (loss) recognised in the year	(11.75)	5.93



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(All amounts are in Indian Rupees (in million), unless otherwise stated)
g) Principal actuarial assumptions at the balance sheet date are as follows:

	Year ended	
	March 31, 2024	March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Economic assumptions		
1 Discount rate	7.15%	7.30%
2 Rate of increase in compensation levels	12%	10%
Demographic assumptions		
1 Expected average remaining working lives of employees (years)	24.53	24.30
2 Retirement Age (years)	60.00	60.00
	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate
3 Mortality Table		
Withdrawal Rate		
1 Ages up to 30 Years	4.63%	5.78%
2 Ages from 31-44	15.44%	22.74%
3 Above 44 years	2.32%	0.72%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Discount rate- Reduction in discount rate in subsequent valuations can increase the liability.

Salary escalation rate - Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.

Withdrawal rate- Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	Year ended	
	March 31, 2024	March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation	68.51	52.24
Less: Fair value of plan assets	(83.85)	(75.54)
Net (assets) / liability	(15.34)	(23.29)

i) A quantitative sensitivity analysis for significant assumption as is as shown below:

	Year ended	
	March 31, 2024	March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
A. Discount rate		
Effect on DBO due to 1% increase in Discount Rate	(6.51)	(3.81)
Effect on DBO due to 1% decrease in Discount Rate	7.60	4.39
B. Salary escalation rate		
Effect on DBO due to 1% increase in Salary Escalation Rate	7.19	4.23
Effect on DBO due to 1% decrease in Salary Escalation Rate	(6.30)	(3.76)
C. Withdrawal Rate		
Effect on DBO due to 50% increase in Withdrawal Rate	(5.41)	(1.88)
Effect on DBO due to 50% decrease in Withdrawal Rate	9.32	3.66
D. Mortality Rate		
Effect on DBO due to 10% increase in Mortality Rate	(0.07)	(0.05)
Effect on DBO due to 10% decrease in Mortality Rate	0.07	0.05

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The group expects to contribute 0.24 million (March 31, 2023 : Rs. Nil million) to the plan during the next financial year.

j) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
1 year	5.67	12.08
2 to 5 years	21.61	17.70
6 to 10 years	20.99	11.24
More than 10 years	118.06	66.30



36 Leases

The Group has lease contracts for land and office premises. Leases of office premises generally have a lease term between 2 to 9 years, while land generally has lease term between 20 to 30 years. The Group's obligation under its leases are secured by the lessor's title to the lease assets. The Group has considered extension terms as part of assessing the length of the lease. The right-of-use assets have been disclosed within property, plant and equipment.

Carrying amounts of right-of-use assets recognised and the movements during the period is disclosed in note 3.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Amount
As At April 1, 2022	418.54
Accretion of Interest	37.24
Payments	(51.10)
Adjustment for termination of lease	(53.16)
As At March 31, 2023	351.52
Additions	98.65
Accretion of Interest	37.27
Payments	(47.25)
Adjustments	(2.11)
As At March 31, 2024	438.08

	As at March 31, 2024	As at March 31, 2023
Current	47.49	46.20
Non- Current	390.59	305.32

The maturity analysis of lease liabilities are disclosed in Note 41.

The effective interest rate for lease liabilities is between 9.00%- 10.10% with maturity between year 2021-2054.

The following are the amounts recognised in the Statement of Profit & Loss:

	Year Ended March 31, 2024	Year Ended March 31, 2023
Depreciation	53.99	49.25
Interest expense on lease liabilities	37.27	37.24
Expense relating to short-term leases and low value assets (included in other expenses)	8.98	10.47
	100.24	96.96

The Group had total cash outflows for leases of Rs. 56.23 million during the year ended March 31, 2023 (March 31, 2023 Rs. 61.57 million).

37 Commitments and Contingent Liabilities

a. Commitments

(i) As at March 31, 2024, the group has capital commitment pertaining to construction of wind and solar energy projects and estimates it will incur (net of advance) amounting to Rs. 298.99 million (March 31, 2023 Rs. 62.16 million).

(ii) The various subsidiaries of the Group have entered in to long term Power Purchase Agreements ('PPA') ranging from 13 to 25 years from the respective date of commissioning with various Discoms and private parties wherein the said subsidiaries have committed to sell and Discoms & private parties have committed to purchase entire generation from installed capacity.

b. Contingent Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax matters	79.13	-
Indirect tax matters	39.06	108.92
Total	118.19	108.92

c. Other Legal Proceedings

General

The Group is involved in legal suits/ matters filed by or against its group entities involving various matters such unfavourable changes in terms operational matters by various government authorities, delay in commissioning in consequential impact, supplier and customer related claims/ counter claims etc. The Group is contesting all such cases and the management believes that they have a good case on merits. The group has concluded that it is only possible, but not probable that the actions of the various third parties will succeed. Accordingly, no additional provision has been made in these consolidated financial statements.



(i) Project Related

- (i) On August 18, 2015 Hero Future Energies Private Limited (HFE) commissioned a 10 MW Solar Power project. The project was commissioned within the extended timeline granted by Hubli Electricity Supply Company Ltd (HESCOM). However, in 2017, the Karnataka Electricity Regulatory Commission (KERC) retrospectively denied the extension. As a result, in 2020, HESCOM deducted liquidated damages amounting to Rs 120.50 million from Power Purchase Agreement (PPA) payments. HFE has appealed against this order before the Appellate Tribunal for Electricity (APTEL). Management, based on external legal advice and knowledge of similar cases, assesses the liquidated damages to be fully recoverable and has not made any loss allowance.

- (ii) One of the subsidiary companies, Vayu Urja Bharat Private Limited (the 'Subsidiary') had entered into a Power Purchase Agreement (PPA) with Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL), in regard to which, the Hon'ble Supreme Court dismissed an appeal filed by (APSPDCL) against a tariff order passed by the Hon'ble High Court of Andhra Pradesh on July 17, 2023. This resolved the longstanding dispute over the PPA tariffs in favour of the Subsidiary.

Consequently, APSPDCL is paying the Subsidiary the full PPA tariff, subject to certain deductions, which include claims related to the Generation Based Incentive (GBI) payments received by the Subsidiary from the Indian Renewable Energy Development Agency Limited (IREDA) and deductions related to breach of Capacity Utilisation Factor (CUF) limits. Management of the Group considers these deductions to be invalid and has initiated recovery actions. As of March 31, 2024, the outstanding GBI related deductions amounted to Rs 916.00 million, of which the Group has already obtained favourable court orders from Hon'ble High Court of Andhra Pradesh for the recovery of Rs 405.00 million. The remaining amount is under litigation as this matter continues to be an industry-wide issue in the State of Andhra Pradesh. Further, As of March 31, 2024, the outstanding CUF deductions totalled Rs 585.00 million following the successful recovery of Rs 320 million, which continue to be under litigation. Based on the favourable progress achieved to date and legal opinions obtained, management of the Group is confident that the GBI and CUF deductions are both fully recoverable and, therefore no loss allowance is required for these amounts in the consolidated financial statements of the Group for the year ended March 31, 2024.

- (iii) One of the subsidiary namely, Clean Solar Power (Tumkur) Private Limited, a subsidiary of the Group, entered into nine PPAs in 2016 for a 180 MW solar power plant. Due to 140 MW of the plant having been commissioned late, liquidated damages were imposed and paid and the tariff was reduced for seven of the PPAs.

On January 04, 2023 the Group secured favourable orders from KERC for the refund of both the liquidated damages and the tariff difference and the reinstatement of the original PPA tariffs. In respect of six of the PPAs, the DISCOMS have challenged the KERC order and the appeals are presently pending before APTEL for adjudication. In respect of one of the PPAs the relevant DISCOM has in May 2024 refunded the liquidated damages and tariff difference and reinstated the original PPA tariff. Although management assesses that the Group has a good case on merits before APTEL, a provision has been maintained for tariff difference for the six PPAs under appeal.

- (iv) In 2018, Clean Wind Power (Anantapur) Private Limited, a subsidiary of the Group, was issued a tariff order by Telangana State Electricity Regulatory Commission (TSERC) at INR 3.61 per kWh. Telangana State Southern Power Distribution Company Limited (TSSPDCL) declined to sign the PPA at this rate, offering a reduced tariff of INR 2.79 per kWh instead. The subsidiary approached the Telangana High Court, which directed TSSPDCL to sign an interim PPA at INR 2.79 per kWh, pending a final decision. The interim PPA was signed on February 24, 2021. Although management, supported by legal opinion, assesses that the full tariff of INR 3.61 per kWh will be secured, both revenue accounting and impairment assessment for Clean Wind Power (Anantapur) Private Limited have been carried out at the interim tariff. The conclusion of the impairment assessment was that no impairment charge is necessary.

- (v) One of the subsidiary namely Clean Wind Power (Bhavngar) Private Limited ('the Company') had signed Power Purchase agreement (PPA) with Maharashtra Electricity Distribution Company Limited (MSEDCL) on July 17, 2018 for development of 75.8 MW Wind Power Project in the state of Maharashtra. As per PPA, the Company 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 project was not developed and, commercial operation was not achieved.

Basis management assessment, potential penalties for not achieving commercial operation date are approx. Rs. 1,250 million. During the year ended March 31, 2022, the Company 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 Rs. 151.20 million and Subsequently, as agreed with MSEDCL the Company has deposited the amount equivalent to PBG Rs. 151.20 million and consequently the MSEDCL released the said PBG. In recent hearing, the Commission has directed the parties to explore amicable settlement of the matter. Accordingly, we are discussing settlement terms with discom for mutual termination of the PPA without any termination penalty and refund of our bank guarantee amount deposited to MSEDCL.

Based on settlement discussions between the parties, management believes that none of the potential penalties are likely to fall due and that MSEDCL is likely to refund the amount of Rs. 151.20 million. Accordingly no provision is recognized in financial statements.

- (vi) One of the subsidiary companies, Waaneep Solar Private Limited had entered into a Power Purchase Agreement (PPA) with Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL). APSPDCL intended to revise the PPA tariff and therefore this dispute reached to court. In regard to which, the Hon'ble Supreme Court dismissed an appeal filed by (APSPDCL) against a tariff order passed by the Hon'ble High Court of Andhra Pradesh on January 2, 2023. This, resolved the longstanding dispute over the PPA tariffs in favour of the in favour of the generators, including Waaneep Solar Private Limited. Thereafter, APSPDCL is making regular monthly payment as per terms of PPA.

ii) Land related

There are approximately 30 land cases filed by Land owner/third parties against subsidiaries of the Group or vice versa on various issues including (i) Suit for Partition and separate possession (ii) sale of their ancestral land by relatives/family members, without obtaining their consents, to subsidiaries of the Group (iii) the receipt of inadequate sales consideration from subsidiaries for the sale of their land. The Group is contesting all such cases and based on advice from legal counsel, management believes that they have a good case on merits. The group has concluded that it is only possible, but not probable that the actions of the various third parties will succeed. Accordingly, no provision has been made in these financial statements. Although carrying value of these parcels of land are not individually or collectively material, the potential impact on the future success or viability of the relevant projects could be material to the group. Given the uncertainty surrounding the various claims against the group, it is also not practicable to quantify the potential future effect on earnings, operations, cash flow or financial condition of the group.

iii) Vendor related

In one of the subsidiary Bhiwara Green Energy Limited (BGEL) had entered into Operation & Maintenance ('O&M') agreement with ReGen Infrastructure and Services Private Limited ('ReGen') dated September 18, 2015. Vide order dated February 19, 2020, National Company Law Tribunal has ordered the commencement of corporate insolvency resolution process of the ReGen and appointed Interim Resolution Professionals ('IRP'). Accordingly, BGEL had filed its claim with the IRP for operational debt amounting to 212.6 million. However, the IRP arbitrarily reduced the claim amount to 190.28 Million. Hence, BGEL filed an application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 before NCLT, Chennai seeking appropriate directions against the reduction in amount claimed filed by it before Resolution Professional as an Operational Creditor under Insolvency Resolution Plan of RISPL. Apart from the aforesaid, BGEL has also filed an application before the NCLT Chennai for treatment of certain amounts (e.g. Liquidated damages) as CIRP costs. The matters are to be listed for arguments. Next date of hearing in the matter is August 12, 2024.

(iv) Regulatory Matters

In one of the subsidiary Waaneep Solar Private Limited, Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited ('MPMKVVCL') raised a Demand Notice dated 8 January 2020 ('Demand Notice') purportedly claiming arrears of Rs. 89.68 million (March 31, 2023 Rs 89.68 million) towards electricity usage charges for the period from July 2016 to November 2019. The Demand Notice was disputed by Waaneep vide its email dated January 22, 2020.

Waaneep made a payment of Rs. 40 million under protest in relation to the disputed demands and filed a Writ Petition before the High Court of Madhya Pradesh, Jabalpur ('High Court'). The matter was listed on March 18, 2020 wherein High Court an interim order of protection in favour of Waaneep. The matter has been heard and High Court has referred the dispute before Madhya Pradesh Electricity Grievance Redressal Forum, Bhopal (MPEGRF) vide its Order dated February 08, 2023. Accordingly, we had filed Petition before MPEGRF and the order has been passed on date November 29, 2023. MPEGRF passed the order that Waaneep Solar is liable to pay the demanded amount. Accordingly we made the payment of remaining amount on January 25, 2024 and also challenged this order before Electricity Ombudsman at Bhopal. The Electricity Ombudsman vide its order dated May 27, 2024 passed an order against Waaneep Solar Private Limited confirming the demand raised for Rs. 89.68 million.

Waaneep Solar Private Limited is now in the process of challenging the order dated May 05, 2024 passed by the electricity Ombudsman before the M.P. High Court

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38 Capital Management

For the purpose of group's capital management, capital includes issued equity capital and other equity attributable to the equity holders of the parent. The primary objective of the group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may return capital to shareholders or issue new shares. The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The net debt of the Group includes interest bearing borrowings less cash and cash equivalents.

	As at March 31, 2024	As at March 31, 2023
Borrowings (Refer to note 17)	104,278.94	108,778.61
Less: Cash and cash equivalents (Refer to note 8)	4,926.61	4,159.90
Net debt	99,352.33	104,618.71
Equity share capital (Refer to note 15)	129.21	101.65
Other equity (Refer to note 16)	(10,753.68)	(13,381.93)
Total Capital	(10,624.47)	(13,280.28)
Capital and net debt	88,727.86	91,338.43
Gearing ratio	111.97%	114.54%

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There is no covenant breach except as mentioned in note 17 'Borrowings'.

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39 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the group's financial instruments:

a) Fair value of financial assets:

	Carrying values		Fair values	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value through profit or loss				
Investment in mutual fund (Refer to note 6)	390.57	94.25	390.57	94.25
Total A	390.57	94.25	390.57	94.25
Financial assets measured at amortised cost *				
Security deposits (Refer to note 10)	100.36	88.75	100.36	88.75
Trade receivables (Refer to note 7)	5,780.07	6,915.21	5,780.07	6,915.21
Cash and cash equivalents (Refer to note 8)	4,926.61	4,159.90	4,926.61	4,159.90
Other bank balances (Refer to note 9)	3,551.73	2,998.08	3,551.73	2,998.08
Loans (Refer to note 10A)	8.00	50.00	8.00	50.00
Other financial assets (Refer to note 10B)	2,573.36	1,005.07	2,573.36	1,005.07
Receivable for loss of control in subsidiary (Refer Note 10B)	1,537.29	1,487.14	1,537.29	1,487.14
Total B	18,477.42	16,704.15	18,477.42	16,704.15

b) Fair value of financial liabilities:

	Carrying values		Fair values	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial liabilities measured at amortised cost				
Borrowings (Refer to note 17)	104,278.94	108,778.61	103,932.10	106,356.87
Trade payables* (Refer note 18)	1,579.07	1,802.89	1,579.07	1,802.89
Other financial liabilities* (Refer to note 19)	1,537.67	1,882.66	1,537.67	1,882.66
	107,395.68	112,464.16	107,048.84	110,042.41

*Management has assessed that fair value of these are not materially different than there carrying amount.

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.

Discount rate used in determining fair value

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.

Mutual fund classified above are valued on the basis of quoted rates available from securities markets in India. Mutual funds are valued using the closing NAV.

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 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 year. The own non-performance risk as at March 31, 2024 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.

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40 Fair value hierarchy

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 fair value of trade receivables, trade payables and other financial assets including receivable from loss of control in subsidiary and liabilities is considered to be equal to the carrying amounts of these items due to their short term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. There has been no change in the valuation methodology during the year. The sensitivity of change in the unobservable inputs used in fair valuation of financial assets and liabilities does not have a significant impact on their value.

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

Quantitative disclosures fair value measurement hierarchy for assets

	Level Classification	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value through profit or loss			
Investment in mutual fund (Refer to note 6)	Level 1	390.57	94.25
Total A		390.57	94.25
Financial assets measured at amortised cost			
Security deposits (Refer to note 10)	Level 2	100.36	88.75
Total B		100.36	88.75
Total (A+B)		490.93	183.00

Quantitative disclosures fair value measurement hierarchy for liabilities

	Level Classification	As at March 31, 2024	As at March 31, 2023
Financial liabilities measured at amortised cost			
Borrowings (Refer to note 17)	Level 3	103,932.10	106,356.87
Total		103,932.10	106,356.87

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

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41 Financial risk management objectives and policies

The group's principal financial liabilities comprise trade and other payables, borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations.

The group's principal financial assets includes Investment in mutual funds, security deposits, trade receivables, cash and bank balances and others thereon.

The group is exposed to credit risk, liquidity risk and market risk. The group's senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All derivative activities for risk management purposes are carried out by the teams that have the appropriate skills, experience and supervision. In order to minimise any adverse effects on the financial performance of the group, the group may use foreign forward contracts including currency rate swaps to hedge certain foreign currency risk exposures. The use of financial derivatives is governed by the group's practices approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives, and the investments of excess liquidity.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to interest rate risk. The group manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio. To manage this portfolio mix, the group may enter into currency rate swap arrangements and/ or interest rate swap arrangements, which allows the group to exchange periodic payments based on a notional amount and agreed upon fixed and floating interest rates.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis	Effect on profit before tax
March 31, 2024	+50	(277.44)
	-50	277.44
March 31, 2023	+50	(313.68)
	-50	313.68

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

The Group is exposed to foreign exchange risk through buyers credits, Letter of credit's issued to foreign vendors and foreign currency trade payables. The Group holds derivative financial instruments such as currency and Interest rate swaps to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The hedged foreign currency exposure of Creditors as at March 31, 2024 is Rs. Nil million (March 31, 2023 Rs. Nil million).



B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group does not have significant credit risk exposure to any single counterparty other than Solar Energy Corporation of India Limited (SECI) (28.86%) and Southern Power Distribution Company of A.P Limited (10.99%). The amounts are billed monthly and are payable within contractually agreed credit period.

The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are government owned companies with high quality credit ratings.

i) Trade receivables

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored. The Group has state utilities/government entities as its customers with high credit worthiness, therefore, the Group does not see any risk related to credit. The credit quality of the customers other than state utilities/government entities is evaluated based on their credit ratings and other publicly available data.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and impairment analysis is performed at each reporting date to measure expected credit losses. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Movement in expected credit loss on trade receivables during the year (refer note 2(i)):

	Fair Value In (Rs in million)	
	March 31, 2024	March 31, 2023
Opening Balance	580.58	371.96
Changes in allowance for expected credit loss:		
Additional provision during the year	104.86	208.62
Provision reversal during the year	(52.93)	-
Closing Balance	632.51	580.58

For ageing analysis of trade receivables as of the reporting date Refer Note 7

ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the group's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

C. Liquidity risk

Liquidity risk is the risk that the group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The Group expects to generate positive cash flows from operations in order to meet its external financial liabilities as they fall due and also consistently monitors funding and refinancing options available in the debt market with a view to maintain financial flexibility.

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2024	On demand	Less than 3	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings* # ^	77.37	2,511.91	14,339.48	58,158.54	43,711.01	118,798.30
Trade payables	-	-	1,538.67	-	-	1,538.67
Other financial liabilities	-	-	1,534.38	3.29	-	1,537.67
Lease Liabilities #	-	5.73	43.57	186.26	913.27	1,148.83
Total	77.37	2,517.64	17,456.10	58,348.09	44,624.27	123,023.47

As at March 31, 2023	On demand	Less than 3	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings* # ^	408.47	4,798.04	17,335.69	59,253.74	46,329.85	128,125.80
Trade payables	-	-	1,749.84	-	-	1,749.84
Other financial liabilities	-	-	1,916.94	4.13	-	1,921.07
Lease Liabilities #	-	5.33	35.58	197.08	613.85	851.84
Total	408.47	4,803.37	21,038.05	59,454.95	46,943.70	132,648.55

* refer note 17

It includes contractual interest payment based on interest rate prevailing at the end of the reporting period.

^ The term loan from lender shown as payable on demand on account of covenant breach. If there was no covenant breach Rs.77.37 million would be payable in 1 to more than 5 years (March 31, 2023: Rs.148 million is payable in 1 to 5 years) including interest accrued thereon.

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42 Transfer Pricing

The Group is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the Income Tax Act ('regulations') to determine whether the transactions entered during the year ended March 31, 2024, with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associate enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

43 Segment Note

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) including CEO, CFO and the functional heads. 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.

44 Accounting of Viability Gap Funding (government grant)

In respect of its subsidiaries namely as Clean Solar Power (Dhar) Private Limited, Waaneep Solar Private Limited and Clean Solar Power (Gulbarga) Private Limited the said subsidiaries has entered into Viability Gap Funding (VGF) securitization agreement with Solar Energy Corporation of India ("SECI") for creating a charge on project assets based on which the subsidiaries are eligible to receive VGF support amounting to Rs 492.00 million, Rs 1,175.00 million and Rs 1,360 million respectively.

As per the terms of the agreement, VGF shall be released in two instalments: first instalment of 50% of VGF shall be released at a date not earlier than three months from scheduled commissioning date and balance 50% to be received in 5 equal instalment over the next 5 years, subject to plant meeting the generation requirement specified in the VGF Securitization Agreement.

On account of reasonable certainty of collection of VGF, the same has been treated as deferred revenue and is being amortized over the useful life of the assets in the same proportion in which depreciation on related assets is charged to statement of profit and loss. Accordingly, the Group has recorded an amount of Rs. 123.41 million (March 31, 2023 Rs.97.52 million) as Other income, which is recorded under Note 24 of the financial statements, while an amount of Rs.2,106.40 million (March 31, 2023 Rs.1,828.36 million) has been recorded as "Deferred income" under Note 20 of the financial statements.

45 Reconciliation Of Movements Of Liabilities To Cash Flows Arising From Financing Activities

Particulars	Opening balance (April 01, 2023)	Cash flows	Non-cash transactions				Closing balance (March 31, 2024)
			Processing cost	Interest accretion	New Lease Contracts	Others	
Term loans from Financial Institution & Banks	53,061.53	322.03	48.84	-	-	-	53,432.40
Loan from Related Party (refer note 34)	1,118.12	(1,120.00)	-	-	-	1.88	0.00
Non-Convertible Debentures	3,334.70	(1,039.71)	39.55	-	-	-	2,334.54
Cumulative Compulsorily Convertible Preference Share	24,949.67	-	-	-	-	-	24,949.67
Compulsory Convertible Debentures	83.20	-	-	-	-	-	83.20
Commercial Papers	1,115.43	(1,115.43)	-	-	-	-	0.00
Optionally Convertible Cumulative Debentures	120.59	(121.91)	-	1.32	-	-	(0.00)
Lease Liabilities	351.52	(47.25)	-	37.27	98.65	(2.11)	438.08
ECB Bond	24,739.00	(1,631.98)	139.15	-	-	-	23,246.17
Total	108,873.77	(4,754.26)	227.54	38.59	98.65	(0.23)	104,484.06

Particulars	Opening balance (April 01, 2022)	Cash flows	Non-cash transactions				Closing balance (March 31, 2023)
			Processing cost	Interest accretion	New Lease Contracts	Others*	
Term loans from Financial Institution & Banks	57,604.25	4,722.67	225.95	-	-	(9,491.34)	53,061.53
Short term Borrowings	762.50	(762.50)	-	-	-	-	-
Loan from Related Party (refer note 34)	3,734.40	(2,630.00)	13.72	-	-	-	1,118.12
Non-Convertible Debentures	5,396.92	(1,149.23)	67.01	-	-	(980.00)	3,334.70
Supplier's/ Buyer's credit	5,649.01	(4,585.67)	45.88	-	-	(1,109.22)	0.00
Cumulative Compulsorily Convertible Preference Share	22,862.36	-	-	2,087.31	-	-	24,949.67
Compulsory Convertible Debentures	83.20	-	-	-	-	-	83.20
Commercial Papers	1,839.18	(723.75)	-	-	-	-	1,115.43
Optionally Convertible Cumulative Debentures	113.19	-	-	7.40	-	-	120.59
Lease Liabilities	418.54	(51.10)	-	37.24	-	(53.16)	351.52
ECB Bond	25,962.36	(1,359.99)	136.63	-	-	-	24,739.00
Total	124,425.91	(6,539.57)	489.19	2,131.95	-	(11,633.71)	108,873.77

*Includes Rs 11,265.96 million relates to Clean Solar Power (Jodhpur) Private Limited which got deconsolidated at April 21, 2023 (Refer note 51).



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46 Statement containing specific disclosure of the entities which are included in consolidated financial statements:
For Year ended March 31, 2024

Name of the entity in the group	Net Assets i.e. total assets minus total liabilities		Share in profit and loss		Share in other comprehensive Income		Share in total comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Comprehensive Income	Amount	As % of Consolidated Comprehensive Income	Amount
Hero Future Energies Private Limited	(102.45%)	10,895.00	2346.69%	453.20	13.88%	(1.37)	3184.77%	451.84
Hero Wind Energy Private Limited	(62.56%)	6,849.36	(2917.44%)	(559.89)	15.90%	(1.55)	(3957.33%)	(561.45)
Clean Wind Power (Anantapur) Private Limited	17.55%	(1,787.69)	(1293.67%)	(235.31)	(1.67%)	0.16	(1657.43%)	(235.16)
Clean Wind Power (Pratapgarh) Private Limited	1.62%	(172.05)	(6.39%)	(1.22)	1.92%	(0.19)	(9.91%)	(1.41)
Clean Wind Power (Rafam) Private Limited	(7.06%)	750.42	324.71%	62.08	3.61%	(0.35)	435.09%	61.73
Clean Wind Power (Salara) Private Limited	(6.35%)	675.59	323.44%	62.35	0.12%	(0.01)	439.39%	62.34
Clean Wind Power (Devgarh) Private Limited	(38.13%)	4,053.03	1583.23%	301.68	3.20%	(0.31)	2128.32%	301.87
Clean Wind Power (Marvi) Private Limited	(4.73%)	502.87	(221.45%)	(42.24)	5.50%	(0.54)	(301.50%)	(42.78)
Clean Wind Power (Jaisalmir) Private Limited	2.65%	(281.16)	(0.51%)	(0.10)	0.00%	-	(0.68%)	(0.10)
Vayu Uja Bharat Private Limited	(2.84%)	315.51	1175.25%	237.49	2.13%	(0.21)	1672.48%	237.28
Clean Wind Power (Kumool) Private Limited	(0.00%)	0.00	(1.20%)	(0.23)	0.00%	-	(1.61%)	(0.23)
Clean Wind Power (Bhavnagar) Private Limited	6.23%	(661.84)	(28.55%)	(5.45)	0.24%	(0.02)	(38.55%)	(5.47)
Clean Wind Power (Piploda) Private Limited	(0.30%)	32.08	46.70%	8.91	0.65%	(0.06)	62.34%	8.84
Clean Wind Power (Bableshwar) Private Limited	0.97%	(102.70)	(81.68%)	(15.58)	2.93%	(0.26)	(111.83%)	(15.87)
Clean Wind Power (Tuticorin) Private Limited	1.87%	(198.97)	(124.05%)	(23.66)	0.00%	-	(166.78%)	(23.66)
Bhilwara Green Energy Limited	(13.59%)	1,444.52	1388.70%	264.88	0.38%	(0.03)	1866.78%	264.85
LNJ Power Ventures Limited	5.27%	(557.93)	(453.48%)	(84.50)	(0.48%)	0.05	(565.26%)	(84.45)
Hero Rooftop Energy Private Limited	2.26%	(240.44)	(536.92%)	(102.41)	0.66%	(0.95)	(728.55%)	(103.38)
Clean Solar Rooftop Private Limited	0.05%	(5.58)	(33.27%)	(6.35)	0.00%	-	(44.73%)	(6.35)
Hero Solar Energy Private Limited	(37.67%)	4,002.94	(5454.42%)	(1,041.54)	24.88%	(2.43)	(7358.38%)	(1,043.97)
Clean Solar Power (Dhar) Private Limited	(5.26%)	558.98	544.95%	103.94	0.48%	(0.05)	732.31%	103.90
Clean Solar Power (Chitrdurga) Private Limited	5.19%	(551.72)	(126.97%)	(24.22)	1.00%	(0.10)	(171.39%)	(24.32)
Rajkot (Gujarat) Solar Energy Private Limited	(1.00%)	107.86	128.17%	25.42	1.69%	(0.16)	178.04%	25.28
Clean Solar Power (Tumkur) Private Limited	13.50%	(1,434.98)	777.01%	148.07	7.46%	(0.73)	1038.50%	147.34
Clean Solar Power (Bhadra) Private Limited	(25.29%)	2,686.04	340.51%	64.85	3.41%	(0.33)	454.77%	64.52
Clean Solar Power (Jaipur) Private Limited	2.11%	(224.51)	(8.50%)	(1.24)	0.06%	-	(8.78%)	(1.24)
Clean Solar Power (Gulbarga) Private Limited	(3.75%)	398.62	(525.13%)	(100.16)	0.95%	(0.09)	(706.68%)	(100.28)
Clean Solar Power (Bellary) Private Limited	0.21%	(22.64)	112.51%	21.46	0.67%	(0.07)	150.80%	21.40
Waaneep Solar Private Limited	(21.13%)	2,245.85	2503.60%	477.54	1.26%	(0.12)	3365.03%	477.41
Clean Solar Power (Jodhpur) Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Clean Solar Power (Konch) Private Limited	(0.00%)	0.00	(2.45%)	(0.47)	0.00%	-	(3.29%)	(0.47)
Clean Solar Power (Kadapa) Private Limited	0.00%	-	(1.00%)	(0.19)	0.00%	-	(1.35%)	(0.19)
Clean Solar Power (Sirs) Private Limited	1.50%	(64.40)	(15.01%)	(3.74)	0.00%	-	(26.35%)	(3.74)
Clean Solar Power (Baniyas) Private Limited	0.21%	(22.79)	(119.09%)	(22.72)	0.00%	-	(160.11%)	(22.72)
Clean Solar Power (Amarsar) Private Limited	0.46%	(48.69)	(13.62%)	(2.60)	0.00%	-	(18.31%)	(2.60)
Clean Solar Power (Bikaner) Private Limited	0.00%	(0.44)	(1.79%)	(0.34)	0.00%	-	(2.41%)	(0.34)
Clean Solar Power (Barmer) Private Limited	0.21%	(21.81)	(114.32%)	(21.81)	0.00%	-	(153.69%)	(21.81)
Clean Renewable Energy KK One Private Limited	0.00%	(0.05)	(0.78%)	(0.15)	0.00%	-	(1.04%)	(0.15)
Clean Renewable Energy TN One Pvt Ltd.	0.00%	(0.05)	(0.81%)	(0.15)	0.00%	-	(1.08%)	(0.15)
Clean Renewable Energy MH One Pvt Ltd.	0.00%	(0.05)	(0.81%)	(0.15)	0.00%	-	(1.09%)	(0.15)
Clean Renewable Energy KK 1A Pvt Ltd	0.00%	(0.04)	(0.73%)	(0.14)	0.00%	-	(0.88%)	(0.14)
Clean Renewable Energy KK 2A Pvt Ltd	0.00%	(0.93)	(0.81%)	(0.15)	0.00%	-	(1.06%)	(0.15)
Clean Renewable Energy KK 2B Pvt Ltd	0.00%	(1.33)	(0.81%)	(0.16)	0.00%	-	(1.10%)	(0.16)
Clean Renewable Energy KK 2C Pvt Ltd	0.00%	(0.82)	(0.80%)	(0.15)	0.00%	-	(1.07%)	(0.15)
Clean Renewable Energy KK 2D Pvt Ltd	0.00%	(1.02)	(0.80%)	(0.15)	0.00%	-	(1.08%)	(0.15)
Clean Renewable Energy MH 1A Pvt Ltd.	0.00%	(0.04)	(0.80%)	(0.14)	0.00%	-	(1.02%)	(0.14)
Clean Renewable Energy Hybrid One Pvt. Ltd.	0.00%	(0.04)	(0.78%)	(0.14)	0.00%	-	(1.01%)	(0.14)
Clean Renewable Energy Hybrid Two Pvt. Ltd.	0.00%	(0.05)	(0.75%)	(0.15)	0.00%	-	(1.05%)	(0.15)
Clean Renewable Energy AP One Pvt Ltd	0.00%	(22.51)	(0.79%)	(22.61)	0.00%	-	(159.37%)	(22.61)
Clean Renewable Energy Hybrid Five Pvt. Ltd.	0.00%	(0.05)	(18.54%)	(0.15)	0.00%	-	(1.11%)	(0.15)
Clean Renewable Energy Hybrid Three Pvt. Ltd.	0.00%	(3.63)	(0.79%)	(3.73)	0.00%	-	(26.30%)	(3.73)
Clean Renewable Energy Hybrid Four Pvt. Ltd.	0.00%	(0.05)	(0.79%)	(0.15)	0.00%	-	(1.07%)	(0.15)
Clean Renewable Energy Hybrid Six Pvt. Ltd.	0.00%	0.06	(16.56%)	(0.04)	0.00%	-	(0.25%)	(0.04)
Clean Renewable Energy Hybrid Seven Pvt. Ltd.	0.00%	0.08	(0.79%)	(0.02)	0.00%	-	(0.13%)	(0.02)
Vision Renewables and Projects Private Limited	0.00%	(3.20)	(0.19%)	(0.50)	0.00%	-	(3.53%)	(0.50)
Consolidation adjustments and Eliminations	371.89%	(39,511.18)	486.65%	116.56	0.00%	-	821.59%	116.56
Total	100%	(10,624.47)	100%	23.95	100%	(9.78)	100%	14.19

For Year ended March 31, 2023

Name of the entity in the group	Net Assets i.e. total assets minus total liabilities		Share in profit and loss		Share in other comprehensive Income		Share in total comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Comprehensive Income	Amount	As % of Consolidated Comprehensive Income	Amount
Hero Future Energies Private Limited	(58.73%)	7,709.60	64.03%	(2,019.92)	48.86%	2.94	64.00%	(2,016.99)
Hero Wind Energy Private Limited	(54.30%)	7,210.78	27.53%	(888.47)	(1.50%)	(0.09)	27.47%	(888.56)
Clean Wind Power (Anantapur) Private Limited	12.27%	(1,630.00)	4.78%	(150.63)	0.38%	0.02	4.77%	(150.60)
Clean Wind Power (Pratapgarh) Private Limited	1.26%	(170.64)	0.11%	(0.39)	0.07%	-	0.11%	(0.31)
Clean Wind Power (Rafam) Private Limited	(5.19%)	696.69	1.03%	(32.62)	1.49%	0.06	1.03%	(32.53)
Clean Wind Power (Salara) Private Limited	(4.62%)	613.25	(7.48%)	236.04	1.24%	0.07	(7.47%)	236.11
Clean Wind Power (Devgarh) Private Limited	(28.25%)	3,751.36	(12.61%)	397.94	1.94%	0.12	(12.56%)	398.06
Clean Wind Power (Marvi) Private Limited	(4.11%)	545.65	4.60%	(145.17)	0.93%	0.06	4.59%	(145.11)
Clean Wind Power (Jaisalmir) Private Limited	2.12%	(281.28)	0.01%	(0.24)	0.00%	-	0.01%	(0.24)
Vayu Uja Bharat Private Limited	(0.59%)	78.34	(0.02%)	0.49	6.70%	0.40	(0.00%)	0.89
Clean Wind Power (Kumool) Private Limited	0.02%	(12.34)	0.00%	(0.15)	0.00%	-	0.00%	(0.15)
Clean Wind Power (Bhavnagar) Private Limited	4.94%	(856.47)	0.17%	(5.22)	3.29%	0.20	0.17%	(5.02)
Clean Wind Power (Piploda) Private Limited	(0.17%)	23.24	(5.41%)	170.72	0.64%	0.04	(5.40%)	170.76
Clean Wind Power (Bableshwar) Private Limited	0.65%	(66.83)	(3.97%)	125.37	5.05%	0.30	(3.96%)	125.68
Clean Wind Power (Tuticorin) Private Limited	1.32%	(175.31)	0.75%	(23.66)	0.00%	-	0.75%	(23.66)
Bhilwara Green Energy Limited	(8.88%)	1,179.68	(8.88%)	280.08	1.57%	0.09	(8.86%)	280.17
LNJ Power Ventures Limited	3.58%	(475.64)	2.56%	(81.69)	0.21%	0.01	2.58%	(81.67)
Hero Rooftop Energy Private Limited	1.03%	(137.08)	1.02%	(32.30)	8.12%	0.49	1.04%	(31.81)
Clean Solar Rooftop Private Limited	(0.01%)	0.77	0.07%	(2.19)	0.00%	-	0.07%	(2.19)
Hero Solar Energy Private Limited	(39.00%)	5,046.62	33.58%	(1,059.33)	6.47%	0.39	33.53%	(1,058.94)
Clean Solar Power (Dhar) Private Limited	(3.43%)	455.09	(2.73%)	86.04	1.63%	0.10	(2.72%)	86.14
Clean Solar Power (Chitrdurga) Private Limited	3.97%	(527.40)	4.62%	(145.78)	0.98%	0.08	4.61%	(145.72)
Rajkot (Gujarat) Solar Energy Private Limited	(0.62%)	82.60	(2.35%)	74.01	1.26%	0.08	(2.34%)	74.08
Clean Solar Power (Tumkur) Private Limited	11.92%	(1,582.69)	15.56%	(490.75)	4.47%	0.27	15.53%	(490.48)
Clean Solar Power (Bhadra) Private Limited	(19.77%)	2,625.28	(8.58%)	270.61	0.38%	0.02	(8.56%)	270.64
Clean Solar Power (Jaipur) Private Limited	1.66%	(220.07)	0.34%	(10.60)	0.00%	-	0.34%	(10.60)
Clean Solar Power (Gulbarga) Private Limited	(3.75%)	468.25	13.77%	(434.43)	1.86%	0.11	13.75%	(434.32)
Clean Solar Power (Bellary) Private Limited	0.33%	(44.03)	(0.30%)	0.56	0.52%	0.03	(0.30%)	0.61
Waaneep Solar Private Limited	(13.32%)	1,768.44	(6.28%)	198.17	2.28%	0.14	(6.27%)	198.30
Clean Solar Power (Jodhpur) Private Limited	0.00%	-	(0.08%)	2.55	0.00%	-	(0.08%)	2.55
Clean Solar Power (Konch) Private Limited	0.01%	(1.35)	0.01%	(0.26)	0.00%	-	0.01%	(0.26)
Clean Solar Power (Kadapa) Private Limited	0.00%	(0.20)	0.00%	(0.09)	0.00%	-	0.00%	(0.09)
Clean Solar Power (Sirs) Private Limited	0.17%	(22.53)	(1.69%)	53.36	0.00%	-	(1.69%)	53.36
Clean Solar Power (Baniyas) Private Limited	0.00%	(0.07)	0.00%	(0.07)	0.00%	-	0.00%	(0.07)
Clean Solar Power (Bhainsada) Private Limited	0.35%	(46.09)	0.08%	(2.60)	0.00%	-	0.08%	(2.60)
Clean Solar Power (Amarsar) Private Limited	0.00%	(0.10)	0.01%	(0.16)	0.00%	-	0.01%	(0.16)
Clean Solar Power (Bikaner) Private Limited	0.00%	(0.01)	0.00%	(0.09)	0.00%	-	0.00%	(0.09)
Clean Solar Power (Barmer) Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Clean Renewable Energy KK One Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Consolidation adjustments and Eliminations	298.10%	(39,588.07)	(14.27%)	450.18	0.00%	-	(14.24%)	450.18
Total	100%	(13,280.27)	100%	(3,154.86)	100%	6.01	100%	(3,148.85)



47 Employee stock option plans of erstwhile Hero Future Energies Private Limited (now amalgamated):

During the year no awards were made to any employees (2023: no awards) and no further awards are planned. While the Company has not completed the process for the adoption of the new employee stock option plan, there are 20 beneficiaries, holding options granted under the employee stock option plan 2015 for the erstwhile, Hero Future Energies Private Limited, which was merged into the Company. As per the scheme of Amalgamation, the Company has to formulate ESOP Plan. The Company needs to discharge its obligations towards these 20 beneficiaries, including 12 who are no longer in the Company's employment to whom the majority of the awards relate.

In order to expedite the grant of Employee Stock Options (ESOPs) benefits to the beneficiaries of the transferor company, the transferee company ("the Company") has suo moto issued an offer letter to the beneficiaries for surrender of their options in lieu of cash consideration. This mode of settlement of ESOPs has been approved by the Board of the Company on July 27, 2023.

Management's best estimate of the expected future settlement, based on current facts and circumstances and legal assessment, is Rs. 259.84 million. Therefore, a provision of Rs. 258.08 million has been recognised as at March 31, 2024 (March 31, 2023: Rs. 259.84 million).

Details of ESOP policy is as under:

Particulars	Category A Options	Category B Options	Category C Options
Exercise price	Rs. 10 (Rupees Ten)	Rs. 17 (Rupees Seventeen)	Rs. 24 (Rupees Twenty Four)
Number of options granted as at March 31, 2024	10,900,000	6,125,966	1,875,000
Grant Date	Different dates from October 1, 2015 to October 1, 2018	Different dates from October 1, 2015 to October 1, 2018	Granted on November 12, 2019
Vesting period and condition	- 1,700,000 options vested on March 31, 2017; and - 9,200,000 options vested on March 31, 2018.	- 882,353 options vested as on March 31, 2017; - 1,764,706 options vested as on March 31, 2018; - 200,000 options vested as on March 31, 2020; - 100,000 options to be vested on March 31, 2021; - 2,590,672 options vesting in four annual tranches of 20%, 25%, 25% and 30% from grant date; - 588,235 options forfeited for not satisfying service condition.	All Options vested on Grant date i.e. November 12, 2019.
Exercise period	Exercise period of the Plan is 4 years from the vesting date or date of IPO, whichever is later	Exercise period of the Plan is 4 years from the vesting date or date of IPO, whichever is later	Exercise period of the Plan is 4 years from the vesting date or date of IPO, whichever is later
Method of settlement	Cash settled (In Special cases, may be settled by issue of option securities)	Cash settled (In Special cases, may be settled by issue of option securities)	Cash settled (In Special cases, may be settled by issue of option securities)

Particulars	Category A	Category B	Category C
Opening balance	10,900,000	6,125,966	1,875,000
Granted during the year	-	-	-
Forfeited/Lapsed during the year	-	-	-
Exercised during the year	-	-	-
Closing balance	10,900,000	6,125,966	1,875,000
Vested and exercisable	10,900,000	6,125,966	1,875,000



48 Going Concern

The net worth of Group has been fully eroded owing to accumulated losses of Rs. 24,201.47 million as at year ended March 31, 2024. The Board of Directors have reviewed a detailed cashflow forecast for the period until September 30, 2025 prepared by management after considering various factors and concluded that there is no material uncertainty in respect of going concern.

During the year ended March 31, 2023, Ultimate holding company of the Group Hero Future Energies Global Ltd received the first tranche of new equity investment of Rs 13,606.90 million (US\$165 million), of which Rs. 4,287.26 million (US\$ 51.94 million) was transferred to the Company as a equity and Rs. 3,019.65 million (US\$ 34.13 million) as loan repaid by Clean Solar Power Eastern Europe which was used to repay certain of the Group's existing debt facilities. Further the group has received second tranche of Rs 5,819.90 million (US\$ 70.22 million) out of which Rs 2,645.30 million (US\$ 31.83 million) was transferred to the Company during the current year. This has resulted in a significant reduction in finance costs going forward and reduces the Group's refinancing requirements through the going concern period.

The cash flow forecast show an improvement in net cash flow generation reflecting both the improved pattern of payment receipts from DISCOMs and the impact of the equity raise. The improvement in cashflows generated from payment receipts is in part due to the impact of the Electricity (Late Payment Surcharge (LPS) and Related Matters) Rules, 2022, introduced by the Indian Ministry of Power during the year ended March 31, 2023. These rules prescribe the manner (including timelines options) in which the DISCOMs shall clear outstanding dues in Equated Monthly Instalments (EMIs) between 12 – 48 months, pertaining to generating companies. The introduction of EMIs has a positive impact on cash flow generation as certain receivables are now being received at an accelerated rate.

Although the going concern assessment and conclusion is not reliant on any of these factors, additional measures are available to management over and above the committed sources of finance included in the base case and stress test scenarios, to support the liquidity of the Group if required. These include, for example, use of undrawn equity intended for growth projects (subject to shareholder approval) and asset disposals, stress case scenario assumes 5% lower power generation/ customer collections from budgeted levels across all assets through the going concern period and 1% increase in debt interest costs. The Group also has a dedicated project financing team that continuously interacts with third party lenders to secure new, or roll-over existing, facilities. This practice is consistent with the Group's re-financing activities from previous years and is within the normal course of business for the Group. Although management considers it would only be a remote scenario in which any of these sources of finance would be unavailable, none of them are completely within the Group's control.

- 49** As per RBI Press Release no. 1998-99/1269 dated April 8, 1999 ('Press Release'), the Company and its two intermediate hold co subsidiaries, has exceeded the 50% threshold for both asset and income test during the financial years 2023-24 and 2022-23. Further, (i) the entity is primarily engaged in the business of generation and sale of electricity through its wholly owned subsidiaries, (ii) the entity provides certain services to its subsidiaries such as management services and O&M services and, (iii) the management of the entity has no intention to engage in financing activities. Generation of Electricity falls under the definition of Industrial Activity under sub-clauses (i) to (xviii) of clause (c) of section 2 of the Industrial Development Bank of India Act, 1964. Further, section 45-I(c) of the Reserve Bank of India Act, 1934 specifically exempts an institution, which carries on the principal business of 'Industrial Activity' and 'Provision of services' from the definition of 'Financial Institution'. Accordingly, the management of the Company is of the view that the Company should not be termed as a financial institution and should therefore not require registration as a Non-Banking Financial Company and Core Investment Company. Further, the management of the Company is also taking necessary steps by which the Entity would not breach these tests in future periods.

50 Compensation of safeguard duty and GST

The central government imposed a safeguard duty (SGD) on import of Solar cells vide notification dated 30 July, 2018 and has introduced a new indirect tax regime 'Goods and Services Tax Act' (GST) on 1 July 2017. Two of the subsidiaries, Clean Solar Power (Bhadla) Private Limited and Clean Solar Power (Gulbarga) Private Limited, will recover the costs pertaining to SGD and GST amounting to Rs 1,390.52 million and Rs 489.80 million respectively from Solar Energy Corporation of India ('SECI') as per the terms of PPA.

One subsidiary namely, Clean Solar Power (Tumkur) Private Limited filed a petition in KERC as per clause 15.1 of PPA seeking the MoF notification No.11/2017 – Central Tax (Rate) dated June 28, 2017 and GoK notification dated June 29, 2017 as "Change in law event. Subsequently KERC in its order dated September 12, 2023 in petition number OP no. 29 of 2019 has declared the above referred notifications as "Change in Law" event. Further, KERC has approved a claim towards change in law amounting to INR. 150.18 million.

In accordance with the accounting policy of the Company, revenue will be recorded over the remaining life of the PPA from the date the company receives the first installment of the refund. Where there are accelerated payments, contract liability arises.

As at 31 March 2024, the company has recorded an amount of Rs 696.83 million (2023: Rs 453.03 million) as deferred revenue under note 20 of the consolidated financial statements. During the year, the company recorded other operating income of Rs 134.41 million (2023: Rs 76.82 million) arising from deferred revenue.

Accordingly, the company has recognized Rs 85.12 million (INR. 27.29 million) as other operating Income and INR 49.29 million (INR. 49.53 million) as interest income on SGD and GST refund for the year ended March 31, 2024 and March 31, 2023 respectively and has disclosed the remaining balance as "Deferred Revenue". The outstanding balance of Safeguard duty and GST as at March 31, 2024 is INR 1,381.67 million.

The group has knocked off the deferred revenue and the other financial assets during the year ended March 31, 2023.

51 Asset held for sale

- (i) The Group has decided to liquidate asset acquired for the project Clean Wind Power (Bhavnagar) Private Limited (transformers and wind turbines) and accordingly those assets were classified as "assets held for sale". Fair value of these assets was estimated to be Rs. 830.01 million out of which assets pending to liquidate as at March 31, 2024 is 21.21 million.
- (ii) During the year ended March 31, 2021 one of the subsidiary, Hero Solar Energy Private Limited (HSE) executed Share Purchase Agreement and Investment agreement dated 4 February 2021 (together with the schedules and annexures thereto), with O2 Power SG Pte. Ltd. ("O2") ("Investor" and "Purchaser") for sale of investment in Clean Solar Power (Bhainsada) Private Limited ("CSP Bhainsada"). The above transaction resulted in loss of control of the subsidiary namely, CSP Bhainsada and the same is not consolidated since March 01, 2021. On May 06, 2023, O2 exercised call option as per Clause 4.3 of Share Purchase Agreement to transfer all Call option securities from HSE to O2 which resulted in realisation of asset classified as held for sale.



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52 During the year ended March 31, 2023 one of the subsidiary, Waanep Solar Private limited has received letter from Southern Power Distribution Company of Andhra Pradesh Limited ("APSDCL") basis Andhra Pradesh Electricity Regulatory Commission ("APERC") order to disconnect the additional panels of 3.29 MW added after COD of the project falling which DISCOM shall be free to terminate the project. The DISCOM withheld amount payable to the company proportionate to the alleged excess installed DC capacity. The total CUF deduction by DISCOM amounts to INR 298.53 million. During the year, the subsidiary has successfully disconnected additional panels and basis APERC order, management's internal assessment, the management believes that the Company will be able to recover all withheld amount related to excess DC capacity.

53 At each reporting date, the Group assesses whether any indicators exist that an asset may be impaired. Potential indicators considered include the variance between the actual and forecasted performance of the asset during the financial year and other factors given in IND AS 36. As of 31 March 2024, no indicator for impairment existed.

In respect of tariff issue in one of the subsidiary namely, Clean Wind Power (Anantapur) Private Limited the management has carried out impairment assessment on prudence basis considering tariff rate of Rs. 2.79/kwh. Based on impairment analysis, there is no impairment for this project.

54 During the year ended March 31, 2022 the geopolitical situation in Ukraine deteriorated rapidly, resulting in significant military operations by Russia and Ukraine across much of the country starting from 24 February 2022. The current geopolitical tension between Ukraine and Russia may significantly impact the project assets in Ukraine in terms of either their future cashflows or value in the event of potential disposal thereby effecting exposure of the Group in Clean Solar Power (Eastern Europe) Limited. During the year ended March 31, 2022, the Group assessed the impairment on equity investment and recognised a loss of Rs. 89.94 million in the statement of Profit and Loss.

During the year ended March 31, 2023, the project in Ukraine commenced operations and in current year the Group has recovered interest accrued on loan given to Clean Solar Power (Easter Europe) Limited amounting Rs 305.94 million.

55 The Ministry of Power has notified Electricity (Late Payment Surcharge ("LPS") and Related Matters) Rules, 2022 through a notification dated 3 June 2022. The rules prescribe the manner in which the DISCOM shall clear outstanding dues in EMIs ranging between 12 and 48 months, pertaining to generating companies.

During the year, the Group has recognised the following transactions:

a) The Group had recognised interest income on delayed payment (LPS) of Rs 36.83 million for the year ended March 31, 2024 which were not earlier recognized due to lack of reasonable certainty.

b) Total receivables of Rs 5,129.69 million as of 30 June 2022 (including LPS) have been discounted using a discount rate of 9.25% -10.20% per annum. The resultant discounting effect of Rs 276.06 million had been recognised as other financing costs in the year ended 31 March 2023.

c) The Group has also recognised unwinding of discounting over the period. This results effect of Rs 114.53 million is recognised as interest income during year ended 31 March 2024 (March 31, 2023: Rs 98.75 million).

d) Non-current and current portion of receivables (including LPS) as of 31 March 2024 amounted to Rs 419.18 million and Rs 467.01 million respectively.

56 During the period ended March 31, 2023, in one of the subsidiary, Clean Solar Power (Jodhpur) Private Limited, the project has achieved its commercial operation (COD). As per terms of investment agreements dated September 23, 2021, the investor has direct exposure to variable return from the said project starting from COD, therefore, basis the definition of 'control' per IND AS 110, the management is of the view that investor has possessed control over the said SPV w.e.f its COD date of April 21, 2022. The total consideration to be received from investor for the transaction is around Rs 1,487.14 millions to be increased by interest related cost amounting Rs 107.92 million payable to investor under the Debenture Trust Deed as mentioned under the Share Purchase Agreement (SPA). Subsequent to year end, the Clean Solar Power (Jodhpur) Private Limited has received GST refund order amounting Rs 548.89 million. As per terms of SPA, consideration shall be adjusted for any difference in annuity rate as agreed and delay in receipt of GST reimbursement. Accordingly the receivable shown for loss of control of subsidiary was adjusted and the Group booked impairment of Rs 57.74 million for the year ended March 31, 2024. The closing balance of receivable shown for loss of control of subsidiary is Rs 1,537.29 million (including interest recoverable amounting Rs 107.92 million).

This Space has been left intentionally



Hero Future Energies Private Limited
Notes to the Consolidated Financial Statements
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57 Acquisitions

On January 31, 2024 the Group acquired 100% shares of Vision Renewables and Projects Private Limited ("Company") at an acquisition price of Rs 95.12 million for cash consideration. The Company has obtained approvals/ license ("License") from New and Renewable Energy Development Corporation of Andhra Pradesh ("NREDCAP") to set up a 40MW wind power project in Andhra Pradesh.

The goodwill of Rs 46.05 million arising from the acquisition.

The following table summarises the amounts of the assets acquired and liabilities assumed at the acquisition date, as well as the fair value at the acquisition date.

Particulars	Fair Value
Assets	
Sanction Fee	60.00
Cash and cash equivalents	0.00
Other current assets	0.04
Total Assets (A)	60.04
Liabilities	
Borrowings	8.02
Accounts payable	2.74
Other liabilities	0.22
Total Liabilities (B)	10.97
Total identifiable net assets at fair value (C=A-B)	49.07
Goodwill arising on acquisition (Refer note 5)	46.05
Purchase consideration transferred	95.12

* The Goodwill is mainly attributable to the future economic benefits that will be arising due to right to install the plant. The goodwill is not expected to be deductible for tax purposes.

There were no acquisitions in the year ended March 31, 2023.

58 Other Statutory information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any transactions with companies struck off.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or;
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Group has not been declared wilful defaulter by any bank or financial institution or other lender.
- (ix) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

59 Events occurring after balance sheet date

Subsequent to the year end the Group executed the power purchase agreement (PPA) with SJVN Limited for 120 MW FDRE at a tariff of INR 4.39/kWh, along with an additional 150 MW under the greenfield option at a tariff of INR 4.387/kWh. These PPAs signed are for supply of power for 25 years. Also, the Group has signed Power Purchase Agreement (PPA) for 5.23 MW AC / 7.58 MW DC capacity at Rs. 3.50 /kWh with private customer in the state of Karnataka.

The Group also received letters of award (LoAs) for the NHPC peak power bid (100 MW at INR 4.63/kWh) and the NTPC FDRE peak power bid (120 MW at INR 4.60/kWh). Additionally, the Group secured 120 MW under the Solar Energy Corporation of India (SECI) FDRE-2 bid at a tariff of INR 5.59/kWh. Also, the Group has secured 250 MW under Solar Energy Corporation of India (SECI) 1,200 MW Inter-State Transmission System (ISTS) with energy storage system (ESS) at a tariff of 3.42/kWh.

60 The Group uses SAP ECC as an accounting software for maintaining its books of accounts for the year ended March 31, 2024. The feature of recording audit trail (edit log) facility has been enabled at transaction level throughout the year. However, subsequent to the year end, Management implemented the audit trail feature at database level.

61 Reclassification

Certain reclassifications have been made to the comparative year's consolidated financial statements to enhance comparability with the current year's consolidated financial statements. As a result, certain line items have been reclassified in the balance sheet and statement of profit and loss, the details of which are as under:

Items of balance sheet before and after reclassification as at March 31, 2023

Particulars	Note	Amount before Reclassification	Reclassification	Amount after Reclassification
Right of use asset	3B	561.67	37.33	599.00
Capital work-in-progress	4	351.58	44.70	396.28
Other financial assets-non current	10B	245.61	(5.00)	240.61
Other non-current assets	11	687.28	74.38	761.66
Trade receivables-current	7	6,088.70	(67.70)	6,021.00
Loans	10A	-	50.00	50.00
Other financial assets-current	10B	2,536.55	(196.20)	2,340.35
Other current assets	11	1,198.75	42.08	1,240.83
Borrowings- non current	17	93,171.04	47.27	93,218.31
Borrowings - current	17	15,607.57	(47.27)	15,560.30
Trade payables	18	1,784.87	18.02	1,802.89
Other financial liabilities - current	19	1,916.94	(38.41)	1,878.53

Items of statement of Profit and Loss before and after reclassification for the year ended March 31, 2023

Particulars	Note	Amount before Reclassification	Reclassification	Amount after Reclassification
Revenue from operations	23	14,665.87	(20.82)	14,645.05
Other income	24	1,955.47	(27.29)	1,928.18
Cost of materials consumed	25	179.64	31.05	210.69
Employee benefits expense	26	778.88	0.05	778.93
Depreciation and amortization expense	28	3,418.36	2.21	3,420.57
Other expenses	29	2,609.93	(61.42)	2,528.51



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- 62 Four communications without details were received via the whistle blower channel. These were assessed and were concluded as not to be whistle blower complaints.
- 63 Figures have been rounded off to the nearest millions unless otherwise stated and absolute amounts less than Rs. 5,000 are appearing in the consolidated financial statements as "0" due to presentation in millions, if any.
- 64 Due to acquisition of an entity by Group during the year, previous year numbers are not comparable.

For M S K A & Associates
Chartered Accountants
ICAI Firm's Registration Number: 105047W

Nipun Gupta

Nipun Gupta
Partner
Membership Number: 502896



Place: Gurugram
Date : July 25, 2024

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

Anuj Agarwal

Anuj Agarwal
Director
DIN: 01866057
Place: New Delhi
Date : July 25, 2024

Srivatsan Srinivas Iyer

Srivatsan Srinivas Iyer
Chief Executive Officer

Place: Paris
Date : July 25, 2024

Benjamin Paul Fraser

Benjamin Paul Fraser
Director
DIN: 09759173
Place: London
Date : July 25, 2024

Mayur Maheshwari

Mayur Maheshwari
Company Secretary
M.No.- F7379
Place: New Delhi
Date : July 25, 2024

Hero Future Energies Private Limited
Results of Operations- Consolidated Financial Statements
(Amount in Rs million, unless otherwise stated)

Year Ended March 31, 2024, Consolidated Financial Results

Operating Results

Revenue from operations

Revenue from operations decreased to Rs. 14,617.65 million for the fiscal year ended March 31, 2024, from Rs. 14,645.05 million for the fiscal year ended March 31, 2023. This change was primarily on account of decrease in revenue from sale of carbon credit and rooftop capex projects partially offset by higher revenue generation from wind power plants owing to higher average wind speed during the year and increase in revenue generation in solar power plants due to higher average irradiance during the current year.

Generation for the fiscal year ended March 31, 2024, and March 31, 2023 was 3,170.57 GWh million units and 3,135.09 GWh million units respectively, representing a 1.13% increase as compared to the fiscal year ended March 31, 2023.

Other income

Other income decreased to Rs. 1,253.94 million for the fiscal year ended March 31, 2024, from Rs. 1,928.18 million for the fiscal year ended March 31, 2023, primarily due to decrease in LPS income, and interest income on loan given to related parties during the year.

Expenses

Cost of material consumed.

Cost of materials consumed decreased to Rs. 15.40 million for the fiscal year ended March 31, 2024 from Rs. 210.69 million for the fiscal year ended March 31, 2023, primarily decreased in line with decrease in revenue of capex rooftop projects.

Employee benefits expense

Employee benefits expense decreased to Rs. 721.68 million for the fiscal year ended March 31, 2024, from Rs. 778.93 million for the fiscal year ended March 31, 2023.

Finance costs

Finance costs decreased to Rs. 8,529.84 million for the fiscal year ended March 31, 2024, from Rs. 12,615.60 million for the fiscal year ended March 31, 2023. The decrease was primarily on account of: (i) interest on discounting of trade receivables covered under Late Payment Surcharge Rule, 2022 in fiscal year ended March 31, 2023 (ii) interest accretion on Cumulative Compulsorily Convertible Preference Share in fiscal year ended March 31, 2023, and (iii) decrease in interest on debt and borrowing due to repayment of certain existing debt facilities.

Depreciation and amortization expense

Depreciation and amortization expense was Rs. 3,413.28 million for the fiscal year ended March 31, 2024, and Rs. 3,420.57 million for the fiscal year ended March 31, 2023.

Exceptional Items

During the fiscal year ended March 31, 2024, the Group has recorded an exceptional loss of Rs. 57.74 million as compared to Rs. 5.35 million in fiscal year ended March 31, 2023, refer note 56 of Consolidated Financial Statements for more details.

Hero Future Energies Private Limited
Results of Operations- Consolidated Financial Statements
(Amount in Rs million, unless otherwise stated)

Other expenses

Other expenses increased to Rs. 2,634.89 million for the fiscal year ended March 31, 2024, from Rs. 2,528.51 million for the fiscal year ended March 31, 2023, primarily due to following expenses recorded during the fiscal year ended March 31, 2024 (i) one-off loss on account of write down of inventory of Rs 98.76 million, (ii) increase in legal and professional expense of Rs 63.9 million, and (iii) increase in application, processing and registration fees of Rs 73.23 million. This increase is partially offset by a decrease in (i) provision for doubtful debts and advances of Rs. 148.71 million, and (ii) decrease in loss on disposal of property, plant and equipment of Rs. 41.30 million.

Tax expense

Tax expense increased to a net tax expense of Rs. 474.81 million for the fiscal year ended March 31, 2024, from a net tax expense of Rs. 168.44 million for the fiscal year ended March 31, 2023, primarily on account of reversal of MAT credit entitlement as the Group has opted for new tax regime in some of its subsidiary companies.

Net Profit/(loss) for the period

As a result of the foregoing, there is profit of Rs. 23.95 million for the fiscal year ended March 31, 2024, from loss of Rs. 3,154.86 million for the fiscal year ended March 31, 2023.

Cash Flow Discussion

Net cash generated from operating activities:

In the fiscal year ended March 31, 2024, the net cash flow generated from operating activities was Rs. 12,678.69 million. This net cash flow was primarily attributable to operating profit before working capital changes of Rs. 11,472.45 million for the fiscal year ended March 31, 2024. The total changes in working capital in the year ended March 31, 2024, was Rs. 1,127.15 million, which comprises of (i) a decrease in trade receivables and other receivables Rs 1,209.27 million, (ii) decrease in inventories of Rs. 117.01 million, (iii) an decrease in other assets of Rs 208.48 million which are offset by (i) an decrease in net liabilities in relation to asset held for sale of Rs. 161.48 million (ii) decrease in other liabilities and provisions of Rs. 73.85 million, and (iii) an increase in other financial assets of Rs. 27.79 million (iv) decrease in trade and other payables of Rs. 112.88 million and (v) decrease in other financial liabilities of Rs. 31.61 million.

Net cash generated from investing activities.

In the fiscal year ended March 31, 2024, the net cash flow used in investing activities was Rs. 1,672.20 million, which primarily consists of (i) proceeds from Government grant of Rs 384.14 million, (ii) interest received on fixed deposits and loan to related parties of Rs. 850.47 million, (iii) proceeds from sale of property, plant and equipment of Rs. 0.21 million, (iv) proceeds from sale of assets classified as held for sale of Rs. 894.06 million, (v) proceeds from loan repayment from related parties of Rs. 50.00 million, and (vi) insurance proceeds of Rs. 121.62 million. These effects were offset by (i) net purchases of property, plant and equipment including capital work in progress, capital creditors and capital advances of Rs. 1,151.30 million and (ii) net investment in fixed deposits with banks Rs. 2,427.80 million, (iii) net investment in mutual funds of Rs. 290.48 million (iv) acquisition of subsidiary Rs. 95.12 million and (v) short-term loan given of Rs. 8 million.

Net cash used in financing activities.

In the fiscal year ended March 31, 2024, the net cash used in financing activities was Rs. 10,216.37 million, which primarily consisted of (i) Rs 4,707.01 million of repayments (net) made on borrowings, (ii) interest paid of Rs. 8,103.74 million, and (iii) payment of lease of Rs. 47.25 million. These effects were offset by proceeds from issuance of equity shares of Rs 2,641.63 million.