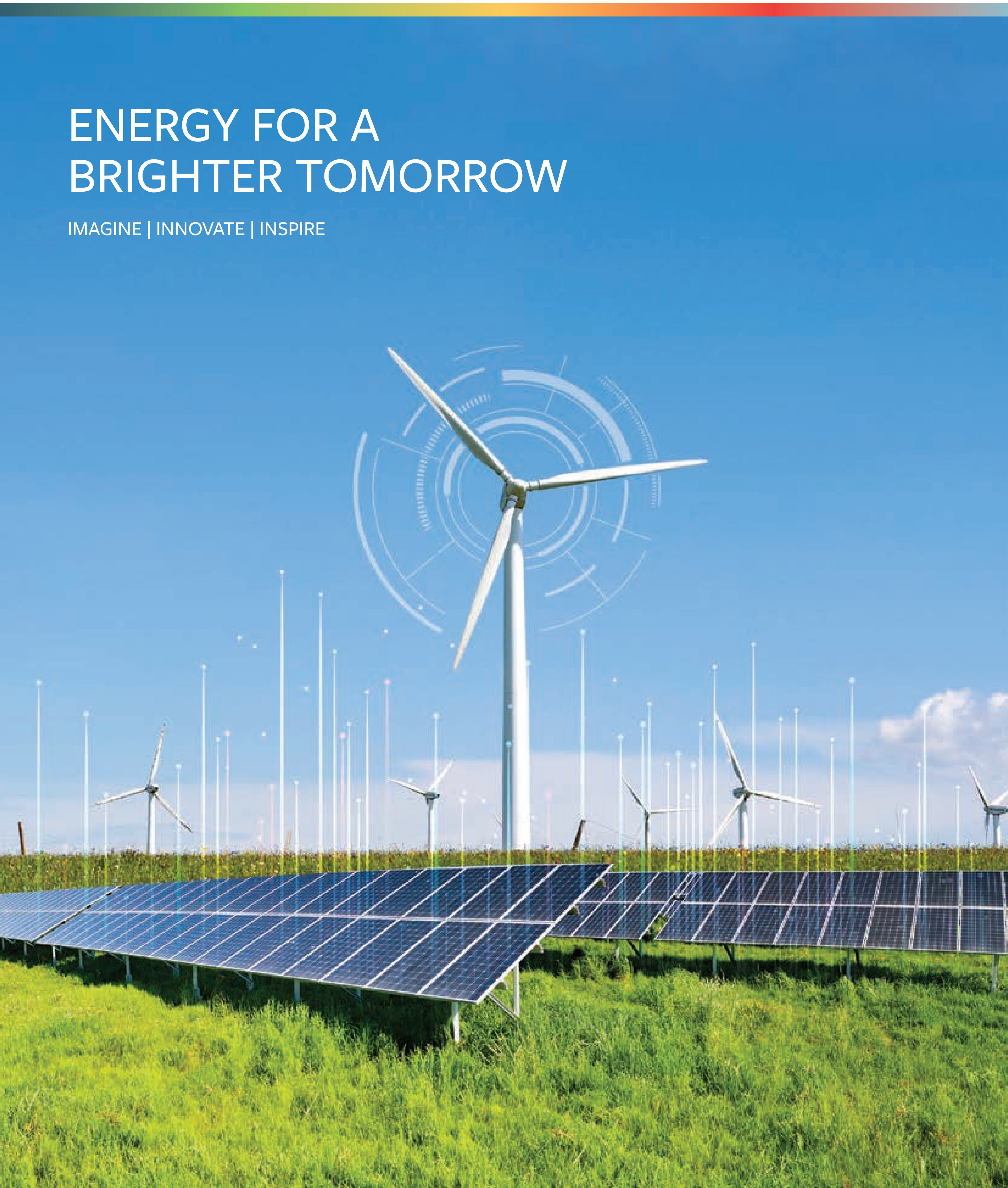
HERO FUTURE ENERGIES®

planet positive power

Annual Report FY 2023-24

ENERGY FOR A BRIGHTER TOMORROW

IMAGINE | INNOVATE | INSPIRE



Contents

Strategic summary

Introduction

FY 2023-24 highlights	1
Energy for a brighter tomorrow	2
A real life Hero - 100 years and beyond	4
Chairman's message	6

Corporate overview

About the Hero Group	8
About HFE	10
Milestones in HFE's journey	12
Business segments	14
Decarbonization technologies	18

Business performance

Global CEO's message	20
Global CFO's review	22
Key macro trends and strategic priorities	24

Sustainability performance

Environment	28
Energy consumption	30
Emission	31
Water management	32
Waste management	33
Biodiversity and land optimisation	34
Material use	35
Social	36
Workforce	38
Communities	41
Governance	44
Governance structure	46
Values around governance	46
Ethics and compliance	47
Policies in practice at HFE	47
Shareholder value creation	48
Regulatory compliance	48
Risk assessment	48
Awards	51
Corporate information	52

Statutory reports

Management discussion and analysis	54
Board's report	56

Financial statements

Standalone	76
Consolidated	136

FY 2023-24 highlights*

Operational

4 GWp
Portfolio capacity (operational and pre-operational)

3.13 GWh
Total generation

Financial

₹ 14,618 mn
Revenues from operations

₹ 12,500 mn
EBITDA

₹ 3,755 mn
Cash PBT**

Sustainability

2.83 mn tCO_2e
Emissions avoided through solar and wind projects

14%
Women representation in workforce

* As of March 31, 2024

** Cash PBT includes PBT and depreciation

ENERGY FOR A BRIGHTER TOMORROW

IMAGINE | INNOVATE | INSPIRE

IMAGINE

Paying a fitting tribute to the visionary BML Munjal, imagination is the spark that ignites our vision of the future. We dream of a world where energy is clean, affordable and reliable. Our journey, began with a bold idea in 2012: to reshape the renewable energy landscape and make a lasting impact on the planet. Looking beyond the challenges of today, we are investing in and enabling solutions that will power the world of tomorrow.

INNOVATE

Innovation is at the heart of everything we do at HFE. Since our inception we have continually pushed the boundaries of what's possible in renewable energy. We embrace cutting-edge technologies like battery energy storage to optimise the performance of our renewable assets and accelerate the grid's decarbonisation. We also pioneer the next horizon of clean energy through solutions like green hydrogen, which aim to decarbonise hard-to-abate sectors.

INSPIRE

We aim to lead by example, demonstrating that responsible energy generation can catalyse positive change. HFE has aligned its ESG targets with the UN SDGs and is committed to becoming a carbon neutral organisation by 2030 and water-positive by 2026. We strive to inspire others—our partners, clients, and communities—to join us in our quest for a sustainable future. Through our work, we hope to instill a sense of purpose and urgency in the global movement towards clean energy and show that we can make a difference together.

A real life Hero - 100 years and beyond

We are humbled to carry forward Dr. BML Munjal's rich legacy and ideals. Here is a look back at his remarkable life and contributions.

About Dr. BML Munjal

Dr. Brijmohan Lall Munjal was a visionary first-generation entrepreneur, philanthropist, and beacon of ethics and simplicity. He provided affordable mobility to millions, establishing Hero as a household brand. He taught us that a successful business can be built upon the pillars of trust, hard work, deep interpersonal relationships and integrity. He was instrumental in shaping the vision and growth of Hero Future Energies, and his invaluable insights will continue to guide our business philosophy and journey, in the days ahead.

1923 Born in Kamalia*

1949 Started own business in Mumbai (erstwhile Bombay)

1951 Moved to Ludhiana and joined his brothers in a bicycle components business

1956 Established Hero Cycles in Ludhiana

1959 First trip to Germany to import latest technology for bicycle chains

1984 Established Hero Honda in New Delhi

1985 Launched the Hero Honda CD100 motorcycle

1995 Conferred National Award for his outstanding contribution to the development of the Indian small-scale industry

2001 Won the EY Entrepreneur of the Year award

2005 Bestowed with the Padma Bhushan by APJ Abdul Kalam, then President of India

2011 Rebranded Hero Honda to Hero MotoCorp

2015 Dr. BML Munjal's spirit lives on...

* Undivided India (present-day Pakistan)

Chairman's message

We take immense pride in contributing to India's energy transition and enhancing its energy security for a sustainable, green future."

Dear Shareholders,

It is an honour and a privilege to present the Hero Future Energies (HFE) Annual Report for FY 2023-24. Before reflecting on the past year, I would like to commemorate a special milestone—July 1, 2023, marking the birth centenary of my grandfather and Chairman Emeritus of the Hero Group, Dr. Brijmohan Lall Munjal. Throughout the year, we dedicated ourselves to celebrating his remarkable legacy and entrepreneurial journey underpinned by integrity, ethics, and profound humanity. His values continue to serve as our beacon and inspiration.

The continued turbulence in the world due to geo-political events, climate change shocks, supply chain disruptions, and energy volatility have made energy security through clean energy a global priority. Global RE additions increased by a record 54% to over 530 GW in CY 2023. International investment in the deployment of renewables also reached an all-time high in CY 2023. India is a crucial driver of this global RE growth, with the fourth-largest combined wind and solar capacity. It has set a target of 500 GW of renewable energy capacity by 2030 and announced a bidding trajectory of 40-50 GW of wind and solar power projects annually. The plan remains on course, with over 40 GW of RE capacity auctioned in FY 2023-24. India has further demonstrated its leadership in sustaining RE growth by launching complex high CUF bids that seek to make RE firm and dispatchable.

At HFE, we take immense pride in contributing to India's energy transition and enhancing its energy security for a sustainable, green future. We have always believed in technology and innovation and have led from the front. Conventional RE historically has had two major problems – one was the cost, and the other was the intermittency. The costs have declined significantly, making RE costs lower than fossil fuels. Companies like ours are integrating wind, solar and battery energy storage to generate firm, round-the-clock power to solve intermittency. We have transitioned from conventional standalone wind and solar projects to such complex projects, having won 2.2 GWp this year. We anticipate that more innovative projects will emerge in India's RE landscape.

The RE sector has worked hard to decarbonise the power grid. I am optimistic that in the next decade, with further growth of renewables, we will have an extremely low carbon grid in India and globally. While we will remain focused on greening the grid, we are also concentrating on decarbonising hard-to-electrify or hard-to-abate industrial sectors.

Industrial decarbonisation is critical to achieving net zero, and the regulatory, investor and market-driven momentum towards carbon mitigation presents significant opportunities for HFE. We have built a robust clientele of marquee corporations for our RE offerings and will continue to expand our customer base in the Commercial and Industrial (C&I) space. We are also developing innovative solutions with next-generation technologies, such as green hydrogen and its derivatives, to support our C&I clients in their net zero journey.

Our existing assets have consistently delivered exceptional performance, a testament to our rigorous and efficient operations and maintenance practices.

While India remains the cornerstone of our growth strategy, we have been exploring opportunities in overseas geographies such as the UK and Vietnam to diversify and develop projects which meet our return expectations.

We will execute our growth plans by focusing on returns and cashflows without compromising the financial sustainability of our operations.

At HFE, we adhere to the highest standards of corporate governance and align with global best practices. We have robust processes in place to ensure compliance with all key regulations. Our corporate culture is deeply rooted in transparency, fairness, inclusivity, and equity, creating a conducive environment for our people to perform at their best. We also maintain a firm commitment to health and safety across all operations.

Environmental stewardship remains at the core of our business practices, and we are on track to becoming water-positive by 2026 and carbon-neutral by 2030.

What brings me the greatest satisfaction, however, is the positive impact we make in the lives of the people around our operational plants and project sites. Through our comprehensive CSR initiatives in primary education, water conservation, and skill development, we have made a meaningful difference to the lives of thousands of individuals across our project locations.

As we continue our journey towards a sustainable future, we extend our heartfelt thanks to all our stakeholders for their continued trust and support. Your contributions have been invaluable, and we look forward to embarking on the road ahead together.

Thank you for your continued support.

Rahul Munjal

Chairman

About the Hero Group

The Hero Group is among India's most illustrious and respected business houses with an estimated turnover of US$ 5 Billion as of March 2024. It has been an iconic household name since the 1950s and is widely recognised for its exemplary corporate governance and sustainability practices.

Over the years, the Group has diversified its operations across several industries, including automotive manufacturing, information technology, financial services, renewable energy, electronics, and education. Hero MotoCorp, its flagship company, has been the world's leading two-wheeler manufacturer since 2001, commanding over 50% of the domestic market. In addition to its business achievements, the Hero Group contributes to rural community development through the Raman Kant Munjal Foundation. Its unwavering commitment to core values has helped the Group build lasting relationships with various stakeholders.

Hero Group's milestones

- **1956** Set up as a bicycle company
- **1960** Established Rockman Industries
- **1978** Initiated manufacturing of mopeds
- **1984** Created a joint venture with the Honda Motor Co. Ltd. for motorcycle manufacturing
- **1991** Established Hero Honda Finlease
- **1992** Set up Raman Kant Munjal Foundation
- **1997** Gained national leadership in the motorcycles segment
- **2001** Reached #1 position in the world for two-wheeler sales
- **2011** Rebranded Hero Honda to Hero MotoCorp; Rebranded Hero Honda Finlease to Hero FinCorp
- **2012** Established **Hero Future Energies**
- **2014** Set up BML University
- **2015** Established Hero Electronix
- **2018** Continued global leadership in two-wheeler sales

Non-commercial establishments

About HFE

Hero Future Energies (HFE) is a leading global renewable energy company with a 4 GWp portfolio, including complex high-Capacity Utilisation Factor (CUF) projects and emerging technologies like energy storage and green hydrogen. Since our inception we have established ourselves as an ideal custodian of profit for purpose. Our global presence extends to 5 countries beyond India - UK, Singapore, Ukraine, Bangladesh and Vietnam. We contribute towards a better future by providing efficient and sustainable clean energy solutions.

Corporate mantra

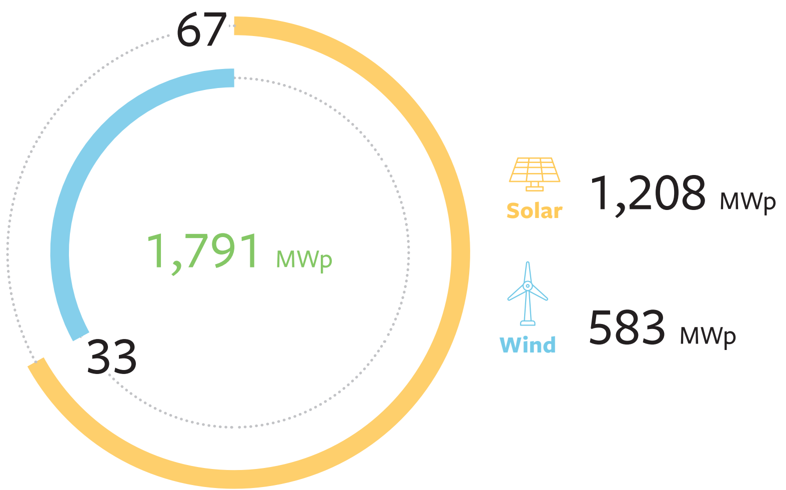
"Shaping a Sustainable Future through Cleantech Solutions"

1,791 MWp
Operational capacity in India across 15 states*

6
Countries with HFE presence (India, UK, Vietnam, Singapore, Bangladesh, Ukraine)

36 MWp
'Behind-the-meter' portfolio

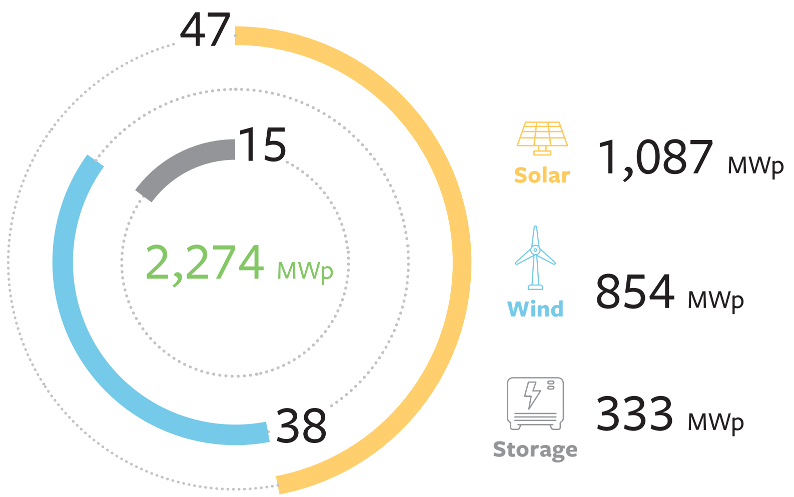
Operational portfolio (in %)



Page 14

2,274 MWp
Pre-operational capacity as of March 2024

Secured portfolio (in %)



Page 15

* Includes utility scale, commercial and industrial and rooftop projects

Milestones in HFE's journey

2012

Commencement of HFE's journey as the Hero Group diversifies into power generation from clean energy sources

2013

Maiden wind project commissioned at Tirunelveli, Tamil Nadu

2017

Crossed 1 GWp of operational renewable energy capacity

2016

Issued India's first domestic green bond to raise finances

Onboarded The International Finance Corporation (IFC) as shareholder and received infusion of US$ 125 Million

2018

Commissioned India's first hybrid (solar + wind) project of 87 MWp in Kavithal, Karnataka to serve commercial and industrial customers

2019

Installed 7.1 MWp of rooftop solar capacity for the Delhi Metro Rail Corporation (DMRC) at 35 stations

2020

Commissioned 450 MWp solar park at Bhadla, Rajasthan - one of the largest renewable energy plants in the country

2021

Won India's first storage-based tender (EPC) from India's leading power generation company NTPC

Issued US$ denominated green bonds (US$ 363 Million) in Singapore

2022

Onboarded Kohlberg Kravis Roberts & Co. (KKR & Co. Inc.) as shareholder with commitment to infuse equity of US$ 450 Million

2024

Expanded portfolio by securing 2.2 GWp capacity in high-CUF tenders (peak power, load-following and firm and dispatchable renewable energy)

Initiated Asia's first commercial pilot for green hydrogen involving blending with LPG

Business segments

Utility-scale projects

Solar and wind projects

Harnessing the power of the sun and wind for generating clean and sustainable energy

Our standalone renewable energy projects utilise high-efficiency solar and wind technologies, to deliver clean power at the lowest tariffs.

Storage solutions

Integrating cutting edge renewable solutions with storage technology

To address renewable energy intermittency, we use cutting-edge storage solutions like Battery Energy Storage Systems (BESS). These systems store excess energy generated using peak production, for on-demand usage, enhancing grid reliability and supporting the shift to renewable energy sources.

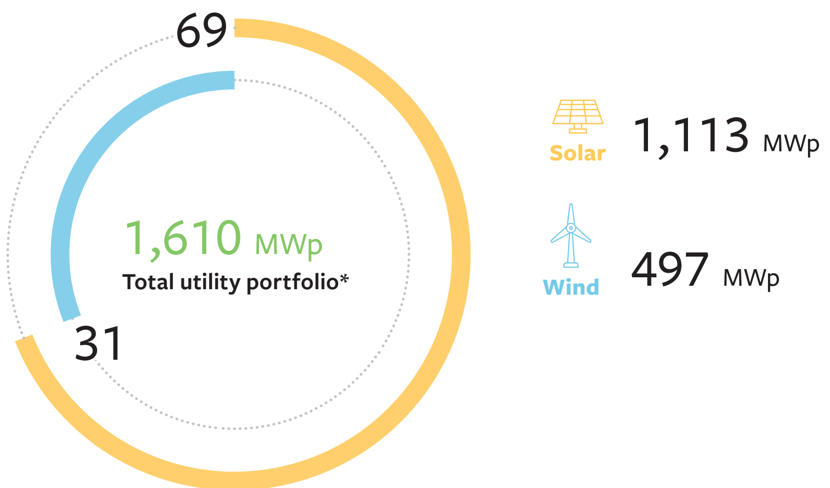
Hybrid projects

Pioneering the integration of renewable energy sources

Our hybrid projects integrate solar, wind, and storage technologies to deliver reliable, consistent energy and drive grid decarbonisation. This approach ensures flexible and efficient solutions that meet diverse customer needs and sustainability goals.

Utility split

(in %)



* As of March 31, 2024

Commercial and industrial offerings

Decarbonisation partnerships

Empowering businesses to accelerate their net zero journey

Our consulting services empower clients to assess their net-zero strategies, establish actionable roadmaps, optimise their demand and supply, reduce their carbon footprint, and achieve their sustainability goals. Through our proactive approach, we collaborate closely with C&I customers to drive meaningful progress in their decarbonisation efforts.

Standalone renewable energy solutions

Optimising energy usage with tactical renewable energy solutions

Our offerings include onsite/offsite RE solutions using solar, wind and storage. These systems provide businesses with efficient, self-sustaining energy systems that reduce costs and carbon emissions.

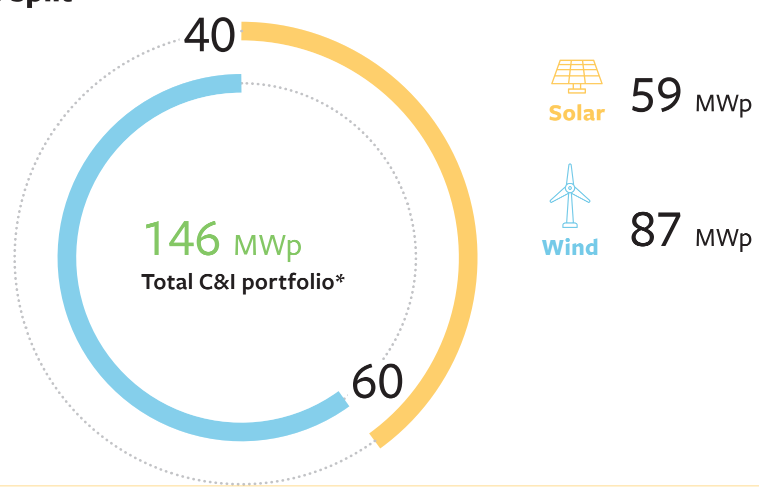
Round-the-clock open-access power

Ensuring reliable renewable energy supply with high-CUF and continuous power solutions

Our open-access solutions can deliver round-the-clock (RTC) power through high CUF hybrid configurations integrated with storage, ensuring businesses have dependable and sustainable energy alternatives to conventional sources.

C&I open access split

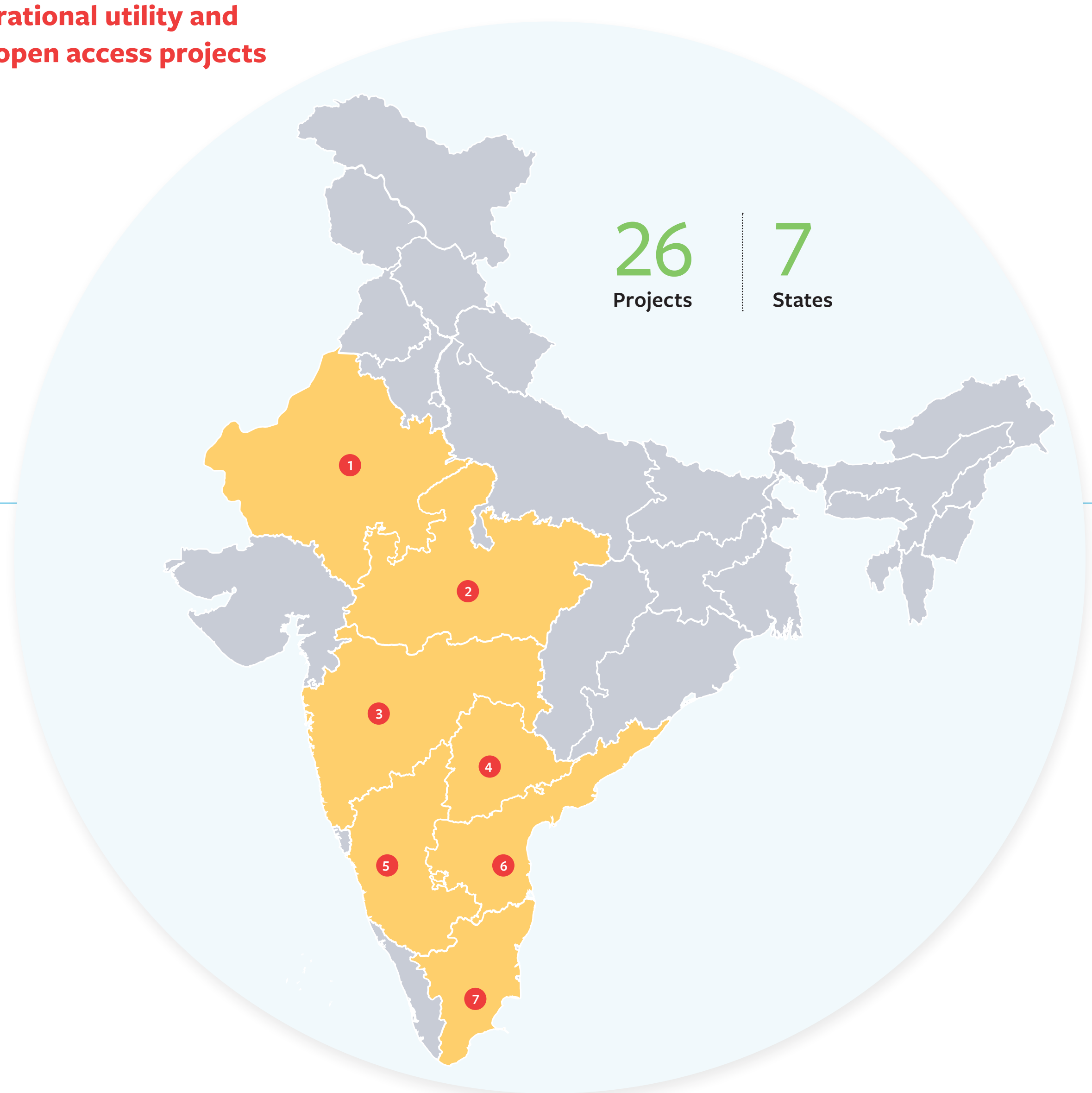
(in %)



* As of March 31, 2024

Business segments

Operational utility and C&I open access projects



#	State (no. of projects)	Solar	Wind	Total
1	Rajasthan (7)	450	137.5	587.5 MWp
2	Madhya Pradesh (4)	138	100	238 MWp
3	Maharashtra (2)		81.5	81.5 MWp
4	Telangana (2)	44	27.3	71.3 MWp
5	Karnataka (8)	488	100	588 MWp
6	Andhra Pradesh (2)	57	120	177 MWp
7	Tamil Nadu (1)		16.8	16.8 MWp

Solar | Wind

Figures in parentheses indicate the number of projects in each state. Map not to scale.

Projects under construction

All the projects mentioned here will be Inter-State Transmission System (ISTS) connected and spread across Andhra Pradesh, Karnataka and Gujarat.

SECI Peak Power (Tranche-VI)
504 MWp
₹ 4.72 per unit
Tariff

SJVN Peak Power
375 MWp
₹ 4.39 per unit
Tariff

NTPC FDRE (Tranche-II)
493 MWp
₹ 4.69 per unit
Tariff

SJVN Peak Power Greenshoe
518 MWp
₹ 4.38 per unit
Tariff

NHPC Peak Power
355 MWp
₹ 4.63 per unit
Tariff

Beyond FY 2023-24

SECI (Solar + BESS)
678 MWp
₹ 3.42 per unit
Tariff

SECI FDRE-IV
219 MWp
₹ 4.98 per unit
Tariff

Purchasing Power Agreement (PPA) executed

Letter of Award (LOA) received

Decarbonisation technologies

Backed by our engineering and design expertise, we are committed to integrating innovative technologies like advanced storage and green hydrogen into our operations. This ensures that we stay at the leading edge of the renewable energy sector.

Energy storage

We incorporate energy storage solutions across various use-cases to decarbonise and reduce reliance on the grid.

Utility-scale applications

Harnessing utility-scale energy storage for a stable and efficient renewable energy supply

Our utility-scale energy storage solutions store excess energy from wind and solar power plants during periods of low demand, for use during peak periods, ensuring stable and consistent energy supply, while enabling more renewable energy to be connected to the grid.

Behind-the-meter applications

Empowering businesses with behind-the-meter energy storage for cost savings and reliability

Our behind-the-meter energy storage solutions help businesses reduce reliance on grid energy by storing excess onsite renewable energy for use during high demand, cutting costs and enhancing energy reliability.

Micro-grid applications

Empowering remote areas with sustainable micro-grid storage solutions

Our micro-grid energy storage solutions enhance energy access and support decarbonisation by storing excess renewable energy from small-scale solar and wind systems. They provide efficient and sustainable energy for remote and underserved areas.

Green hydrogen

We are leading industrial decarbonisation efforts through the transition to green hydrogen and its derivatives.

Comprehensive renewable energy solutions

Our end-to-end solutions, from renewable energy to green hydrogen production, support various applications such as mobility, industrial use, and power generation. By leveraging our strong commercial and industrial relationships and expertise, we aim to provide green solutions to various use-cases involving hydrogen and its derivatives and promote a cleaner future.

Strategic green hydrogen partnerships

Through strategic partnerships, we have developed a comprehensive ecosystem across the green hydrogen value chain.

This approach ensures versatile applications—from blending hydrogen with natural gas for furnaces and boilers to its use in shipping, fertilisers, and chemical industries—enhancing industrial efficiency and sustainability.

Pioneering green hydrogen initiatives

We have initiated India's first commercial pilot for blending green hydrogen with LPG in a hard-to-abate sector. This pioneering effort underscores our commitment to leading the way in renewable solutions, addressing some of the most challenging industrial decarbonisation needs.

Global CEO's message

At Hero Future Energies, we are not just building renewable energy projects but shaping a sustainable future for generations to come."

Dear Shareholders,

I am proud to highlight the significant progress Hero Future Energies (HFE) has achieved over the past year. Despite the challenges of the evolving energy market and global geopolitical events, we have strategically capitalised on opportunities that have reinforced our position as one of India's leading renewable energy providers.

The renewable energy sector in India has experienced remarkable growth, propelled by the Government's ambitious targets and supportive policies. This favourable environment has created substantial opportunities for independent power producers like us, enabling us to expand our footprint and enhance our project portfolio.

Accelerating our renewable energy vision

One of the highlights this year has been the expansion of our project portfolio in India's utility-scale renewable energy market. We successfully navigated the complexities of multiple bids to build a robust pipeline of projects with over 2.2 GWp ready for execution. We have bolstered our technical reputation in the market by securing several new-age, high CUF (capacity utilisation factor) projects that incorporate battery energy storage, including the SECI wind-solar hybrid power projects with assured peak power supply in India (Tranche-VI)of 120 MW, the SJVN FDRE bid of 120 MW, and another 150 MW under the greenshoe option.

Additionally, we secured 100 MW under the NHPC peak power bid and 120 MW under the NTPC FDRE bid. With an operational capacity of 1.8 GWp, our total portfolio stood at an impressive 4 GWp as of March 2024. We signed an MoU with Mahatma Phule Renewable Energy & Infrastructure Technology Limited (MahaPreit) for a US$ 1 Billion investment and received a letter of acceptance from them to establish Maharashtra's first carbon-neutral village through a microgrid project as part of the same initiative.

By integrating advanced energy storage systems and smart grid technologies, we will ensure a firm and dispatchable supply of renewable energy, enhancing the reliability and stability of the grid. As industrial decarbonisation efforts pick up steam, we will focus on developing and scaling more commercial green hydrogen and microgrid opportunities for our C&I customers."

Venturing into new frontiers in clean energy

On the international front, our 1 MWp rooftop solar project in Vietnam became fully operational in August 2023, marking our presence in another global region. We also embarked on our first commercial pilot for blending green hydrogen with LPG. Our green hydrogen initiatives received significant recognition, including selection for funding under the Department of Science and Technology's (DST) Hydrogen Valley Innovation Cluster initiative and a project with IIT-Bhubaneshwar.

2.2 GWp
Projects ready for execution

We are excited about the future and the strategic initiatives that lie ahead. We plan to significantly expand our presence in the commercial and industrial (C&I) segment, catering to the growing demand for sustainable energy solutions among corporations. By integrating advanced energy storage systems and smart grid technologies, we will ensure a firm and dispatchable supply of renewable energy, enhancing the reliability and stability of the grid. As industrial decarbonisation efforts pick up steam, we will focus on developing and scaling more commercial green hydrogen and microgrid opportunities for our C&I customers.

Delivering value through resilience

As we adapt to the dynamic landscape of India's energy market, we remain committed to our mission of fostering growth and promoting sustainability. Our strategic initiatives, coupled with our robust risk management framework, will ensure that we continue to deliver value to our stakeholders. At Hero Future Energies, we are not just building renewable energy projects but shaping a sustainable future for generations to come.

Thank you for your continued support.

Srivatsan Iyer
Global CEO

Global CFO's review

HFE is well-positioned for sustainable growth with improved financial returns."

Dear Shareholders,

I am pleased to report that our financial performance was robust in the year ended March 31, 2024. We improved our profitability, thanks to the effective management of our operating assets and a continued disciplined focus on costs. At the same time, we strengthened our balance sheet, increased our cash reserves, and reduced our debt, giving us a solid platform to execute our ambitious growth plans. Profitability and balance sheet strength are crucial components of our approach as a sustainable business as we continue to grow. We target financial returns and free cash flow along with growth in operating capacity.

Improved profitability

This year, we delivered positive profit before tax, reflecting the attention to operational efficiency of our portfolio. Our focus on cash flow has delivered a substantial cash profit before tax of ₹ 3,755 Million, an increase of 46% compared to the previous year. We are targeting further increases in profitability while we grow our operating portfolio.

Robust revenue streams and collections

Revenue from the sale of electricity increased during the year. Our revenue streams are well diversified between solar and wind generation, and we are executing our pipeline of hybrid projects scheduled to be commissioned over the next few years, allowing us to continue with our portfolio diversification. We also enjoy geographical diversification, with our assets spread over several states.

Revenue collections continued to improve this year. Our overdue receivables stood at ₹ 5,780 Million at the end of the financial year, compared to ₹ 6,915 Million at the end of the previous year.

Profitability and balance sheet strength are crucial components of our approach as a sustainable business as we continue to grow. We target financial returns and free cash flow along with growth in operating capacity."

Disciplined cost control

We continue to take a balanced approach to cost control, and I am pleased to report significantly lower operating costs for the financial year compared to the previous year (FY 2023-24: ₹ 2,605 Million, FY 2022-23 ₹ 2,981 Million) despite the inflationary pressures in India and the renewable energy sector in particular. We will maintain this pragmatic approach as we ramp up our internal execution capabilities and enter new contracts with our suppliers to ensure we can deliver the planned revenue increases in the years ahead.

Our bottom line benefitted from a significant y-o-y reduction in our financial costs. While this partly reflects non-cash accounting it is also a result of the substantial reduction in our interest expense on debts and borrowings. We endeavour to keep our interest expense as low as possible and will continue to focus on accessing the best interest rates available in both domestic and international markets which will be key to our success as we take on more project finance for our growing portfolio of assets.

₹ 3,755 mn

Cash Profit Before Tax

A more robust balance sheet

Our net debt-to-EBITDA ratio reduced from 6.3 to 5.7 during the year. We prioritise maintaining a robust balance sheet while strategically raising equity for new projects to secure future financial returns. Our investment decisions, subject to the approval of our Investment Committee, are guided by a rigorous and disciplined approach to capital allocation. We prioritise the efficient deployment of capital by conducting thorough due diligence, optimising project financing structures, and implementing robust monitoring systems to track performance. This comprehensive strategy is designed to maximise value for our shareholders, ensuring that every investment contributes meaningfully to our overall objectives.

Outlook

Execution of our funded pipeline of projects is expected to substantially increase our revenues while we continue to take a disciplined approach to cost control. Looking ahead, HFE is well-positioned for sustainable growth with improved financial returns.

Thank you

Ben Fraser

Global CFO

Key macro trends and strategic priorities

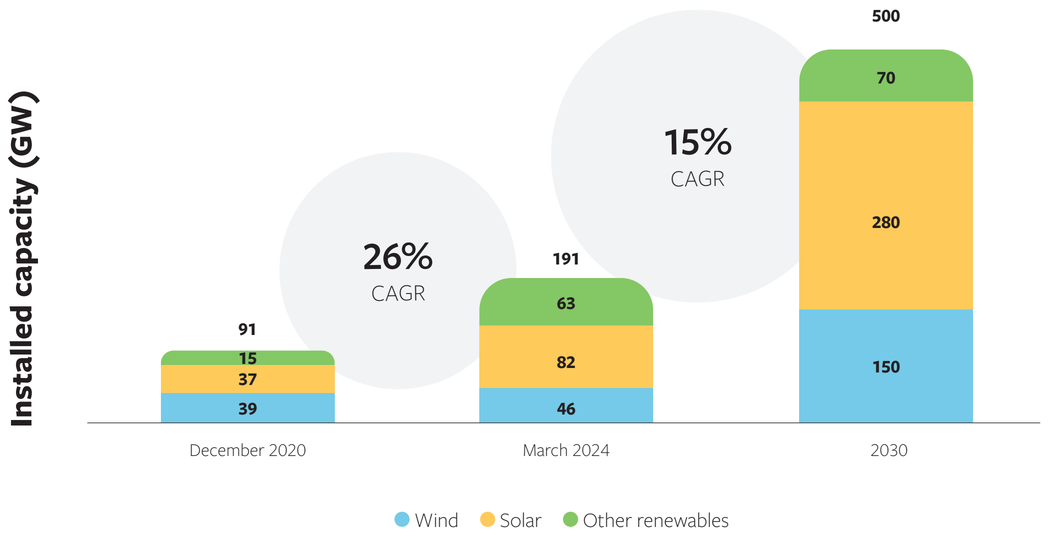
HFE is in a strategic position to not just capture the exponential growth opportunity presented by the renewable energy transition, but also shape the future of the energy sector. The Company has recognised and responded to critical macro trends through its business offerings and strategic decisions.

The global renewable energy market has experienced extraordinary growth in recent years, with 530 GW of new capacity added in 2023, representing a 54% increase on the previous year. Ranked fourth globally in renewable energy markets, India achieved a cumulative installed capacity of 147 GW in FY 2023-24, with an anticipated 35–40 GW to be added annually till FY30.* India aims to achieve 50% of its installed capacity from non-fossil fuel sources by 2030, and the Government targets the installation of 500 GW of renewable energy to demonstrate its commitment to sustainable energy.

35-40 GW

RE capacity addition per annum till FY30*

Roadmap for India's renewable energy



With rapid GDP growth, India's electricity demand is forecasted to surge to 400 GW by FY 2032-33.

Meeting this increased demand, while addressing the existing power deficit, will require substantial investment in power capacity. Given India's commitment to clean energy, a significant part of this growth is expected to be met by renewable energy, primarily through complex hybrid solutions designed to provide stable power.

New-age tenders in India intend to address the intermittency issues associated with solar and wind energy. These tenders promote a mix of renewable energy and energy storage systems (ESS) to meet a variety of requirements such as assured power during peak hours, load-following and round-the-clock availability of power.

By aligning the renewable energy and ESS tender energy dispatch requirements with the demand profile, the firmness and dispatchability of renewable energy is enhanced, contributing to a more reliable and sustainable energy system.

50 GW

Renewable energy bids to be released annually from FY 23-28

*Institute of Energy Economics and Financial Analysis (IEEFA)

Net zero targets by corporates

India's long-term goal is to reach net zero by 2070. Organisations must commit to net zero targets, requiring strategic assessments and roadmaps that align corporate sustainability goals with clean energy solutions. The commercial and industrial sector accounts for 30 GW of India's total solar and wind capacity and is growing significantly on the back of the movement to reduce carbon footprints and achieve sustainability targets.

India seeks to achieve 50% of installed capacity from non-fossil fuel sources by 2030.

C&I sector accounted for

30 GW

of India's total solar and wind capacity as of FY23*

HFE's Response

Through our commercial and industrial business, HFE empowers businesses to accelerate their net zero journey. Significant business offerings in addition to renewable energy solutions include:

4

Operational C&I open access projects across 3 states

A. Helping businesses with personalised net zero assessments

B. Achieving demand-supply optimisation by integrating renewable energy sources and advanced energy management tools

C. Accessing carbon credits and offsets to achieve carbon neutrality

Page 15

*MERCOM market reports

Decarbonisation of electricity

During COP26, India announced its 2030 decarbonisation target. The Government of India aims to install 500 GW of renewable energy by 2030, paving the way towards a more sustainable future. It has also waived ISTS charges for inter-state solar and wind projects commissioned by June 30, 2025. Additionally, state utilities and large consumers are now on a RPO pathway through 2030. Companies must align their operations with the UN Sustainable Development Goals to contribute to national and global decarbonisation efforts.

Renewable Purchase Obligation (RPO)

Enhanced targets to progressively increase the share of renewable energy to 43.33% by 2030

HFE's Response

With 26 operational utility-scale and C&I open access projects across seven states, the Company provides a reliable energy source that supports decarbonisation efforts. Our under construction portfolio of open-access and utility-scale solutions will further contribute towards this, boosted by the integration of energy storage systems. In addition, the Company maintains a portfolio of 36 MWp of behind-the-meter projects for C&I customers under long-term power purchase agreements.

26

Operational utility-scale and C&I open access projects across 7 states

Key macro trends and strategic priorities

Grid parity between renewable energy and fossil fuels

The transition to renewable energy has reached a pivotal moment in India as we witness increasing grid parity between renewable sources and fossil fuels. This shift is fueled by significant technological advancements, with the cost of solar energy declining by over 80% in the last decade. Government initiatives, such as the National Solar Mission and the National Wind-Solar Hybrid Policy, encourage the development of hybrid projects.

Additionally, the Renewable Purchase Obligation (RPO) mandates that utilities purchase a specified percentage of their energy from renewable sources, promoting increased market demand. These supportive policies and incentives drive the adoption of clean energy, making renewable energy a more viable and attractive option for consumers and businesses nationwide.

HFE's Response

HFE provides clients with reliable renewable energy through high-CUF and continuous power solutions. In FY 2023-24, the Company secured 2.2 GWp capacity in high-CUF tenders. These projects are central to HFE's strategy, focusing on hybrid tenders that combine wind, solar, and energy storage to maximise output and reliability. Through high-CUF projects, we have strategically committed to building our future pipeline.

2.2 GWp
Secured in high-CUF tenders*

Rise of alternative fuels and green hydrogen

Green hydrogen is vital for low-carbon pathways in hard-to-abate sectors. Since launching the National Green Hydrogen Mission in January 2023 with a proposed budget allocation of ₹ 19,744 Crores up to FY 2029-30, India has been focussed on emerging as a green hydrogen hub. Ongoing policy support, improved infrastructure and lower project capital costs are helping the producers achieve cost competitiveness.

HFE's Response

The Company is currently working on several pilots involving green hydrogen and its derivatives. This approach entails creating a comprehensive portfolio of renewable energy solutions for various applications, forming strategic partnerships, and launching projects backed by extensive research and development. With the rising demand for decarbonisation solutions in sectors such as steel and shipping, HFE aims to be a leading player in providing green hydrogen on a large scale.

Page 19

Focus on energy-efficient solutions

As the demand for renewable energy solutions continues to grow, it is essential to prioritise energy efficiency in their design and implementation. This process involves adopting advanced technologies and practices that maximise energy output and minimise waste and resource consumption.

HFE's Response

We are committed to integrating energy efficiency into all our renewable energy projects. By leveraging advanced technologies like smart grids and energy management systems, we optimise energy production and consumption, maximising output while minimising waste. This approach not only enhances operational performance but also aligns with our commitment to environmental stewardship.

Moreover, we engage with clients to promote energy efficiency as a key component of their operations. We help our clients identify opportunities for improvement and recommend appropriate solutions towards cost savings and reduced carbon footprints. By empowering our clients to make informed decisions regarding their energy consumption, we support their sustainability goals and reinforce our leadership in driving a more efficient energy future.

Our strategy

Focusing on four building blocks that guide HFE's vision and business strategy, the Company aims to emerge as a leading partner for utility and corporate customers on their journey towards sustainable energy solutions.

Dispatchable firm power provider

The Company aims to be a reliable provider of firm-dispatchable power for utility-scale projects.

Integrated energy transition partner for C&I

HFE seeks to become an energy transition partner for C&I clients, driving profitable growth through innovative solutions.

Global renewable energy provider

HFE is committed to expanding its footprint in select geographies to drive value and growth.

Incubating new technologies like green hydrogen and its derivatives

HFE aims to incubate and advance new technologies, particularly in green hydrogen and its derivatives.

*Peak power, load-following and firm and dispatchable renewable energy

Environment

We recognise the importance of addressing climate change challenges and the urgency of reducing emissions. By generating affordable and clean energy for governments and private entities, we reduce carbon footprints globally. Not only are we in the business of clean energy, but we also run our operations with due sensitivity to the environment. We strive to lower our emissions and optimise natural resource usage. Our project sites follow well-defined processes for waste management, biodiversity preservation and regulatory compliance.

SDGs impacted

In this section

Energy consumption
Page 30

Emission
Page 31

Water management
Page 32

Waste management
Page 33

Biodiversity and land optimisation
Page 34

Material use
Page 35

Aspirations

- Become a carbon neutral organisation by 2030
- Eliminate irreversible and minimise reversible impact on terrestrial ecosystem
- Become water-positive by 2026

2,939 tCO_2e
Scope 1 and 2 emissions

57 tonnes
Total waste

2.83 mn tCO_2e
Emissions avoided through solar and wind projects

We aim to contribute to the global energy transition and achieve net zero emissions. With a robust portfolio of approximately 4 GWp of wind and solar assets in India, we are a leading provider of sustainable clean energy solutions. Our commitment extends beyond large electric power utilities to include bespoke solutions for commercial and industrial customers, ensuring we support them in their journey to net zero. We aim to significantly bolster our efforts to conserve the environment through flexible work policies and initiatives like robotic cleaning technology in our solar power plants and in-situ rainwater harvesting."

Vijayanand
Head – Health, Safety & Environment and Sustainability

Environment

Energy consumption

Management approach

As a responsible organisation, we strive to meet our increasing energy demands sustainably. We are committed to energy efficiency, reducing consumption, increasing renewable energy use, and promoting energy-saving practices among employees. Collaborating with suppliers and partners, we aim to achieve our sustainability goals by fostering a culture of responsible energy use.

Progress

Energy consumption

(MWh)

Emission

Management approach

We monitor our emissions by diligently following the GHG protocol standards. Our Scope 1 emissions stem from diesel and petrol use in company-owned vehicles and Diesel Generator (DG) sets. Our Scope 2 emissions, albeit low, arise from energy consumption from non-renewable sources. We are also inventorying our Scope 3 emissions and will incorporate appropriate action plans. We also earn carbon credits from the renewable energy we generate, issued by certified agencies.

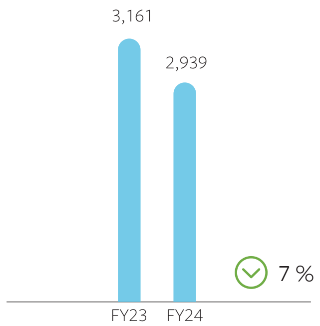
Initiative

We are currently inventorying scope 3 emissions in our value chain, including upstream and downstream emissions. We have introduced a work-from-home/hybrid policy, allowing employees to work remotely or from the office as needed. This initiative has helped us reduce employee commute emissions (Category 7 of Scope 3 emissions).

Progress

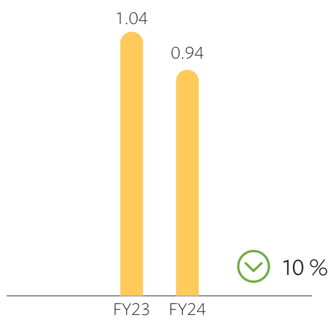
Scope 1 & 2 emissions

(In tCO_2e)



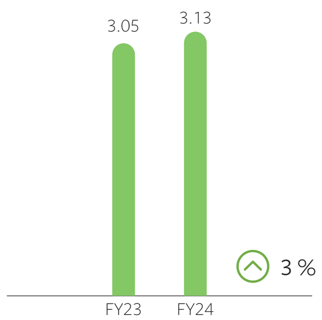
Emissions intensity

($kgCO_2e/MWh$)



Energy generated from renewable sources

(TWh)



Environment

Water management

Management approach

We prioritise water conservation and aim to be water-positive by 2026. We assess both direct and indirect water usage, including purchased water and extracted groundwater. While wind plants have low water consumption, solar plants require more water for cleaning panels. To address this, we have adopted robotic cleaning solutions and introduced rainwater harvesting systems to recharge groundwater across our sites.

Initiatives

01

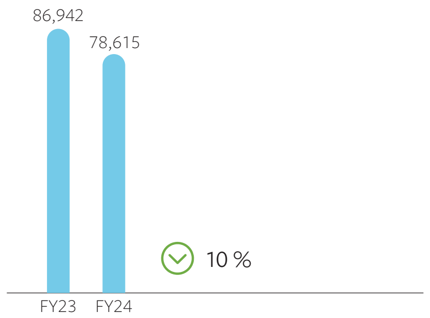
At our project sites, we diligently monitor the conditions specified in the No-Objection Certificate (NOC) for groundwater extraction. We ensure compliance with regulations by submitting annual reports to the Ground Water Board.

02

We conduct hydrogeological studies in project areas to evaluate water-related impacts. Based on these findings, we recommend solutions such as rainwater harvesting systems for groundwater recharge. Implementing these solutions ensures sustainable water use where we utilise groundwater.

Progress

Water consumption for module cleaning
(in KL)



y-o-y decrease

Waste management

Management approach

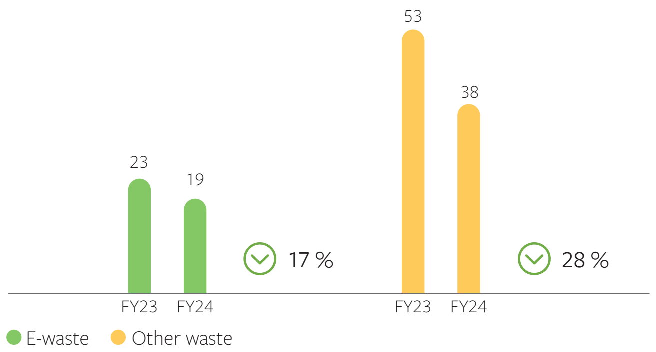
Our organisation prioritises environmental sustainability by minimising waste through recycling and reuse. We adhere to strict standard operating procedures (SOPs) for waste management, including hazardous waste, ensuring responsible disposal in collaboration with authorised recyclers. Our efforts align with the Central Pollution Control Board's guidelines, reflecting our commitment to a circular economy. Our mainstream operations do not generate any radioactive waste. We are striving to reduce our waste generation further through initiatives like packaging optimisation and digital alternatives to products where possible.

Initiative

We have successfully eliminated single-use plastics, resulting in zero single-use plastic waste during the last financial year.

Progress

Waste generated
(In tonnes)



57 tonnes
Total waste generated in FY24

Environment

Biodiversity and land optimisation

HFE focuses on assessing and mitigating the impacts of our activities on biodiversity. Our strategy aims to prevent ecosystem disruption, reduce adverse effects, and promote habitat restoration near our sites and beyond. We also aim to develop and implement a transparent biodiversity management plan by 2027.

Initiative

We adhere to International Union of Conservation of Nature (IUCN) guidelines and conduct bird and bat mortality assessments on our wind plants. These assessments help us to understand and estimate the mitigation measures required to prevent any loss to avifauna and bats.

Initiative

Safe skies: Avifauna conservation at wind power sites

We conduct long-term bird and bat mortality studies to evaluate the potential impact of wind turbines on the avifauna and bat population in all our designated project areas.

The methodology and approach involve the following steps:

- Collection of baseline data on birds and bats
- Carry out seasonal field visits and direct monitoring of wind turbines
- Train field staff and company staff on bird and bat mortality
- Monitoring of bird and bat mortality by trained staff
- Evaluation of bird and bat mortality caused by power lines based on trip reports
- Data analysis and report preparation

Informed by the bird and bat mortality studies, we implement mitigation measures such as:

Vegetation management:
We clear vegetation near wind turbines to avoid providing suitable habitats for insects, reptiles, and small birds. This measure helps prevent the attraction of bats, insectivorous bird species, and predator birds (especially raptors) to the immediate surroundings of turbine foundations, aligning with international best practices.

Solid waste management:
We are dedicated to managing solid waste with the utmost care, ensuring it does not become a potential food source for birds or animals.

Underground cabling:
We have transitioned to underground cables for internal transmission lines in operational projects based on biodiversity assessments and considering underground cabling for all transmission lines during the design phase for all upcoming projects.

Bird diverters:
We have installed bird diverters on external transmission lines in operational projects based on biodiversity assessments.

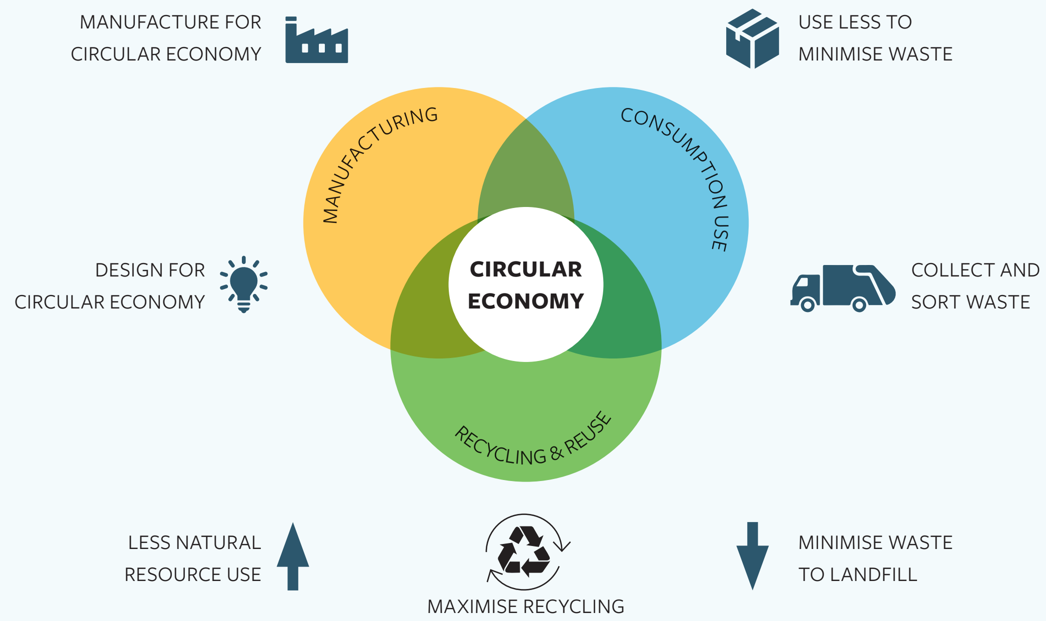
Material use

Management approach

Our management approach prioritises sustainable materials to minimise environmental impact across our projects. We promote local material procurement to support community livelihoods and enhance cost-effectiveness. We demonstrate our sustainability commitment through waste reduction, material reuse, and recycling initiatives.

Initiative

Last year, we incorporated circular economy principles into our operations, emphasising the reuse, repair, and recycling of materials to prolong their lifespan. Going forward, our upcoming projects will also prioritise sustainable sourcing.



Social

At HFE, we take pride in fostering a unique workplace culture that promotes trust and camaraderie. This has resulted in us being recognised as a 'Great Place To Work' for 3 consecutive years. Our people are our biggest success drivers and we conduct year round capacity building programmes to hone skills and build a resilient workforce. We also believe in giving back to society through our community welfare programmes in education, water access, livelihood generation and environmental conservation that help improve quality of life.

SDGs impacted

In this section

Workforce
Page 38

Communities
Page 41

269
Employees

78
New hires in FY 2023-24

13.75%
Share of permanent female employees

"Corporate social responsibility is a journey at HFE. Our initiatives reflect our commitment to promoting the inclusive growth of communities around our project sites. ASHA centres, skill centres, water ATMs, water check-dams, and tree plantation drives focus on grassroots development. HFE's people-positive, climate-positive, and water-positive approach has been instrumental in improving the quality of life and ensuring access to essential amenities while uplifting the disadvantaged in the remotest parts of India."

Bhawna Kirpal Mital
CHRO and Head of IT, Admin and CSR

Social

Workforce

At HFE, we aim to foster an enabling work environment that helps tap the fullest potential of our most valuable assets— our team members. Extensive learning and mentorship, skill development, and career advancement opportunities are integral to our workplace culture. Committed to equality, we foster a supportive workplace, safeguarding rights with zero tolerance for harassment or discrimination.

Management approach

Our approach focuses on implementing a robust talent management programme designed to identify and nurture the right talent. We are committed to fostering a diverse workforce with different perspectives and experiences, vital for innovation and growth. To nurture high-potential team members, critical talent, and future leaders, we implement structured developmental plans tailored to individual needs and career aspirations. Through these initiatives, we aim to build a resilient and dynamic workforce that can adapt to changing market conditions and continue to deliver exceptional results.

~80%

Employees between 30-50 years, indicating an optimal balance of youth and experience

Initiatives

01

We organised a leadership training exercise 'Expand Horizons' by Vijay Michihito Batra, reputed motivational speaker, to inculcate critical traits of effective leadership. We also conducted a leadership strategy meeting with Egon Zehnder, a global management consulting and executive search firm, and a session by 'applied futurist' Tom Cheesewright to help gauge the macro business environments.

02

We partnered with the prestigious British Council for effective communication training, a testament to the quality of our initiatives. Our collaboration with LinkedIn has been instrumental in providing e-learning opportunities for our team members, in subjects of relevance to them. We also conduct continuing education programmes, which have profoundly impacted our team's professional growth, demonstrating our resolute dedication to supporting higher studies.

03

The Chairman's Challenge, introduced by our Chairman Rahul Munjal, inspires team members to innovate solutions for business challenges, impacting revenue, costs, and efficiency. Winners earn a company-sponsored trip to global sporting events. Past winners attended the 2019 ICC Cricket World Cup in England and the 2022 FIFA World Cup in Qatar.

Workforce tenure

Demonstrating our commitment to nurturing lasting relationships with our team members, our average workforce tenure reflects a culture of stability and growth.

Average workforce tenure

	< 2 years	2 to 5	5 to 10	>10 years
Total employees	115	66	83	5
CEO/Chairman	0	1	0	0
Senior management	1	8	9	2
Middle management	38	22	35	3
Associates	76	35	39	0

Workforce at HFE project sites in FY 2023-24

71

Number of HFE employees

16,153

Person-days worked by HFE employees

18,20,424

Total person-hours worked at HFE's sites (sum of all HFE employees, contractors, and sub-contractors)

Employee engagement and inclusivity

We have been honoured with the 'Great Place to Work' accreditation by the Great Place to Work® Institute (India) for the third consecutive time among mid-sized companies in January 2024.

4.30

Score out of 5, in the employee engagement survey conducted in FY 2023-24

Social

New hires and separations

Our success and continued growth hinges on the strength and adaptability of our workforce. Over the past fiscal year, we have made significant strides in attracting top talent. Our hiring and resource management efforts have yielded positive results, reflected in the increase in new hires and a manageable separation rate. We reinitiated our campus hiring and employed ten new hires from different campuses to ensure ethnic and gender diversity.

Employees hired FY 2023-24

By category

(in numbers)

	<30 years	30-50 years	>50 years
Total Employees	26	51	1
CEO/Chairman	0	0	0
Senior Management	0	0	1
Middle Management	2	23	0
Associates	24	28	0

Gender diversity and equal opportunity

Our Human Rights, Diversity, Equity, and Inclusion (DEI) Policy, and Equal Opportunity Policy ensure our hiring practices are fair, transparent, and merit-based. We attract and retain top talent at all levels, focusing on prioritising qualified women for every available role and striving to ensure equal access to growth opportunities. We foster an inclusive environment where all team members can thrive, achieve their potential, and contribute effectively to our business.

30%

Targeted share of female team members in the Company by 2030

14%

Share of permanent female team members

Communities

We aspire to foster the inclusive development of communities around our project sites. We conduct thorough need analyses and due diligence to identify and prioritise each area's critical needs. By involving community members in this process, we ensure that our initiatives are both relevant and impactful.

CSR expenditure and beneficiaries

We identify and implement CSR projects with our implementation partners, like Raman Kant Munjal Foundation (RKMF), ensuring sustainable and meaningful development.

CSR thrust areas	CSR expenditure (in Mn)	Direct beneficiaries (in numbers)	Indirect beneficiaries (in numbers)
Education and skill development	10.95	3,800	10,625
Environment protection and restoration*	7.24	5,520	26,100

CSR thrust areas

- Education and skill development
- Environmental protection and restoration

Education and skill development

Education

We recently launched an initiative to digitise our ASHA centres, which provide remedial education to children who need access to formal education or have dropped out. In partnership with the Raman Kant Munjal Foundation and Cyboard School, we offer live online classes in Mathematics and English to all primary sections, ensuring students are grade-competent. This initiative supports 1,125 children and employs over 50 teachers.

HFE has provided smart classrooms to Government higher primary schools around Babaleshwar, Chittapur, Gurramkonda, and Nagri sites in Andhra Pradesh and Karnataka. These schools have been furnished with computers, projectors, lights and fans, whiteboards, libraries, and scientific and mathematical kits, enhancing the learning environment.

1,125

Students benefitted by the educational programmes at ASHA centres

Case study

Breaking barriers through teaching excellence

Pooja Dayma from Dhar, Madhya Pradesh, is the only teacher in her family. In a family where everyone works as labourers, including her husband, who works in agriculture, Pooja joined HFE's educational initiative and applied as a teacher. She has since been able to financially support her family and the community.

*Includes check-dams, water ATMs, solarisation and tree plantation.

Social

Skill development

Our stitching and tailoring centres and computer centres have transformed the lives of rural women and youth, empowering them with valuable skills and fostering self-reliance. We also conduct vocational training programmes. These CSR initiatives enable sustainable livelihoods and community growth.

Case study

Empowering dreams: Uma's journey from training to triumph

After completing a six-month computer training programme at the RKMF Skill Centre in Kadod Kala, supported by HFE, Uma Rathod secured a job at MPOnline Limited, the e-governance initiative of the Government of Madhya Pradesh. She now earns ₹ 7,000 monthly and is making significant progress towards achieving her goals.

Environmental protection and restoration

Water ATMs

We have installed water ATMs in 11 villages, benefitting up to 1,100 village households in FY 2023-24. This initiative has provided safe, clean drinking water to hundreds of families around our project sites and significantly benefits women and girls. It saves them from the drudgery and large amount of time spent walking and fetching water, enabling them to focus better on education and productive activities.

11
Villages benefitted by water ATMs

Case study

Transforming lives through clean water access

In 2018, Hero Future Energies and and RKMF adopted Indrawal village in Madhya Pradesh, with a focus on improving access to clean water. Previously, residents had to fetch water multiple times a day from distant hand pumps, often from contaminated sources. HFE installed solar-powered water ATMs to draw water from tube wells, enabling villagers to conveniently access clean drinking water.

This initiative not only reduced waterborne diseases but also improved hygiene and freed up time for children to concentrate on their studies, significantly enhancing the community's quality of life.

Check dams

In collaboration with RKMF, we have constructed check dams around our sites in Madhya Pradesh, Rajasthan, and Maharashtra. These check dams ensure a regular water supply for sustainable year-round irrigation and also recharge groundwater for improved utilisation.

8
Villages impacted by construction of check dams

Tree plantation

Reinforcing our commitment to sustainability, our tree plantation efforts play a vital role in enhancing biodiversity and combating climate change. By actively creating green zones near our sites that absorb carbon dioxide and produce oxygen, we are not only contributing to a healthier ecosystem but also ensuring a greener future for generations to come.

1,87,500 $kgCO_2e$
Emissions offset with plantation efforts

Governance

Governance is the cornerstone of everything we do at HFE, underpinning our entire strategy, including our commitment to ESG principles. It encompasses decision-making, accountability, and stakeholder relationships. It sets the vision, values, and operational framework, ensuring effective, ethical, and lawful performance.

SDGs impacted

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

In this section

Governance structure — Page 46
Values around governance — Page 46
Ethics and compliance — Page 47
Policies in practice at HFE — Page 47
Regulatory compliance — Page 48
Shareholder value creation — Page 48
Risk assessment — Page 48

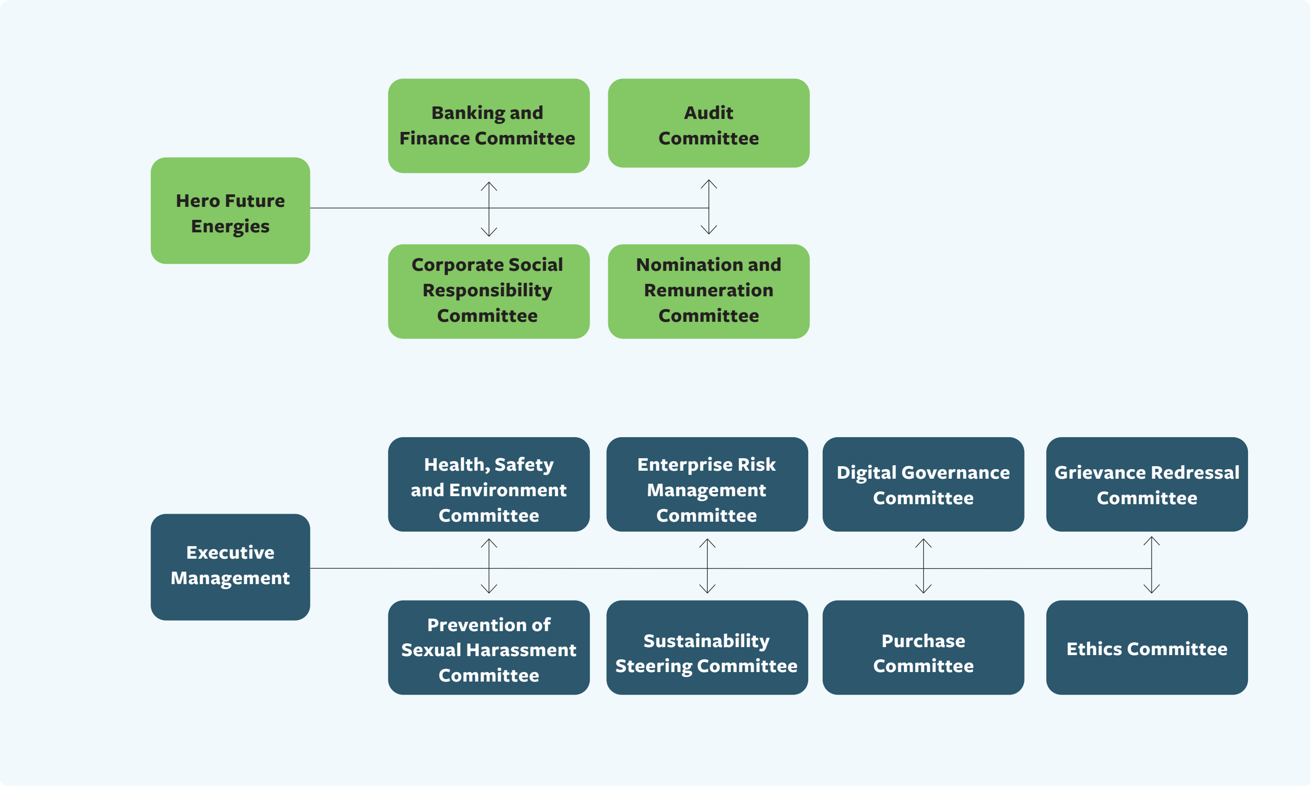
"As we expand our portfolio, the evolving renewable energy landscape requires a proactive approach to compliance and governance. By embedding robust governance frameworks and fostering a culture of continuous improvement, we ensure that comprehensive compliance reviews and internal audits guide business decisions. This iterative process keeps us aligned with regulatory standards and responsive to new developments, maintaining a strong compliance culture in a rapidly changing environment."

Mayur Maheshwari
Head - Compliance and Company Secretary

Governance

Governance structure

Our governance framework defines the organisation's governance structure, processes, and mechanisms, and clarifies the roles, responsibilities, and relationships of the governing body, management, staff, and other stakeholders. It establishes the standards, indicators, and measures of governance performance.



Values around governance

We rely on accountability, transparency, and responsiveness to protect our assets, resources, and interests across organisational levels, sustaining our stakeholders' trust and furthering their interests.

Values around governance

- Achieve objectives and deliver value to beneficiaries, customers, and funders
- Enhance credibility and reputation and build trust among stakeholders
- Manage risks, seize opportunities, and adapt to changing circumstances effectively

Ethics and compliance

Ethics and compliance protect the Company from legal, financial, and reputational risks that could harm our business and people. Ethical practices foster a culture of integrity, accountability, and responsibility enhancing our performance and innovation.

Policies in practice at HFE

HFE has a comprehensive list of policies and codes to govern the organisation's internal and external stakeholders, which is followed by acting with honesty, fairness, and respect in all our interactions and decisions. We uphold the adherence to our Code of Conduct, policies, and procedures to ensure strengthened corporate governance, ethical practices, and compliance.

- Anti-bribery and Anti-corruption Policy
- Whistle-blower Policy
- Delegation of Authority Policy
- Health, Safety and Environment Policy
- Enterprise Risk Management Policy
- Code of Conduct and Ethics Policy
- Information Security Policy
- Rights of Persons with Disability Policy
- Anti-facilitation of Tax Evasion Policy
- Equal-opportunity Policy
- Anti-slavery and Human Trafficking Policy
- Compliance Policy
- Anti-money Laundering and Anti-terrorist Financing Policy
- Prevention of Sexual Harassment (PoSH) at the Workplace Policy

Governance

Regulatory compliance

In FY 2023-24, non-compliance, unfair trade practices, or corruption involving our team members or business partners did not occur. We have not received any complaints related to the rights of people, child labour, forced labour, gender or social discrimination. Our commitment to compliance has ensured that there have been no significant regulatory fines or sanctions.

Zero

Instances of non-compliance or unfair trade practices or corruption involving our team members or business partners

Shareholder value creation

Corporate governance is about maximising shareholder value legally, ethically and sustainably. At HFE, the goal of corporate governance is to ensure fairness for every stakeholder. Sound corporate governance is critical to enhancing and retaining investor trust. We always seek to ensure that integrity drives our performance.

Our Board exercises its fiduciary responsibilities in the broadest sense of the term. We also endeavour to enhance long-term shareholder value and respect minority rights in all our business decisions. Implementing a governance framework is not a one-off or one-way activity. It requires a dynamic and ongoing process that adapts to the changing needs and expectations of the Company, our stakeholders and the evolving environment and circumstances. We continue to conduct and participate in governance feedback or evaluation.

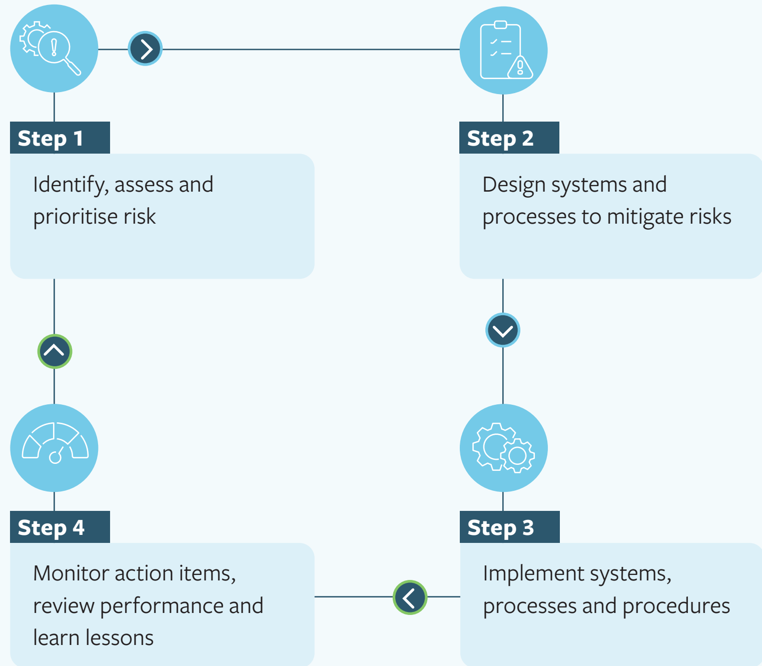
Risk assessment

HFE considers risk management to be a crucial step in decision-making. Proficient risk management is critical to supporting the Company's success.

Our global environment is witnessing volatility, uncertainty, complexity, and ambiguity. Our enterprise risk management framework provides a comprehensive understanding of the risk landscape in which the Company operates. The ERM enhances risk awareness, improves operational efficiency, increases accountability, and ensures regular monitoring of action plans. By measuring all risks using the same scale, the framework enables a consistent standard for assessing risks throughout the Company. This common scale helps prioritise risks and design effective controls, aligning with the Company's goals. Controls are mapped to various functions within the Company, facilitating clear accountability and responsibility.

Process of risk management

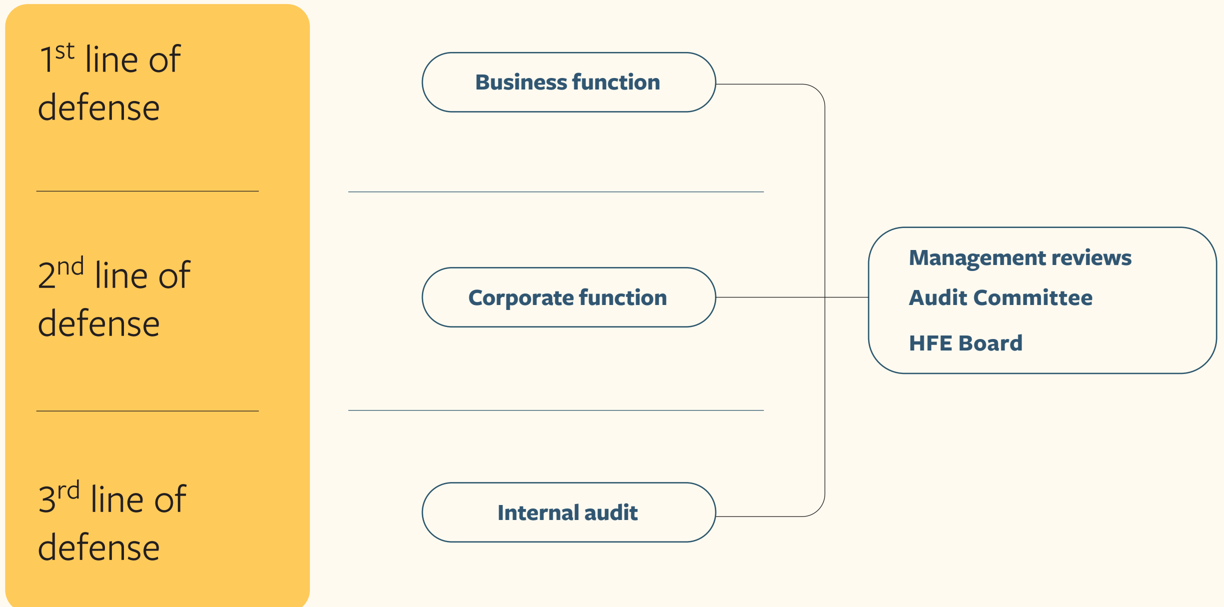
Our Company's risk management framework is a four-step process: identifying, assessing, mitigating, and monitoring risks. First, we identify and assess risks to understand potential threats. Next, we design and implement systems to manage these risks, integrating them into daily operations. Continuous monitoring allows us to track the effectiveness of our strategies and make necessary adjustments. This iterative process ensures we remain vigilant and responsive to emerging threats, maintaining a robust risk culture and effective strategy in a constantly changing risk landscape.



Enterprise risk management governance structure

We employ enterprise risk management to identify, evaluate, mitigate, and oversee the Company's risks. We periodically revise our risk register and report the principal risks and actions taken to the Audit Committee for their review and guidance.

HFE follows a prudent risk management process based on the three lines of defence model. The first line of defence lies with the business and process owners, who are responsible for executing the risk and internal controls. The second line of defence is the various support teams, such as finance and accounts, compliance, and quality, which help the management team effectively manage the risks and controls. The third line is the internal audit, which assures the senior management and the Board that the first two lines are operating effectively and suggest various ways of improvement.



Potential risks	Mitigation strategies
Geopolitical risk Lack of personnel, spares, vendors or imposition of tariff barriers, and supply chain disruptions, due to geopolitical tensions like wars, sanctions, and border skirmishes	• Exposure only after Investment Committee's approval • Regular monitoring of the on-ground situation • Alternate supplier networks
Resource risk Low wind speeds or low insolation at sites leading to lower revenues	• Prudent resource assumptions at investment stage • Regular monitoring of resource data at sites • Geographical and technological diversification
Project development risk Time and cost overruns while executing projects	• Experienced personnel overseeing project development and supply chain activities • Regular project monitoring • Tight contract management
Interest rate and forex risk Increase in interest rates, and adverse movement of forex rates leading to increased financing and project costs	• Striking a balance between floating and fixed rate loans • Hedging forex exposure as required
Cybersecurity risk Data loss/plant shutdown due to attacks on IT and OT systems	• Stringent security measures • IT disaster recovery plan • Regular vulnerability assessment and penetration testing (VAPT) audits
Legal and regulatory risk Changes in regulatory norms impacting profitability	• Collaborate with associations to protect the interests of the renewable energy industry • Pursue litigations judiciously

Awards

April 2023

Awarded the **Energy Transition Excellence** Award at the Mercom India Awards - 2023

Awarded **National HSE & Sustainability** Award in the 'Large Enterprises - Renewable Energy Sector' category

June 2023

Awarded at the **10th Global Safety Summit** Awards instituted by the Fire and Safety Forum and United Nations Global Compact Network India

Awarded the **International EHS** Award in the 'Renewable Energy Sector' category at the 11th Global Safety Summit, 2023

September 2023

Awarded the **Best Smart Technology Innovation of the Year** at the SolarQuarter India Annual Solar Awards

Awarded the **Energy Transition Leadership** Award at the Indo-American Chamber of Commerce Business Leadership Awards

December 2023

Awarded in the '**Excellence in Performance** – Solar Ground Mounted Category' at the CII Performance Excellence Awards 2023

February 2024

Bhawna Kirpal Mital (CHRO and Head of IT, Admin and CSR) awarded the **Global Women Leadership** Award at the World Women Leadership Congress & Awards®

Awarded the '**Best Employer Brand** Award' at the World HRD Congress®

Awarded the 'Runner-up – **Outstanding Renewable Energy Producer (Wind)**' award at the 4th India Green Energy Award

March 2024

Awarded the '**Outstanding OT Security Implementation (Energy)**' award at the 3rd Annual Quantic Cybersecurity Excellence Awards

Corporate information

Company Name
HERO FUTURE ENERGIES PRIVATE LIMITED

CIN
U40300DL2013PTC253648

Registered Office
Plot No. 202, Second Floor,
Okhla Industrial Estate, Phase-III,
New Delhi-110020

Corporate Office
202, Third Floor, Okhla Industrial Estate,
Phase-III, New Delhi-110020

Board of Directors

Mr. Benjamin Paul Fraser
Non-Executive Director

Mr. Sumit Kumar Roy
Non-Executive Director

Mr. Anuj Agarwal
Non-Executive Director

Mr. Harish Pant
Non-Executive Director

Management Team

Mr. Srivatsan Srinivas Iyer
Chief Executive Officer

Company Secretary
Mr. Mayur Maheshwari

Internal Auditor
Mr. Shashidhar Srirambhatla

Statutory Auditors
MSKA & ASSOCIATES
The Palm Springs Plaza, Office No. 1501-B,
15th Floor, Sector-54, Golf Course Road
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Statutory reports & Financial statements

In this section

Statutory reports

Management discussion and analysis	54
Board's report	56

Financial statements

Standalone	76
Consolidated	136

Management Discussion And Analysis

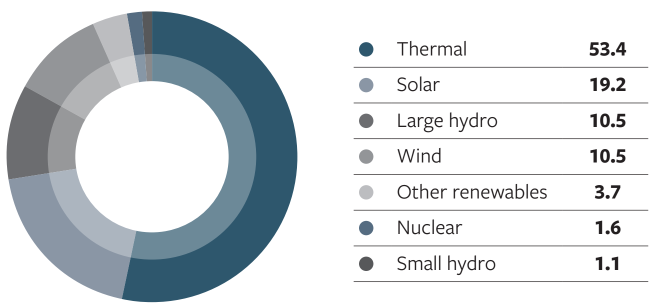
Industry outlook and business environment of Indian renewable energy sector

India:

India's renewable energy sector is emerging as a global powerhouse, driven by an ambitious policy framework and substantial investments in clean energy technologies. The country's unique geographical advantages, such as high solar insolation and significant wind energy potential, position it favorably to harness renewable resources effectively. Recent policy enhancements, including the Production Linked Incentive (PLI) Scheme and extensive transmission infrastructure development plans, have invigorated the sector. Furthermore, India's strategic focus on green hydrogen production and its leadership role in international renewable energy forums underscore its commitment to a sustainable energy future. With substantial financial backing from both public and private sectors and a robust pipeline of projects, India is well on its way to achieving its target of 500 GW of non-fossil fuel power generation capacity by 2030. This trajectory not only supports national decarbonisation goals but also catalyses economic growth through job creation and technological innovation, making India a pivotal player in the global renewable energy landscape.

Installed power generation capacity in India by share (as of March, 2024)

(%)



As of March 2024, India's cumulative installed renewable energy capacity stands at 146 GW, up from 128 GW the previous year. This was aided significantly by favourable prices in the global PV module supply chain, even though the Basic Customs Duty continues to apply on solar cells and modules. In FY 2023-24, ~18 GW of new renewable energy capacity was added, with solar power accounting for the lions share at 15 GW and wind power contributing ~ 3 GW. Additionally FY 2023-24 marked a significant transition in the Indian utility market towards high-Capacity Utilisation Factor (CUF) projects through peak power, Firm Dispatchable Renewable Energy (FDRE) and Round-The-Clock (RTC) power bids.

Road ahead

India:

The Government of India remains committed to its renewable energy and decarbonisation targets, reflected in various initiatives and policy frameworks:

- **Shipping and steel sector scheme for green hydrogen:** ₹560 Crores allocated by Ministry of New and Renewable Energy (MNRE) for implementation of pilot projects and demonstration of use-cases in heavy industries
- **Viability gap funding (VGF) for battery energy storage systems (BESS):** Programme with initial outlay of ₹ 9,400 Crores approved by cabinet towards boosting implementation of standalone BESS projects
- **Uniform renewable energy tariff:** Grid India has issued procedures to implement a pooled tariff structure for renewable energy bids, targeted towards accelerating the signing of PPAs for new-age, complex tenders by DISCOMs
- **Foreign Direct Investment (FDI):** The GoI has permitted Foreign Direct Investment of up to 100% under the automatic route
- **Renewable Purchase Obligations (RPOs):** Enhanced targets to progressively increase the share of renewable energy to 43.33% by 2030
- **Collections from DISCOMs:** Mandate that power dispatch shall be contingent upon the provision of Letter of Credit (LC) or advance payment by distribution licensees to Renewable Energy (RE) generators, ensuring timely and predictable revenue streams
- **Waiving of transmission charges:** Complete waiver of Inter-State Transmission System (ISTS) charges for inter-state solar and wind power projects commissioned by June 30, 2025, with a gradual reduction by 25% annually until June 2028
- **Carbon credit trading scheme:** CCTS scheme launched by Ministry of Power (MoP) expected to incentivise large-scale emitters of CO_2 to switch from conventional to renewable energy, further opening the market
- **Supreme court ruling on group captive open access projects:** Favourable ruling on requirements for shareholding and offtake around group captive open access (GCOA)

Despite these advancements, challenges persist:

- **Regulatory uncertainty:** The extension of the ALMM requirement from April 1, 2024, and high Basic Customs Duty on solar PV modules continue to impact project economics.
- **Increased GST:** The hike from 5% to 12% on renewable energy components adds to the financial burden on developers.

India's renewable energy landscape is set to expand further, with current installed capacities already crossing 200 GW in 2024, positioning the country as a global leader in clean energy transitions.

HFE highlights:

Utility scale projects

Solar

The company boasts a robust portfolio of utility-scale solar projects totalling approximately 1,172 MWp across India. Notably, 760 MWp of our solar capacity is secured through a firm Power Purchase Agreement (PPA) with Solar Energy Corporation of India Limited (SECI), a GoI undertaking, ensuring stable revenue streams over 25 years. Additionally, 59 MWp is dedicated to supplying power to Commercial and Industrial consumers. The remaining capacity is effectively utilised, with energy procured by various State Electricity Supply Utilities, further enhancing our market presence and revenue diversification strategy.

Wind

Our wind energy segment comprises 583 MWp of utility-scale projects nationwide. Of this capacity, ~ 87 MWp is allocated for supplying power to Commercial and Industrial consumers, while the rest is under firm PPAs with various State Electricity Supply Utilities, guaranteeing sustained revenue generation over a 25-year timeframe. This diversified approach ensures resilience and stability in our wind energy operations.

Hybrid

Pioneering the integration of renewable energy sources, our Company has embarked on new-age Hybrid Renewable Energy projects with a total nameplate rating of 610 MW. This initiative combines Solar PV, Wind, and Battery Energy Storage Systems, leveraging a balanced mix of renewable resources for optimal efficiency and reliability. The projected capacities include Solar PV (705 MWac/1130 MWp), Wind (854 MW), and Battery Energy Storage Systems (333 MWh), underscoring our commitment to innovation and sustainability.

These groundbreaking projects are strategically aligned to supply power to esteemed GoI undertakings such as SECI, NTPC, NHPC, and SJVN, serving as intermediary power procurers for a duration of 25 years. Through seamless Power Sale Agreements with State Electricity Supply Utilities, our projects facilitate the transition towards clean energy while meeting the evolving demands of the market.

Furthermore, these ventures are slated to achieve commercial operation within 24 months from the execution of PPAs, ensuring timely delivery and operational readiness. The energy tariff for these projects ranges from ₹ 4.38/unit to ₹4.72/unit, reflecting competitive pricing and suitability for addressing peak power requirements and demand patterns of targeted state utilities. In addition to these projects, HFE is also significantly expanding our portfolio of Open Access projects across both ISTS and Intra-State Transmission System (InSTS) networks to provide C&I customers with reliable access to renewable energy at competitive tariffs.

Behind-the-Meter Projects

The company maintains a portfolio of 36 MWp of behind-the-meter (BTM) projects for Commercial & Industrial (C&I) customers under long-term PPAs as of March 31, 2024. These are a combination of solar rooftop and ground-mount projects spread across 15 states of the country. HFE boasts of marquee clients like Delhi Metro and Kochi Metro, Bharat Heavy Electricals Limited (BHEL) and Western Railways. We will continue to develop BTM projects for our strategic clientele as part of their decarbonisation and net-zero roadmaps.

Financial performance – consolidated

₹ mn.

Particulars	FY 24	FY 23	Change	% Change
Revenue from operations	14,618	14,645	(27)	0%
Depreciation	3,413	3,421	(8)	0%
Finance Cost	8,530	12,616	(4,086)	(32%)
Profit/(Loss) Before tax	499	(2,986)	3,485	(117%)
Cash PBT	3,755	2,575	1,180	50%

Finance Cost was lower mainly due to de-leveraging, reduction in project debt due to scheduled re-payments and no interest on CCPS in FY 2023-24.

We have earned a substantial cash profit, focusing on cash flow. This approach ensures that our growth is sustainable and financially sound. Our focus on maintaining a healthy cash flow enables us to reinvest in high-potential projects and maintain financial stability.

Property, plant and equipment, investment property and intangible assets

₹ mn.

Particulars	FY24	FY23	Change	Change %
Property, plant and equipment	77,313	80,406	(3,093)	(4%)
Right of use asset	656	599	57	10%
Capital work-in-progress	1,091	396	695	176%
Total	**79,060**	**81,401**	**(2,341)**	**(3%)**

The assets decreased mainly due to depreciation charge for the year. Increase in capital work in progress due to expenditure incurred for under construction projects.

Goodwill

₹ mn.

Particulars	FY24	FY23	Change	Change %
Goodwill	351	305	46	15%
Total	**351**	**305**	**46**	**15%**

Increase in goodwill due to recent acquisition.

Trade receivable

₹ mn.

Particulars	FY24	FY23	Change	Change %
Trade receivables				
Current	5,357	6,021	(664)	(11%)
Non-Current	423	894	(471)	(53%)
Total	**5,780**	**6,915**	**(1,135)**	**(16%)**

Our trade receivables have decreased as a result of accelerated payments received from DISCOMs, following the introduction of accelerated payments from DISCOMs due to Late Payment Surcharge Scheme, 2022. For the fiscal year ending March 31, 2024 our DSO stood at 144 days, indicating significant improvement compared to the previous period 174 days. This metric is calculated by dividing our accounts receivable balance by average daily sales and multiplying the result by the number of days in the year.

Cash and cash equivalent, including balances with bank

₹ mn.

Particulars	FY24	FY23	Change	Change %
Cash and cash equivalents				
Current	4,927	4,160	767	18%
Other Bank balances				
Current	5,113	3,243	1,870	58%
Non-Current	616	59	557	944%
Total	**10,656**	**7,462**	**3,194**	**43%**

Increase in cash and bank balances mainly due to higher realisation of receivables and equity from shareholders.

Borrowings

₹ mn.

Particulars	FY24	FY23	Change	Change %
Borrowings				
Current	9,689	15,560	(5,871)	(38%)
Non-Current	94,590	93,218	1,372	1.5%
Total	**104,279**	**108,778**	**(4,499)**	**(4.1%)**

We are well-focused on leverage and the efficient use of capital for growth. Our Investment Committee plays a crucial role in evaluating and approving all major investments, ensuring that we maximise returns while managing risks effectively. Through prudent financial planning and disciplined capital allocation, we have optimised our capital structure, enabling us to achieve competitive borrowing rates and maintain financial flexibility. Our group all-in borrowing cost was reduced to 9.78% (FY 2023: 10% and FY 2022: 10.14%) due to our strong relationships with lenders. Our net debt to EBITDA ratio improved to 5.66 as compared to 6.26 at the end of the last financial year.

Board's Report

To the Members of Hero Future Energies Private Limited

Your directors are pleased to present their Eleventh Annual Report on the business and operations of the Company and the Audited Financial Statement for the year ended March 31, 2024 together with the Auditors' Report.

Financial Performance

The highlights of the Company's financial performance is as under:

(Amt. in 'MINR')

Particulars	Standalone		Consolidated	
	2023-2024	2022-2023	2023-2024	2022-2023
Revenue from Operations	393.13	374.86	14,617.65	14,645.05
Other Income	1,124.15	1,507.59	1,253.94	1,928.18
Total Revenue	**1,517.28**	**1,882.45**	**15,871.59**	**16,573.23**
Earnings before Depreciation & Amortisation Expenses and Finance Cost	895.30	1,351.77	12,499.62	13,055.10
Expenses other than Depreciation other than fixed cost	621.98	530.68	3,371.97	3,518.13
Depreciation & Amortisation Expenses	73.30	60.60	3,413.28	3,420.57
Finance Cost	332.60	3,684.49	8,529.84	12,615.60
Total Expenses	**1,027.88**	**4,275.77**	**15,315.09**	**19,554.30**
Profit/(Loss) Before exceptional item and Tax	**489.40**	**(2,393.32)**	**556.50**	**(2,981.07)**
Exceptional item			57.74	5.35
Profit/(Loss) Before Tax	**489.40**	**(2,393.32)**	**498.76**	**(2,986.42)**
Income Tax	8.94	-	184.24	223.29
Adjustment of tax relating to earlier periods	-2.04	-	(69.62)	0.46
Mat Tax for the Previous Years				
Deferred Tax Charge/(Credit)	28.95	(371.97)	360.19	(55.31)
Profit/(Loss) after Tax	453.55	(2,021.35)	23.95	(3,154.86)
Other Comprehensive Income/(Loss)	(1.03)	1.69	(9.76)	6.01
Total Comprehensive income/(loss) the year	**452.52**	**(2,019.66)**	**14.19**	**(3,148.85)**
Basic & Diluted EPS in ₹	0.43	0.06	0.02	(1.02)

Review of Operations-Company's Performance

Standalone

During the year under review on the basis of Financials prepared, Net profit after tax was MINR 453.55 as on March 31, 2024 against a Net loss after tax was MINR 2021.35 as on March 31, 2023.

Consolidated

During the year under review on the basis of Financials prepared, net profit after tax was MINR 23.95 as on March 31, 2024 against a net loss after tax was MINR 3154.86 as on March 31, 2023.

Dividend

Your directors have not recommended any dividend for the year under review.

Transfer to Reserves

For the financial year ended March 31, 2024, the Company has not transferred any sum to Reserves.

Change in Nature of Business

During financial year ended March 31, 2024, there was no change in the nature of Company's business.

Company's Affair

The Company has 10 MW solar power project in the state of Karnataka. It has Power Purchase Agreement executed with Hubli Electricity Supply Company Limited (Karnataka DISCOM) for supply of electricity. The project has been successfully in operation since August 14, 2015.

Details of Subsidiary Companies/Joint Ventures/Associate Companies

As on March 31, 2024 Company has 54 subsidiaries including step down subsidiaries. Further below mentioned Step down Subsidiaries were incorporated during the Financial year namely,

Sl No.	Name of the Company	Date of Incorporation
1	Clean Renewable Energy AP One Private Limited	April 19, 2023
2	Clean Renewable Energy TN One Private Limited	April 21, 2023
3	Clean Renewable Energy MH One Private Limited	May 06, 2023
4	Clean Renewable Energy KK 2A Private Limited	August 10, 2023
5	Clean Renewable Energy KK 2B Private Limited	August 22, 2023
6	Clean Renewable Energy KK 2C Private Limited	August 24, 2023
7	Clean Renewable Energy KK 2D Private Limited	August 29, 2023
8	Clean Renewable Energy MH 1A Private Limited	August 22, 2023
9.	Clean Renewable Energy Hybrid One Private Limited	September 01, 2023
10.	Clean Renewable Energy Hybrid Two Private Limited	September 15, 2023
11.	Clean Renewable Energy KK 1A Private Limited	September 21, 2023
12.	Clean Renewable Energy Hybrid Six Private Limited	January 01, 2024
13.	Clean Renewable Energy Hybrid Seven Private Limited	January 01, 2024
14.	Clean Renewable Energy Hybrid Four Private Limited	November 24, 2023
15.	Clean Renewable Energy Hybrid Five Private Limited	November 24, 2023
16.	Clean Renewable Energy Hybrid Three Private Limited	November 28, 2023

Further, Wholly owned subsidiary Hero Solar Energy Private Limited acquired a step down subsidiary namely Vision Renergies And Projects Private Limited on February 2, 2024.

After the closure of Financial Year, 12 more new entities are incorporated namely,

Sl No.	Name of the Company	Date of Incorporation
1	Clean Renewable Energy GJ 1B Private Limited	June 06, 2024
2	Clean Renewable Energy GJ 1C Private Limited	June 06, 2024
3	Clean Renewable Energy GJ 1A Private Limited	June 19, 2024
4	Clean Renewable Energy ISTS 1 Private Limited	June 18, 2024
5	Clean Renewable Energy Hybrid Eight Private Limited	June 25, 2024
6	Clean Renewable Energy Hybrid Ten Private Limited	June 25, 2024
7	Clean Renewable Energy Hybrid Nine Private Limited	July 03, 2024
8	Clean Renewable Energy KK 1B Private Limited	July 25, 2024
9	Clean Renewable Energy KK 1D Private Limited	July 25, 2024
10	Clean Renewable Energy KK 1E Private Limited	July 26, 2024
11	Clean Renewable Energy HR 1A Private Limited	July 26, 2024
12	Clean Renewable Energy KK 1C Private Limited	August 05, 2024

Brief Particulars of Three vertical holding subsidiaries are given below:

Hero Wind Energy Private Limited

Hero Wind Energy Private Limited ("HWEPL"), is a wholly owned subsidiary of your Company. HWEPL has commissioned 583.1 MW Wind Power Projects through its SPVs till the end of the financial year 2023-24.

The Net Loss after tax is MINR 559.86 as on March 31, 2024 as compared to Net Loss after tax is MINR 868.42 as on March 31, 2023.

Hero Solar Energy Private Limited

Hero Solar Energy Private Limited ("HSEPL"), is a wholly owned subsidiary of your Company. HSEPL commissioned 996.991 MW(Grid + Rooftop) Solar Power Projects by its own and through its all SPV(s) till the end of the financial year 2023-24.

The Net Loss after tax is MINR 1041.60 as on March 31, 2024 as compared to Net Loss after tax is MINR 1059.20 as on March 31, 2023.

Hero Rooftop Energy Private Limited

Hero Rooftop Energy Private Limited ("HREPL"), is a wholly owned subsidiary of your Company. HREPL has commissioned 38.56 MW Power Projects through till the end of the financial year 2023-24.

The Net Loss after tax is MINR 102.44 as on March 31, 2024 as against Net Loss after tax is MINR 32.30 as on March 31, 2023.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is part of the financial statements of the Company.

Material Changes and Commitments

No material change or commitment has occurred after the close of the Financial Year 2023-2024 till date of this Report, which affects the financial position of the Company.

During the Financial year, Hero Solar Energy Private Limited, a wholly owned subsidiary of your Company has sold 51% (previously had sold 49% in 2020-2021) of its stake in Clean Solar Power (Bhainsada) Private Limited, a step-down subsidiary of your Company to O2 Power SG Pte. Limited, a foreign venture capital investor registered with Securities Exchange Board of India and formed under the laws of Singapore.

During the Financial year, Hero Solar Energy Private Limited, a wholly owned subsidiary of your Company acquired Vision Renergies and Projects Private Limited on February 02, 2024 as a step down subsidiary of your Company.

Directors' Report (Contd.)

Securities-Commercial Paper

Unlisted Commercial Paper

S. No.	ISIN	Date of Allotment	Date of Maturity	No. Securities	Face Value	Status
1.	INE754R14557	06-10-2022	05-04-2023	100	5,00,000	Redeemed
2.	INE754R14573	18-10-2022	17-04-2023	100	5,00,000	Redeemed
3.	INE754R14631	09-12-2022	10-04-2023	200	5,00,000	Redeemed
4.	INE754R14656	29-12-2022	28-04-2023	200	5,00,000	Redeemed
5.	INE754R14664	06-01-2023	11-04-2023	100	5,00,000	Redeemed
6.	INE754R14672	25-01-2023	26-04-2023	1000	5,00,000	Redeemed
7.	INE754R14680	15-02-2023	16-05-2023	200	5,00,000	Redeemed
8.	INE754R14698	28-02-2023	30-05-2023	200	5,00,000	Redeemed
9	INE754R14706	02-03-2023	27-11-2023	200	5,00,000	Redeemed

Change in Capital Structure

Authorised Share Capital

During the year, there has been no change in the authorised share capital of the Company. As on March 31, 2024, the Authorised Share Capital of the Company stood at ₹ 45,37,50,00,000/- (Rupees Four Thousand Five Hundred Thirty Seven Crores and Fifty Lakhs only) divided into 78,75,00,000 (Seventy-Eight Crore and Seventy-Five Lacs) Equity Shares of ₹ 10/- each and 37,50,00,000 (Thirty Seven Crores and Fifty Lakhs) Compulsorily Convertible Preference Shares of ₹ 100/- each.

Paid-Up Share Capital

During the year, there has been change in the subscribed and paid-up share capital of the Company.

During the period under review, the Company has increased its paid up share capital in the following manner:-

	No. of Equity Shares (Existing)	No. of Equity Shares (Revised)
Equity Shares @Rs. 10/- each	1,01,65,119 (One Crore One Lakh Sixty Five Thousand One Hundred and Nineteen)	1,29,20,644 (One Crore Twenty Nine Lakhs Twenty Thousand Six Hundred and Forty Four)
Compulsorily Convertible Preference Share @ Rs. 100/-	249,496,685 (Twenty Four Crores Ninety Four Lakhs Ninety Six Thousand Six Hundred and Eighty Five)	No Change

Subsequently, after the closure of financial year, the Company has increased its paid up share capital in the following manner:-

	No. of Equity Shares (Existing)	No. of Equity Shares (Revised)
Equity Shares @Rs. 10/- each	1,29,20,644 (One Crore Twenty Nine Lakh Twenty Thousand Six Hundred and Forty Four)	1,48,31,779 (One Crore Forty Eight Lakh Thirty One Thousand Seven Hundred and Seventy Nine)
Compulsorily Convertible Preference Share @ Rs. 100/-	249,496,685 (Twenty Four Crores Ninety Four Lakhs Ninety Six Thousand Six Hundred and Eighty Five)	No Change

Employees Stock Option Plan

In order to expedite the Employee Stock Options (ESOP) 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 all their options in lieu of an equivalent cash consideration.

This mode of settlement of ESOP has been approved by the Board of the Company on July 27, 2023.

This mode of the settlement has been adopted by the Company as the simplest, quickest and the most effective method to ensure immediate transfer of equivalent economic benefits to the beneficiaries.

Directors

During the period under review, Mr. Benjamin Paul Fraser, Mr. Sumit Kumar Roy, Mr. Harish Pant and Mr. Anuj Agarwal were regularised on September 30, 2023 from Additional director to Director. Therefore, the Composition of the Board is as per below:

Name, Designation and DIN of Director	Date of Appointment	Category of Directorship	No. of other Directorships held* (other than HFEPL)	Details of Committees (other than HFEPL)
Benjamin Paul Fraser	30.12.2022	Non-Executive Director	2	3
Sumit Kumar Roy	30.12.2022	Non-Executive Director	2	2
Anuj Agarwal	12.01.2023	Non-Executive Director	4	4
Harish Pant	30.12.2022	Non-Executive Director	3	1

* The Directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, companies under section 8 of the act and private limited companies, which are not the subsidiaries of public limited companies.

Key Managerial Personnel

During the year under review, there is no change in the Key Managerial Personnel of the Company. Key Managerial Personnel is as per below:

Sl. No	Name of the Key Managerial Personnel	Designation
1.	Mr. Srivatsan Srinivas Iyer	Chief Executive Officer
2.	Mr. Mayur Maheshwari	Head - Compliance and Company Secretary

Number of Board Meetings and Its Committees (Disclosure U/S 134(3))

Total 6 (Six) Board Meetings were held during the Financial Year 2023-24, and the details of the Board Meetings are as follows:

Board Meetings

S. No.	Date of Meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended the Meeting	% of Attendance
1.	29-06-2023	4	4	100
2.	27-07-2023	4	2	50
3.	21-09-2023	4	4	100
4.	15-12-2023	4	4	100
5.	13-03-2024	4	4	100
6.	22-03-2024	4	4	100

Attendance of Directors

S. No.	Name of Director	Board Meeting			Committee Meetings (Taking all the Committee Meetings together of which a Director is a member			Whether attended last AGM held on Septemebr 30, 2023 (Y/N)
		No. of Meetings Held	No. of Meetings attended	% of attendance	No of Meetings Held	No. of Meetings attended	% of attendance	
1.	Mr. Benjamin Paul Fraser	6	6	100	2	2	100	No
2.	Mr. Sumit Kumar Roy	6	6	100	2	2	100	Yes
3.	Mr. Harish Pant	6	5	83.33%	N.A.	N.A.	N.A.	Yes
4.	Mr. Anuj Agarwal	6	5	83.33%	2	2	100	Yes

Audit Committee

During the year, Audit Committee was formed on March 13, 2024 and met once on March 22, 2024. The Committee comprises of Mr. Anuj Agarwal, Mr. Benjamin Paul Fraser and Mr. Sumit Kumar Roy.

Attendance details of the members are given in table below:

S. No.	Name of Committee Member	Meetings Held during the year	Meetings attended
1.	Mr. Anuj Agarwal	1	1
2.	Mr. Benjamin Paul Fraser	1	1
3.	Mr. Sumit Kumar Roy	1	1

Terms of Reference of Audit Committee were as follows:

- Recommendation for appointment, remuneration and terms of appointment of the auditors
- Review and monitor auditor's independence and performance and effectiveness of the audit process
- Examination of the financial statement and auditor's report
- Approval or modification of related party transactions
- Scrutiny of inter corporate loans and investments
- Valuation of undertakings or assets of the Company wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring of end use of funds of the private placement/ preferential offers
- Vigil mechanism
- Discuss issues with internal and statutory auditors
- Audit Committee to call for comments of the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the Board
- The auditors and the key management personnel will have a right to be present when the financial statements are considered by the Audit Committee but will not have a right to vote

NOMINATION & REMUNERATION COMMITTEE

During the year, Nomination & Remuneration Committee was reconstituted on March 13, 2024 and met once March 22, 2024. The Committee comprises of Mr. Anuj Agarwal, Mr. Benjamin Paul Fraser and Mr. Sumit Kumar Roy.

Attendance details of the members are given in table below:

S. No.	Name of Committee Member	Meetings Held during the year	Meetings attended
1.	Mr. Anuj Agarwal	1	1
2.	Mr. Benjamin Paul Fraser	1	1
3.	Mr. Sumit Kumar Roy	1	1

Directors' Report (Contd.)

Terms of Reference of Nomination and Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy, relating to, the remuneration of the Directors
2. Issue and allotment of shares against exercise of stock options

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of Mr. Anuj Agarwal, Chairman, Mr. Benjamin Paul Fraser, Mr. Sumit Kumar Roy and Mr. Harish Pant, Members as on March 31, 2024. No Corporate Social Responsibility Committee meeting was held during the period under review.

The purpose of the Committee is to assist the Board in setting Company's CSR policy and programme(s).

The responsibilities of the CSR Committee are as follows:

a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013

b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company

c. To monitor the CSR policy of the Company from time to time

d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time

Banking & Finance Committee

The Banking & Finance Committee comprises of Mr. Benjamin Paul Fraser, Mr. Sumit Kumar Roy and Mr. Anuj Agarwal as on March 31, 2024. No Banking & Finance Committee meeting was held during the period under review.

The Terms of Reference of the Committee are as follows:

a. Opening and Closing of Bank accounts

b. Change in Bank Signatories

c. Obtaining Internet Banking Facility to facilitate Online Tax Payment etc.

d. Day to day Investment in Fixed Deposits & Mutual Funds as per policy

e. Approval of Non-Fund Based facilities with the Banks/ Financial Institutions

f. Obtaining Sales Tax/Service Tax/GST Registration

g. As may be applicable to delegate Board Powers under Section 179 (3) of the Companies Act, 2013:
   - to borrow monies;
   - to invest the funds of the company; and
   - to grant loans or give guarantee or provide security in respect of loans;

Statutory Auditors

M/s. M S K A & Associates, Chartered Accountants, Firm Registration Number: 105047W were appointed at the Annual General Meeting held on September 30, 2023 as the Statutory Auditors of the Company until the conclusion of the Fifteenth Annual General Meeting of the Company for the period of 5 consecutive years.

The Auditors' Report together with the significant accounting policies and notes thereon are self-explanatory and do not call for any further comments.

The Auditors' Report for the Financial Year 2023-24 do not contain any qualification, reservation or any adverse remark.

Internal Auditors

As per Section 138 of the Companies Act, 2013, Company has appointed Mr. Shashidhar Srirambhatla as the Internal Auditor to conduct the Internal Audit of the Company for the Financial year 2023-2024.

Secretarial Auditors

Company is not required to appoint Secretarial Auditor for the Financial Year 2023-2024 as per the Section 204 of the Companies Act, 2013.

Cost Audit

Company is not required to maintain and Carry out Audit of Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

Extract of the Annual Return

The details forming part of the extract of the Annual Return in Form No. MGT - 9 in accordance with the provisions of Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as '**Annexure - A**' to this Report and also be available on Company's website http://www.herofutureenergies.com/.

Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgoing

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with rule 8 to the Companies (Accounts) Rules, 2014 related to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013 and has been provided in **'Annexure - B'** to this Report.

Particulars of Loans, Guarantees or Investments Under Section 186

The Company, being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees and securities under Section 186 of the Companies Act, 2013. The details of investments are provided in the schedules to the financial statements.

Related Party Transactions

All related party transactions pursuant to Section 188(1) of the Companies Act, 2013 that were entered into during the Financial Year were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by your Company with its Promoters, Directors or other designated persons which might have a potential conflict with the interest of the Company at large.

There were no matters requiring approval of the Board therefore no detail is required to be provided in AOC-2. Your Company has developed Standard Operating Procedures for the purposes of identification of Related Party Transactions and monitoring on a regular basis.

Enterprise Risk Management Policy

The Enterprise Risk Management Policy provides for structured and intelligent approach to risk management with a view to create a "Risk Intelligent" organisation. It establishes a comprehensive set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving enterprise risk management throughout the organisation. This Policy aligns strategy, processes, people, culture, technology and governance with the purpose of evaluating and managing the uncertainties faced by the organisation while creating value.

Directors' Responsibility Statement

Your Directors make the following statement in terms of Section 134 of the Act, which is to the best of their knowledge and belief and according to the information and explanations obtained by them as under:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2024 and of the profit and loss of the Company for the year ended March 31, 2024;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Further in terms of Para 9 of Secretarial Standard-1, issued by the Institute of Company Secretaries of India and approved by Ministry of Corporate Affairs, the Directors had devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

Deposits

The Company has not accepted any Public Deposits and as such, no amount on account of principal or interest on public deposits were outstanding as on the date of the Balance Sheet.

Details of Significant and Material Orders Passed by the Regulators/Courts/Tribunals

No significant and material orders have been passed by the regulators/ courts/tribunals.

Human Resources

We are an equal opportunities employer and are committed to maintain a work environment that attracts and inspires excellence.

Internal Control Systems and Their Adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. There is an independent internal audit function, which works to provide assurance regarding the adequacy and operation of internal controls and processes. The Company's internal control system is commensurate with the size, nature and operations of the Company.

Compliance

Your Company has complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the various Statutory Authorities, particularly Ministry of New and Renewable Energy, Ministry of Power and the Ministry of Corporate Affairs.

Your Company has duly complied with all the applicable provisions of the Companies Act, 2013 and its applicable rules, regulations & guidelines issued from time to time.

Downstream Investment Compliances

The Company has duly complied with the provisions of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 pertaining to Downstream Investments made by it at second level and so on.

Reporting of Fraud by Auditors

During the year under review, the Statutory Auditors have not reported any instances of fraud committed against the Company by its officers or employees to the Audit Committee or the Board under section 143(12) of the Act.

Compliance With Secretarial Standards

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meeting respectively.

Corporate Social Responsibility

Hero Future Energies Private Limited (HFEPL) is committed to ensuring its contribution to the welfare of the communities in the society where it operates, through its Corporate Social Responsibility ("CSR") initiatives.

The report on CSR Activities/Initiatives is enclosed as **'Annexure - C'**.

Directors' Report (Contd.)

The objective of HFEPL's CSR Policy is to consistently pursue the concept of integrated development of the society in an economically, socially and environmentally sustainable manner and at the same time recognise the interests of all its stakeholders.

To attain its CSR objectives in a professional and integrated manner, HFEPL undertakes the CSR activities as specified under the Companies Act, 2013.

Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

The information required to be disclosed in the Directors' Report pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, is set out in as an **'Annexure - D'** to this Report.

Details of Designated Persons

As per the amendment in the Companies (Management and Administration) Rules, 2014 dated October 27, 2023. Every company shall designate a person who shall be responsible for furnishing, and extending co-operation for providing, information to the Registrar or any other authorised officer with respect to beneficial interest in shares of the company. Mr. Mayur Maheshwari, Company Secretary was appointed as the authorised officers/designated persons by the Board.

Corporate Governance

Corporate governance is about maximising shareholder value legally, ethically and sustainably. At HFEPL, the goal of corporate governance is to ensure fairness for every stakeholder. We believe sound corporate governance is critical to enhance and retain investor trust. We always seek to ensure that our performance is driven by integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavour to enhance long-term shareholders value and respect minority rights in all our business decisions.

Whistle Blowing Policy (Vigil Mechanism Policy as per CA, 2013)

The Company is committed to the highest standards of ethical, moral and legal business conduct. Accordingly, the board of directors has formulated a Whistle Blowing Policy which provides a robust framework for dealing with suspected wrongdoings or danger at work. The reportable matters may be disclosed to the Designated Officer which operates under the supervision of the Board of Directors. During the year under review, no employee was denied access to the Board of Directors.

General Body Meetings

a) The details of the last three AGMs of the Company:

Year ended	Day, Date & Time	Venue	No. of Special Resolutions passed
March 31, 2023	Saturday, September 30, 2023 3:34 pm	Board Room, 202, Third Floor, Okhla Industrial Estate, Phase-III, New Delhi - 110020	5
March 31, 2022	Thursday, August 18, 2022 11:30 am	Board Room, 202, Third Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020	1
March 31, 2021	Monday, July 19, 2021 5:00 pm	B-109, Greater Kailash, Part-1, New Delhi-110048	0

All the resolutions proposed in last three years are approved by shareholders with requisite majority

Extraordinary General Meeting:

No Extraordinary General Meeting was held during the FY 2023-24.

General shareholder information:

(a) Details of AGM- date, time and venue;

30th September 2024,
Time: 5:30pm
Venue:- Plot No 202, Third Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020

(b) Financial year: 1st April to March 31

(c) Dividend payment date:- Not Applicable

(d) Registrar to an issue and share transfer agents (RTA):
Link Intime India Private Limited
247 Park, ₹ 101 1st Floor, LBS Marg, Vikhroli (W),Mumbai – 400083
Tel: 022-49186000 and Fax: 022-49186060

(e) Depositories:

1. National Securities Depository Limited (NSDL)

   Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

2. Central Depository Services (India) Limited (CDSL)

   Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act'), the Company has constituted Internal Complaints Committees (ICC) which are responsible for redressal of complaints related to sexual harassment. The objective of the Policy is to create and provide a work environment that is safer, civilised, free from any sort of hostility, supportive to the diversity & dignity of all Associates, where Associates feel secure, provide protection to the Associates at the workplace and established guidelines for prevention & redressal of complaints of sexual harassment and matters connected or incidental thereto at the workplace on the basis of natural justice and confidentiality.

The Company has also organised orientation programmes and sensitisation workshops for the members of ICC and other Associates as per the provisions of the Act. During the year ended March 31, 2024 the Company has not received any complaints in the matter.

The annual report submitted by the ICC is enclosed as **'Annexure - E'**.

Credit Ratings

As on August 18, 2023, CRISIL Ratings reaffirmed its ratings on bank facilities and commercial paper of Hero Future Energies Private Limited(HFEPL) at 'CRISIL A/Stable/CRISIL A1' and further upgraded its ratings on the long-term bank facilities of Hero Future Energies Pvt. Ltd (HFEPL) to 'CRISILA+/Stable' from 'CRISIL A/Stable' and has reaffirmed the short-term rating at 'CRISIL A1' as on March 04, 2024.

Details of Application Made or Any Proceeding Pending Under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) During the Year Along With Their Status as at the End of the Financial Year

Nil

Details of Difference Between Amount of the Valuation Done at the Time of One Time Settlement and the Valuation Done While Taking Loan From the Banks or Financial Institutions Along With the Reasons Thereof

Not Applicable

Acknowledgements

Your directors appreciate the significant contribution made by the employees of the Company at all levels towards its overall success. The Directors also take this opportunity to place on record their appreciation to all the Stakeholders of the Company viz. Customers, Bankers, Auditors, Lenders, Investors, Regulators and Vendors for the support received from them during the financial year under review.

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

Sumit Kumar Roy	Anuj Agarwal
DIN-09759346	DIN-01866057
(Director)	(Director)

Date: September 30, 2024
Place: New Delhi

Annexure - A
"Extract of Annual Return"

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on March 31, 2024
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. Registration & Other Details:

1.	CIN	U40300DL2013PTC253648
2.	Registration Date	June 06, 2013
3.	Name of the Company	Hero Future Energies Private Limited
4.	Category/Sub-category of the Company	Private Company/Company Limited by shares
5.	Address of the Registered office & contact details	Plot No 202, Second Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020 Email: secretarial@herofutureenergies.com www.herofutureenergies.com Landline: 011-49598000; Fax: 011-49598022
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. 247 Park, ₹ 101 1st Floor, LBS Marg, Vikhroli (W), Mumbai – 400083 Tel: 022-49186000 and Fax: 022-49186060

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company:

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Revenue from electricity	35106	28.34
2	Income from Management and Development Services	99833243	71.66

III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name and Address of the Company	CIN/GLN/Reg No.	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Hero Future Energies Asia Pte. Ltd. Add:- 14 Robinson Road, #12-01 Far East Finance Building, Singapore 048545 048545	201623563M	Holding	100%	2(46)
2.	Hero Wind Energy Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40300DL2013PTC251839	Subsidiary	100%	2(87)
3.	Hero Solar Energy Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2013PTC250501	Subsidiary	100%	2(87)
4.	Hero Rooftop Energy Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40300DL2017PTC322516	Subsidiary	100%	2(87)
5.	Clean Wind Power (Devgarh) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2012PTC245031	Step-down Subsidiary	100%	2(87)
6.	Clean Wind Power (Anantapur) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40300DL2013PTC255351	Step-down Subsidiary	100%	2(87)
7.	Clean Wind Power (Pratapgarh) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40300DL2013PTC255124	Step-down Subsidiary	69.16%	2(87)
8.	Clean Wind Power (Ratlam) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40300DL2013PTC255814	Step-down Subsidiary	100%	2(87)
9.	Clean Wind Power (Satara) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40300DL2013PTC255815	Step-down Subsidiary	100%	2(87)
10.	Clean Wind Power (Manvi) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40300DL2014PTC268890	Step-down Subsidiary	69.81%	2(87)
11.	Clean Wind Power (Jaisalmer) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2014PTC268883	Step-down Subsidiary	100%	2(87)
12.	Vayu Urja Bharat Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40108DL2009PTC425234	Step-down Subsidiary	100%	2(87)
13.	Clean Wind Power (Kurnool) Pvt. Ltd* Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2016PTC298662	Step-down Subsidiary	100%	2(87)
14.	Clean Wind Power (Bhavnagar) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40105DL2016PTC299208	Step-down Subsidiary	100%	2(87)
15.	Clean Wind Power (Piploda) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40200DL2016PTC299448	Step-down Subsidiary	100%	2(87)
16.	Clean Wind Power (Bableshwar) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2016PTC307619	Step-down Subsidiary	100%	2(87)
17.	Clean Wind Power (Tuticorin) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2016PTC308658	Step-down Subsidiary	100%	2(87)
18.	Clean Solar Power (Dhar) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40300DL2013PTC261133	Step-down Subsidiary	100%	2(87)
19.	Clean Solar Power (Chitradurga) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2013PTC255428	Step-down Subsidiary	100%	2(87)
20.	Rajkot (Gujarat) Solar Energy Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40101DL2013PTC261607	Step-down Subsidiary	100%	2(87)
21.	Clean Solar Power (Tumkur) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40101DL2016PTC298461	Step-down Subsidiary	100%	2(87)
22.	Clean Solar Power (Bhadla) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2016PTC298528	Step-down Subsidiary	100%	2(87)
23.	Clean Solar Power (Jaipur) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2016PTC298661	Step-down Subsidiary	100%	2(87)
24.	Clean Solar Power (Gulbarga) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40100DL2016PTC303003	Step-down Subsidiary	100%	2(87)
25.	Clean Solar Power (Bellary) Pvt. Ltd. Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40108DL2016PTC304768	Step-down Subsidiary	100%	2(87)
26.	Bhilwara Green Energy Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U74899DL1995PLC066321	Step-down Subsidiary	100%	2(87)
27.	LNJ Power Ventures Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U74899DL1995PLC065394	Step-down Subsidiary	74%	2(87)
28.	Clean Solar Power (Konch) Private Limited* Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2018PTC337704	Step-down Subsidiary	100%	2(87)

Annexure - A (Contd.)

S. No.	Name and Address of the Company	CIN/GLN/Reg No.	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
29.	Clean Solar Power (Sirsa) Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020 Delhi-110020	U40300DL2018PTC337846	Step-down Subsidiary	100%	2(87)
30.	Clean Solar Power (Kadapa) Private Limited* Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2018PTC338457	Step-down Subsidiary	100%	2(87)
31.	Clean Solar Power (Jodhpur) Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40108DL2018PTC337663	Step-down Subsidiary	100%	2(87)
32.	Waaneep Solar Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40300DL2014PTC341389	Step-down Subsidiary	100%	2(87)
33.	Clean Solar Power (Baniyana) Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2019PTC350023	Step-down Subsidiary	100%	2(87)
34.	Clean Solar Power (Amarsar) Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2020PTC371697	Step-down Subsidiary	100%	2(87)
35.	Clean Solar Rooftop Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40105DL2020PTC364972	Step-down Subsidiary	100%	2(87)
36.	Clean Renewable Energy (Bikaner) Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40100DL2021PTC383175	Step-down Subsidiary	100%	2(87)
37.	Clean Renewable Energy (Barmer) Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020	U40106DL2021PTC383523	Step-down Subsidiary	100%	2(87)
38.	Clean Renewable Energy KK One Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020	U40106DL2023PTC410291	Step-down Subsidiary	100%	2(87)
39	Clean Renewable Energy TN One Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC412904	Subsidiary	100%	2(87)
40	Clean Renewable Energy MH One Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC413684	Subsidiary	100%	2(87)
41	Clean Renewable Energy KK 2A Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC418410	Subsidiary	100%	2(87)
42	Clean Renewable Energy KK 2B Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC418871	Subsidiary	100%	2(87)
43	Clean Renewable Energy KK 2C Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC419064	Subsidiary	100%	2(87)
44	Clean Renewable Energy KK 2D Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC419252	Subsidiary	100%	2(87)
45	Clean Renewable Energy KK 1A Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC420402	Subsidiary	100%	2(87)
46	Clean Renewable Energy MH 1A Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC418867	Subsidiary	100%	2(87)
47	Clean Renewable Energy AP One Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC412695	Subsidiary	100%	2(87)
48	Clean Renewable Energy Hybrid One Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC419402	Subsidiary	100%	2(87)
49	Clean Renewable Energy Hybrid Two Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC419402	Subsidiary	100%	2(87)
50	Clean Renewable Energy Hybrid Three Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC423156	Subsidiary	100%	2(87)
51	Clean Renewable Energy Hybrid Four Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC423067	Subsidiary	100%	2(87)
52	Clean Renewable Energy Hybrid Five Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2023PTC423066	Subsidiary	100%	2(87)
53	Clean Renewable Energy Hybrid Six Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2024PTC424707	Subsidiary	100%	2(87)
54	Clean Renewable Energy Hybrid Seven Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U35106DL2024PTC424695	Subsidiary	100%	2(87)
55	Vision Renergies and Projects Private Limited Add:- Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi -110020, India	U40108TG2011PTC072446	Subsidiary	100%	2(87)

* After the closure of Financial Year the following Companies were striked off:-

i) Clean Wind Power (Kurnool) Private Limited

ii) Clean Solar Power (Kadapa) Private Limited

iii) Clean Solar Power (Konch) Private Limited

IV. Share Holding Pattern

(Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2023]				No. of Shares held at the end of the year [As on March 31, 2024]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporates*	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other -	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	1,01,65,118	1*	1,01,65,119*	100	1,29,20,643	1	1,29,20,643*	100	0.00
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A = (A)(1)+(A)(2)	**1,01,65,118**	**1***	**1,01,65,119***	**100**	**1,29,20,643**	**1**	**1,29,20,643***	**100**	**0.00**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

Annexure - A (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2023]				No. of Shares held at the end of the year [As on March 31, 2024]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1,01,65,118**	**1***	**1,01,65,119***	**100**	**1,29,20,643**	**1**	**1,29,20,643***	**100**	**0.00**

*includes share held by nominee in the representative capacity

B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share Holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1.	Hero Future Energies Asia Pte Ltd.**	10,165,119	100	30%	12,920,644	100	-	-

** Includes share held by nominee in the representative capacity

C) Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the year at the beginning (April 1, 2023)		Date of Allotment	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2023)/end of the year (March 31, 2024)	
Hero Future Energies Asia Pte. Ltd.	No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
	10,165,119**	100	-	-	-	10,165,119**	100
	-	-	05.10.2023	27,555,25	Allotment	27,555,25	100
	-	**-**	**-**	**-**	**-**	**12,920,644****	**100**

** Includes share held by nominee in the representative capacity.

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Increase/(Decrease) in Shareholding during the year:				
3.	At the end of the year	-	-	-	-

E) Shareholding of Directors and Key Managerial Personnel:

S. N.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		N.A.			

F) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,160,300,000.00	24,949,670,000.00	-	28,109,970,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	21,890,000.00	-	21,890,000.00
Total (i+ii+iii)	**3,160,300,000.00**	**24,971,560,000.00**	**-**	**28,131,860,000.00**
Change in Indebtedness during the financial year				
* Addition				
* Reduction	(2,679,910,000.00)	(21,790,000.00)	-	(2,701,700,000.00)
Net Change	**(2,679,910,000.00)**	**(21,790,000.00)**	**-**	**(2,701,700,000.00)**
Indebtedness at the end of the financial year				
i) Principal Amount	480,390,000.00	24,949,670,000.00	-	25,430,060,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	100,000.00	-	100,000.00
Total (i+ii+iii)	**480,390,000.00**	**24,949,770,000.00**	**-**	**25,430,160,000.00**

V. Remuneration of Directors and Key Managerial Personnel-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amt in "000")

S. No.	Particulars of Remuneration	Managing Director, Whole-time Directors and/or Manager*	Total Amount (In ₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others, please specify	-	-
	Total (A)	**-**	**-**
	Ceiling as per the Act*	As per the provisions of Companies Act, 2013	

Annexure - A (Contd.)

B. Remuneration to other directors

(Amt in "000")

S. N.	Particulars of Remuneration	Name of Directors				Total Amount
		-----	----	----	---	
1	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**-**	**-**	**-**	**-**	**-**
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**-**	**-**	**-**	**-**	**-**
	Total Managerial Remuneration	**-**	**-**	**-**	**-**	**-**
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/Wtd

(Amt in "000")

S. N.	Particulars of Remuneration	Key Managerial Personnel*		
		Chief Executive Officer	Company Secretary	Total Amount (In ₹)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total			

*As per the financial statements

VI. Penalties/Punishment/Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure - B

Section 134(3)(m) of the Companies Act, 2013 read with rule 8 to the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and research and development expenditure.

(A) Conservation of Energy-

The Company is using its self-Resources except Electricity from the BSES

(a) Energy Conservation measures taken : Nil

(b) Steps taken for utilising alternate source of energy : Nil

(c) Capital investment on energy conservation equipments : Nil

(B) Technology Absorption-

The Company is using its own Knowledge & Technology & there is no Technology absorption from outside.

(i) the efforts made towards technology absorption : Nil

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution : Nil

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Nil

- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

(iv) the expenditure incurred on Research and Development : Nil

(C) Foreign Exchange Earning & Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(in "000")

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Foreign Exchange Earning	Nil	Nil
Foreign Exchange outgo	21,339.09	16,321.87
TOTAL	**21,339.09**	**16,321.87**

Annexure - C

"Corporate Social Responsibility (CSR)"

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

1.1 Our Company is dedicated to contribute in the Country's development by focusing on economic, social and environmental capital towards enhancing societal sustainability. Our endeavour is to provide inclusive growth at our project locations by working on improving/providing basic amenities to communities around our project sites and generate possibilities of employment.

1.2 To contribute to the Prime Minister' National Relief Fund or any other fund set up by the Central Government at the time of natural calamity or engage in Disaster Management system.

1.3 To contribute to any fund setup by the Central Government or State Government(s) including Chief Minister's Relief Fund, which may be recognised as CSR activity;

1.4 To promote sustainability in partnership with industry associations, like the Confederation of Indian Industry (CII), PHD, FICCI, NGO's, Govt schemes like Swachh Bharat etc.

1.5 Undertake CSR programmes in collaboration or through Raman Kant Munjal Foundation.

1.6 This Policy is applicable to the Company for implementing CSR as per Clause 135 of the Companies Act, 2013;

1.7 Eligibility Criteria - The CSR provisions within the Act is applicable to Companies with an annual turnover of 1,000 Crores ₹ and more, or a net worth of 500 Crores ₹ and more, or a net profit of five Crores ₹ and more. The Act encourages Companies to spend at least 2% of their average net profit in the previous three years on CSR activities.

2.0 Our Csr Strategy

2.1 Our Company will implement projects which will have definite beginnings, ends, expected outputs and outcomes as well as budgets associated with it.

2.2 The projects that will be undertaken may be of a short duration (a few months) or multi-year.

2.3 We will implement projects either through in-house teams or in partnership with other agencies or a combination of both. In case of multi-year projects, same will be reviewed on an annual basis or as at such time as may be decided by the Committee.

2.4 Selected projects will be grouped as per their implementation period in a 1- year plan, 2 –year plan and a 3-year plan. These plans will be presented annually at the meeting of CSR committee of the Board.

3.0 Csr Programmes

3.1 Project to be implemented under CSR in a specific area will depend on the needs of local community. People of the local community will be involved in decision making regarding programmes to be undertaken. A detailed due diligence of the area/community would be done to identify the critical needs and the prioritisation, and a project will be shortlisted.

3.2 Once the Project is shortlisted then a Detailed Project Report will be prepared thereafter and presented to the Board level CSR Committee for Approval.

3.3 Following is a list of CSR Programmes that will be undertaken

3.3.1 Preserving natural resources e.g. Creating water pools, Rain water harvesting.

3.3.2 Basic amenities e.g. Providing access to water, electricity, education, toilets, health care etc.

3.3.3 Possibilities of employment

3.3.4 Any other that can be added to the list as and when finalised after discussion.

2. The Composition of the CSR Committee.

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Anuj Agarwal	Chairman/Director	-	-
2.	Mr. Harish Pant	Member/Director	-	-
3.	Mr. Benjamin Paul Fraser	Member/Director	-	-
4.	Mr. Sumit Kumar Roy	Member/Director	-	-

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

CSR policy along with relevant details are available on Company's website: http://www.herofutureenergies.com/.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
-	-	-	-
	Total		

6. Average net profit of the company for last three financial years – ₹ (2,13,84,29,135)

7. (a) Two percent of average net profit of the company as per section 135(5): N.A.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: N.A.

(c) Amount required to be set off for the financial year, if any: N.A.

(d) Total CSR obligation for the financial year (7a+7b-7c).:

The Company falls under the limits prescribed under Section 135 (1) of the Companies Act, 2013 and Rules made thereunder ("Act"). However, the Company was not required to spent towards CSR during Financial Year 2023-2024 pursuant to the Section 135 (5) of the Act (Since, average net profit of the Company for last 3 financial years was negative).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
-	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	-	-	-	-	-	-	-	-	-	-	-	-
	Total											

Annexure - C (Contd.)

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	-	-	-	-	-	-	-	-	-
	Total								

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.	-	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) S. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project - Completed / Ongoing
1.	-	-	-	-	-	-	-	-
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). N.A.

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). N.A.

For Hero Future Energies Private Limited

(Harish Pant)
(Member CSR Committee/Director)

(Anuj Agarwal)
(Chairman CSR Committee)

Annexure - D

Statement containing the particulars of employees in accordance with Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of Directors' Report for the Financial Year ended March 31, 2024

S. No.	Name	Age (in years)	Designation	Remuneration (Amount in ₹)	Qualification	Date of Commencement of Employment	Total Experience (No. of Years)	Previous Employment	Designation
N.A.									

Annexure - E

Annual Report for Calendar Year 2023 of the Internal Complaints Committee of Hero Future Energies Private Limited, New Delhi

Pursuant to Section 21 of the Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act ("Act") read with Rule 14 of the rules under the Act, the Internal Complaints Committee of **Hero Future Energies Private Limited,** New Delhi is pleased to submit the following information pursuant to Rule 14 for the calendar year 2023:

a. Number of complaints of sexual harassment received in 2023 – NA

b. Number of complaints under the Act disposed off during 2023 – NA

c. Number of cases pending for more than 90 days – NA

d. Number of workshops or awareness programmes against sexual harassment carried out – One

e. Nature of action taken by the Company – NA

For Hero Future Energies Private Limited

Bhawna Kirpal Mital
Presiding Officer

Date: September 30, 2024
Place: New Delhi

Independent Auditors' Report

To the Members of Hero Future Energies Private Limited

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

Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 the state of affairs of the Company as at March 31, 2024, and its profit, other comprehensive income/(loss), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 41(c) to the standalone financial statements of the Company, which describes liquidated damages of ₹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 41(c) has considered good the trade receivables from HESCOM aggregating to ₹171.63 Million and no loss allowance has been recognised against the carrying value of these trade receivables in the standalone financial statements for the year ended March 31, 2024.

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

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

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

Our opinion on the standalone 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 standalone financial statements.

We give in "Annexure - A" a detailed description of Auditors' responsibilities for Audit of the Standalone Financial Statements.

Other Matter

The standalone 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 is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure - B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report 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.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone 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 as on March 31, 2024 taken on record by the Board of Directors, none of the directors 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 relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

   (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - C".

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position. Refer Note 52(i) to the standalone financial statements.

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

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 52(ii) to the standalone financial statements.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 52(iii) to the standalone financial statements.

      iv. (a) The Management has represented that, to the best of its 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 Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company 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 performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management 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 misstatement.

      v. The Company has neither declared nor paid any dividend during the year.

      vi. Based on our examination, the Company has 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

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

database level during the year ended March 31, 2024 in respect of the software SAP HANA database to log any direct data changes.

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.

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 read with Schedule V of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

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

Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGFOD7833

Place: Gurugram
Date: July 25, 2024

Annexure - A

TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HERO FUTURE ENERGIES PRIVATE LIMITED

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone 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 Company has adequate internal financial controls with reference to standalone 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 management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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: 24502896BKGFOD7833

Place: Gurugram
Date: July 25, 2024

Annexure - B

TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HERO FUTURE ENERGIES PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

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

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-to-use assets.

(a) B The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment and right-to-use assets, have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company. The title deeds of immovable properties aggregating to ₹ 24.35 Million as at March 31, 2024, are pledged with the banks and original copies are not available with the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 Crores in aggregate from Banks and on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns/statements filed with such Banks are in agreement with the books of account of the Company.

iii. (a) According to the information and explanations provided to us, the Company has provided loans, advances in the nature of loans, stood guarantee, and/or provided security(ies) to subsidiaries.

The details of such loans, advances, guarantee or security(ies) to subsidiaries are as follows (in Million):

	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted/provided during the year Subsidiaries	11,418.10	-	13,604.72	-
Balance Outstanding as at balance sheet date in respect of above cases Subsidiaries	38,544.07	-	10,253.65	-

During the year the Company has not provided security to any other entity.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made, guarantees provided and securities given are not prejudicial to the interest of the Company.

(c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the repayment of the principal and payment of interest.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loans and/or advances in the nature of loans, granted to Company.

(e) According to the information and explanations provided to us, there were no loans or advance in the nature of loan granted which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans or advances in the nature of loan given to the same parties.

Annexure - B

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

(f) According to the information explanation provided to us, the Company has granted loans/advances in the nature of loans repayable on demand. The details of the same are as follows (in Million):

	All Parties	Promoters	Related Parties
Aggregate amount of loans/advances in nature of loans - Repayable on demand (A)	10,253.65		10,253.65
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	**10,253.65**	**-**	**10,253.65**
Percentage of loans/advances in nature of loans to the total loans	100%	-	100%

iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 of the Companies Act, 2013, in respect of loans, investments, guarantees and security made. In our opinion and according to the information and explanations given to us, provision of Section 186 of Companies Act, 2013 are not applicable to the Company.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed thereunder. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.

vi. The provisions of sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/services of the Company. Accordingly, the provisions stated under clause 3(vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, income-tax, duty of customs, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, income-tax, duty of customs, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded ₹ (in Million)	Amount Paid ₹ (in Million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
CGST Act, 2017	Goods and Service Tax	14.04	-	2018-19, 2019-20, 2020-21	CGST Audit -II Additional Commissioner	
CGST Act, 2017	Goods and Service Tax	[#]0.00	-	2019-20	The Office of Deputy Commissioner, Division Okhla, Goods & Services Tax Commissionerate	
Income Tax Act, 1961	Income Tax	0.22	-	2015-16	CIT(A)	

[#] Amount less than round off norms.

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans during the year. Accordingly, the provision stated under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

Annexure - B

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

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Further, the Company do not have any associate or joint ventures. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year and the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with. The amount raised has been used for the purposes for which they were raised.

xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

(b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration the whistle-blower complaints received by the Company during the year and shared with us for reporting under this clause, while determining the nature, timing, and extent of audit procedures.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards. Further, the Company is a private company and hence the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. Accordingly, provisions started under clause 3(xiii) of the Order in so far as it relates to Section 177 of the Companies Act, 2013, is not applicable to the Company.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) As indicated in Note 45 to the standalone financial statements, based on its Memorandum of Association, the Company is not set up to carry out financial activity as its principal business. The management of the Company, basis its internal assessment, is of the view that registration under Section 45-IA of the Reserve Bank of India Act, 1934 is not required. Accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, Company has incurred cash losses amounting to ₹ 245.41 Million during the immediately preceding financial year but has not incurred any cash losses during the current financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 42 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on

Annexure - B

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

the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Companies Act, 2013, are applicable to the Company. However, the average net profit of the Company of three immediately preceding financial years is negative, therefore the Company is not required to spend any amount on CSR as per Section 135 (5) of Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

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

Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGFOD7833

Place: Gurugram
Date: July 25, 2024

Annexure - C

TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HERO FUTURE ENERGIES PRIVATE LIMITED

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

[Referred to in paragraph 2(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 Standalone 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")

We have audited the internal financial controls with reference to standalone financial statements of **Hero Future Energies Private Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company 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 (ICAI) (the "Guidance Note").

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

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone 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 Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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: 24502896BKGFOD7833

Place: Gurugram
Date: July 25, 2024

Standalone Balance Sheet

as at March 31, 2024

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

Particulars	Note	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	476.83	479.59
(b) Right-to-use assets	3	36.90	63.26
(c) Intangible assets	4	36.25	46.03
(d) Financial assets			
(i) Investment	5	23,907.53	23,900.76
(ii) Trade receivables	6	0.60	10.82
(iii) Loans	7A	3,174.47	3,174.47
(iv) Other financial assets	7B	5.88	5.50
(e) Other non-current assets	11	15.60	5.40
(f) Non-current tax assets (net)	10	47.05	46.07
Total non-current assets		**27,701.11**	**27,731.90**
Current assets			
(a) Inventories	12	5.47	4.62
(b) Financial assets			
(i) Trade receivables	6	446.55	482.27
(ii) Cash and cash equivalents	8	275.32	293.87
(iii) Other bank balances	9	1,112.04	667.69
(iv) Loans	7A	7,079.18	7,222.99
(v) Other financial assets	7B	1,164.13	1,086.64
(c) Other current assets	11	92.81	139.04
Total current assets		**10,175.50**	**9,897.12**
Total assets		**37,876.61**	**37,629.02**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	129.21	101.65
(b) Other equity	14	10,765.63	7,695.36
Total equity		**10,894.84**	**7,797.01**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	25,256.85	26,484.53
(ii) Lease liabilities	16	37.20	47.86
(b) Provisions	19	10.50	9.28
(c) Deferred tax liabilities (net)	30	553.43	524.13
Total non-current liabilities		**25,857.98**	**27,065.80**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	173.21	1,625.44
(ii) Lease liabilities	16	17.84	19.74
(iii) Trade payables	17		
- total outstanding dues of micro enterprises and small enterprises		0.15	0.14
- total outstanding dues of creditors other than micro enterprises and small enterprises		630.79	724.46
(iv) Other financial liabilities	18	28.61	71.15
(b) Other current liabilities	20	12.49	63.76
(c) Provisions	19	260.70	261.52
Total current liabilities		**1,123.79**	**2,766.21**
Total liabilities		**26,981.77**	**29,832.01**
Total equity and liabilities		**37,876.61**	**37,629.02**
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes form an integral part of these standalone 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
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
Director
DIN: 01866057
Place: New Delhi
Date: July 25, 2024

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

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

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

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

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

	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	21	393.13	374.86
II	Other income	22	1,124.15	1,507.59
III	**Total income (I +II)**		**1,517.28**	**1,882.45**
IV	**Expenses**			
	Employee benefits expense	23	174.50	277.62
	Finance costs	24	332.60	3,684.49
	Depreciation and amortisation expense	25	73.30	60.60
	Other expenses	26	447.48	253.06
	Total expenses		**1,027.88**	**4,275.77**
V	**Profit/(Loss) before tax (III-IV)**		**489.40**	**(2,393.32)**
VI	**Tax expense:**	27		
	(a) Current tax		8.94	-
	(b) Adjustment of tax relating to earlier periods		(2.04)	-
	(c) Deferred tax charge/(credit)		28.95	(371.97)
	Total tax charge/(credit)		**35.85**	**(371.97)**
VII	**Profit/(Loss) for the year (V-VI)**		**453.55**	**(2,021.35)**
VIII	**Other Comprehensive income**	28		
	Other comprehensive income not to be reclassified to statement of profit and loss in subsequent years:			
	(i) Items that will not be reclassified to statement of profit and loss		(1.38)	2.29
	(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		0.35	(0.60)
	Other comprehensive income/(loss) for the year, net of tax		(1.03)	1.69
IX	**Total comprehensive income/(loss) for the year, net of tax (VII+VIII)**		**452.52**	**(2,019.66)**
X	**Earnings per share: (Face Value ₹ 10 per share)**	29		
	Basic and diluted (Amount in ₹)		0.43	0.06
	Basis of preparation, measurement and material accounting policies	2		

The accompanying notes form an integral part of these standalone 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
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
Director
DIN: 01866057
Place: New Delhi
Date: July 25, 2024

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

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

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

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

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

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of shares	Amount
As at April 1, 2022	**7,040,295.00**	**70.40**
Add: Equity Share Capital issued during the year	3,124,824.00	31.25
As at March 31, 2023	**10,165,119.00**	**101.65**
Add: Equity Share Capital issued during the year	2,755,525.00	27.56
As at March 31, 2024	**12,920,644.00**	**129.21**

B. Other Equity

	Attributable to equity shareholders			
	Securities premium	Capital Reserve	Retained Earnings	Total
As at April 1, 2022	**3,385.37**	**3,194.56**	**(1,120.92)**	**5,459.01**
Add:- (Loss) for the year	-	-	(2,021.35)	(2,021.35)
Add:- Other comprehensive income for the year	-	-	1.69	1.69
Add:- Addition during the year (Refer Note 14)	4,256.01	-	-	4,256.01
As at March 31, 2023	**7,641.38**	**3,194.56**	**(3,140.58)**	**7,695.36**
Add:- Profit for the year	-	-	453.55	453.55
Add:- Other comprehensive (loss)for the year	-	-	(1.03)	(1.03)
Add:- Addition during the year (Refer Note 14)	2,617.75	-	-	2,617.75
As at March 31, 2024	**10,259.13**	**3,194.56**	**(2,688.06)**	**10,765.63**

Basis of preparation, measurement and material accounting policies 2

The accompanying notes form an integral part of these standalone 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
Partner
Membership Number: 502896

Place: Gurugram
Date: July 25, 2024

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M. No. F7379
Place: New Delhi
Date: July 25, 2024

Standalone Statement of Cash Flows

for the year ended March 31, 2024

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

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
I.	**Cash flow from operating activities**		
	Profit/(Loss) before tax	489.40	(2,393.32)
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	59.93	47.99
	Amortisation of intangible assets	13.37	12.61
	Finance costs	332.60	3,684.49
	Finance income	(1,102.80)	(1,193.44)
	Foreign exchange fluctuation	(10.90)	(154.84)
	Provision written back	(4.95)	(0.68)
	Interest accretion on share holder loan and debentures	(1.98)	(125.48)
	Concession on lease rentals	(2.11)	(16.90)
	Interest income on income tax refund	(1.02)	(15.89)
	Unwinding of discount on financial assets measured at amortised cost	(0.39)	(0.36)
		(718.25)	**2,237.50**
	Operating profit/(loss) before working capital changes	(228.85)	(155.82)
	Change in working capital:		
	(Excluding cash and cash equivalent)		
	Decrease/(Increase)in trade and other receivables	47.92	(100.09)
	(Increase) in inventories	(0.85)	(2.41)
	(Decrease) in trade and other payables	(93.66)	(250.09)
	Increase/(Decrease) in provisions	0.40	(7.24)
	Decrease/(increase) in other financial assets	4.79	(13.38)
	Decrease/(increase) in other assets	61.48	(11.88)
	(Decrease)/increase in other financial liabilities	(19.32)	24.29
	(Decrease)/increase in other liabilities	(51.27)	30.10
	Change in working capital	**(50.50)**	**(330.70)**
	Cash (used in) in operating activities	**(279.35)**	**(486.52)**
	Less: Taxes paid/(net of refunds)	(16.28)	74.91
	Net cash (used in) operating activities	**(295.63)**	**(411.61)**
II.	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment	(28.84)	(26.96)
	Proceeds from sale of property, plant and equipment	-	-
	Investment in subsidiaries	-	-
	Loan given to subsidiaries and fellow subsidiary	(13,604.72)	(15,179.19)
	Loan repaid by subsidiaries and fellow subsidiary	13,877.37	15,557.19
	Fixed deposits with banks (net)	(585.34)	448.63
	Interest received	1,025.04	1,819.18
	Net cash generated from investing activities	**683.51**	**2,618.86**
III.	**Net cash flow from financing activities:**		
	Proceeds from issue of equity share capital	2,645.31	4,287.26
	Payment of principal portion of lease liabilities*	(16.47)	(17.28)
	Net repayment of short-term borrowings*	-	(4,723.75)
	Repayment of long-term borrowings*	(2,770.76)	(1,771.90)
	Proceeds from long-term borrowings*	-	1,500.00
	Interest paid*	(347.23)	(1,521.34)
	Net cash (used in) financing activities	**(489.15)**	**(2,247.01)**

Standalone Statement of Cash Flows

for the year ended March 31, 2024

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net change in Cash & cash equivalents (I+II+III)	(101.27)	(39.76)
Cash and cash equivalents as at the beginning of the year	233.69	273.45
Cash and cash equivalents as at the end of the year	132.42	233.69
Net Change in Cash & Cash Equivalents	**(101.27)**	**(39.76)**
Reconciliation for cash and cash equivalent as per cash flow statement for the year:		
Balances with banks:		
- In current account	262.97	211.22
- Deposits with original maturity of three months or less	12.35	82.65
- Bank overdraft	(142.90)	(60.18)
Cash and cash equivalents as at the end of the year	**132.42**	**233.69**
Basis of preparation, measurement and material accounting policies 2		

The accompanying notes form an integral part of these standalone financial statements

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

Figures in bracket represents cash outflow.

* Refer Note 43 for change in financing activities disclosure pursuant to amendment to Ind AS 7.

As per our report of even date

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

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
Director
DIN: 01866057
Place: New Delhi
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Place: Paris
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Mayur Maheshwari
Company Secretary
M. No. F7379
Place: New Delhi
Date: July 25, 2024

Notes to the standalone Financial Statements

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

1 Corporate information

Hero Future Energies Private Limited ('the Company') domiciled in India and was incorporated under the provisions of the Companies Act, 2013, applicable in India. The Company is primarily engaged in the implementation of power projects and generation of power through renewable sources of energy. The registered office of the Company is located at Plot No. 202, Second Floor, Okhla Industrial Estate, Phase - III, New Delhi – 110 020.

The financials statements were authorised for issue in accordance with a resolution of the directors July 25, 2024.

2 Basis of preparation, measurement and material accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on accrual basis and under the historical cost convention thereunder and other accounting principles generally accepted in India. These financial statements have been prepared using presentation and disclosure requirements of division II schedule III of the Companies Act, 2013. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The accounting policies adopted in the preparation of Financial Statements are consistent with those used in the annual standalone financial statements for the year ended March 31, 2023 unless otherwise stated in Note 2.2 (t).

These financials are prepared on going concern basis. Refer note 46.

The financial statements are presented in ₹ Million and all values are rounded to the nearest Millions up to two decimals thereof except otherwise stated.

2.2 Material accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet 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

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 Company has identified twelve months as its operating cycle.

b) 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 Company 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) 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 Company 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 standalone statement of profit and loss.

Notes to the standalone Financial Statements

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

Contract balances:

Trade receivables

A receivable represents the Company'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 (j) 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.

c) Property, plant and equipment

Property, plant and equipment 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.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss within other income.

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 Company 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 profit and loss 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.

d) Depreciation and amortisation on property, plant and 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 Company and accordingly the management is providing Depreciation on Property, plant and equipment based on the principal and 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 and the management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Asset	Useful life (years)
Plant & Equipments* (including solar plants and transmission lines)	10-35
Building & Substation	35
Computers and Data Processing	'3-6
Office equipment & Software	3-5

* Based on internal technical assessment, the Management believes that the useful life plant and equipments of 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 amortised over the useful life i.e. 5 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with finite life are reviewed at least at the end of each reporting year.

e) Borrowing costs

Borrowing costs consists of interest and amortisation of ancillary costs that an entity incurs in connection with the borrowing of funds.

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

f) Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ₹ except where otherwise stated.

g) Leases

At inception of a contract, the Company 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 Company 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 Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company 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 Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

Right-of-use assets

The Company 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 Company 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 Company 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 Company and payments of penalties for terminating a lease, if the lease term reflects the Company 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 Company 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 Company 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 (i.e. below INR 500,000 per annum). Lease payments on short-term leases and leases of low-value assets are recognised as expense as they are incurred.

h) Retirement and other employee's benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises 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 recognised 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 recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined contribution plan

The Company 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 Company 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

Notes to the standalone Financial Statements

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

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 Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods 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 Company records an obligation for such compensated absences in the period 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.

i) Provisions

General

Provisions are recognised when the Company 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 Company expects some or all of a provision to be reimbursed, 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. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Decommissioning costs

Liability for decommissioning costs is provided for those lease arrangements where the Company has a binding obligation at the end of the lease period 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 profit and loss 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.

j) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the 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 Company'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 statement of profit and loss.

Notes to the standalone Financial Statements

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

De-recognition

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

(i) The contractual rights to receive cash flows from the asset has expired, or

(ii) The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

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 Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Trade Payables

These amounts represents liabilities for goods and services provided to the Company 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 the statement of 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.

k) Impairment of financial assets

In accordance with Ind AS 109, the Company 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.

The Company follows 'simplified approach' for recognition of 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.

While applying the simplified approach, the Company classifies the receivables into different categories such as

(i) Non-litigated receivables

(ii) Litigated receivables

(iii) Receivables under LPS scheme

(iv) Receivables under GBI scheme and

(v) Others.

For Non-Litigated receivables, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Notes to the standalone Financial Statements

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

The credit risk of the receivables is insignificant since the Group's receivables are primarily with the Central Government or with State Owned DISCOMs.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument 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 recognised 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.

l) Impairment of non-financial assets

The Company 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 Company 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 Company 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 Company bases its impairment indicator assessment on detailed budgets and forecast calculations (if required), which are prepared separately for each of the Company'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 Company 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.

m) 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:

(a) In the principal market for the asset or liability, or

(b) 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 Company. 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.

A 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

Notes to the standalone Financial Statements

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

market participant that would use the asset in its highest and best use.

The Company 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 or disclosed in the 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 assets and liabilities that are recognised in the financial statements on a recurring basis, the Company 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 period.

At each reporting date, the management of the Company 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 Company.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company 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 period.

- Quantitative disclosures of fair value measurement hierarchy (Refer Note 34)
- Financial instruments (including those carried at amortised cost) (Refer Note 33)
- Disclosure for significant estimates and assumptions (Refer Note 2.3)

n) Financial Guarantees

Financial guarantees issued by the Company on behalf of group companies are designated as 'insurance contracts'. The Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

o) 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.

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

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. 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 the Company are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operate, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday

Notes to the standalone Financial Statements

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

period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. 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 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.

p) 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 balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) 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.

r) Events occurring after the balance sheet date

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

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

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

s) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

t) Changes in accounting policies and disclosures

New and amended standards

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 1, 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definiton 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 amendements did not have any material impact on the amounts recognised in prior periods and are not expected to materially affect the current and future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the new mandatory requirement.

u) 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.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company'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.

Notes to the standalone Financial Statements

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

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

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 3).

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 judgement 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 33 for further disclosures.

iii) Recognition and estimation of tax expense including deferred tax

The Company makes various assumptions and estimates while computing deferred taxes which include production related data (PLFs), projected operations and maintenance costs, projected finance costs, proposed availment 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 30.

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 Company 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 41.

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.

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

The Company follows 'simplified approach' for recognition of 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

Notes to the standalone Financial Statements

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

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. See note 36 for further disclosures.

(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 - Refer Note 46

Notes to the standalone Financial Statements

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

3. Property, plant and equipment

	Freehold Land*	Building & Substation	Plant & Equipment	Right-of-use asset (Office premises)#	Computers and data processing machines	Total
Gross Block						
(At cost)						
As at April 1, 2022	30.35	33.57	640.22	120.50	60.55	885.19
Additions made during the year	-	7.83	0.04	-	12.62	20.49
Disposals/adjustments during the year	-	-	(0.05)	(41.90)	(2.09)	(44.04)
As at March 31, 2023	**30.35**	**41.40**	**640.21**	**78.60**	**71.08**	**861.64**
Additions made during the year	0.00	2.76	18.55	0.00	13.65	34.96
Disposals/adjustments during the year	-	-	(16.38)	(12.55)	(0.13)	(29.05)
As at March 31, 2024	**30.35**	**44.16**	**642.38**	**66.06**	**84.61**	**867.55**
Depreciation and impairment						
As at April 1, 2022	-	12.74	209.95	43.08	48.74	314.51
Depreciation charge for the year	-	2.51	23.87	14.16	7.45	47.99
On disposals/adjustments during the year	-	-	-	(41.90)	(1.82)	(43.72)
As at March 31, 2023	**-**	**15.25**	**233.82**	**15.34**	**54.37**	**318.78**
Depreciation charge for the year	-	3.86	23.61	23.10	9.36	59.94
On disposals/adjustments during the year	-	-	(15.49)	(9.28)	(0.12)	(24.89)
As at March 31, 2024	**-**	**19.11**	**241.94**	**29.16**	**63.61**	**353.82**
Net book value						
As at April 1, 2022	**30.35**	**20.83**	**430.27**	**77.42**	**11.81**	**570.68**
As at March 31, 2023	**30.35**	**26.15**	**406.39**	**63.26**	**16.71**	**542.86**
As at March 31, 2024	**30.35**	**25.05**	**400.44**	**36.90**	**21.00**	**513.73**

Property, Plant and Equipment are subject to charge to secure the Company's secured long-term borrowings as disclosed in note 15.

The Company has entered lease contracts for office premise for lease term of 9 years. Refer note 40 for details.

* The Company has solar power plant in the state of Karnataka in which the Company owns 52.16 acres freehold land. Out of 52.16 acres of freehold land, 41.85 acres land is mortgage against loan to ICICI Bank Limited.

4. Intangible assets

	Softwares (CMS)	Other intangible assets	Total
Gross Block			
(At cost)			
As at April 1, 2022	62.87	0.33	63.20
Additions made during the year	0.93	-	0.93
As at March 31, 2023	**63.80**	**0.33**	**64.13**
Additions made during the year	3.58	-	3.58
As at March 31, 2024	**67.38**	**0.33**	**67.71**
Amortisation and impairment			
As at April 1, 2022	5.21	0.27	5.48
Amortisation for the year	12.59	0.02	12.61
As at March 31, 2023	**17.80**	**0.29**	**18.09**
Amortisation for the year	13.34	0.03	13.37
As at March 31, 2024	**31.14**	**0.32**	**31.46**
Net book value			
As at April 1, 2022	**57.66**	**0.05**	**57.71**
As at March 31, 2023	**46.00**	**0.03**	**46.03**
As at March 31, 2024	**36.24**	**0.01**	**36.25**

Notes to the standalone Financial Statements

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

5. Non-current financial assets

	As at March 31, 2024	As at March 31, 2023
Investment		
Investment in equity shares#	14,153.21	14,153.21
Investment in compulsorily convertible debentures	638.36	631.60
Deemed investment in subsidiaries*	9,115.96	9,115.95
	23,907.53	**23,900.76**
Breakup of investments is as follows:		
a) Investment measured at cost- unquoted equity shares in wholly-owned subsidiaries		
504,751,179 (March 31, 2023: 504,751,179) Equity Shares of Hero Solar Energy Private Limited of ₹ 10 each fully paid up	5,047.51	5,047.51
363,519,000 (March 31, 2023: 363,519,000) Equity Shares of Hero Wind Energy Private Limited of ₹ 10 each fully paid up	9,105.60	9,105.60
10,000 (March 31, 2023: 10,000) Equity Shares of Hero Rooftop Energy Private Limited of ₹ 10 each fully paid up	0.10	0.10
	14,153.21	**14,153.21**
b) Investment measured at fair value through profit and loss- unquoted equity shares		
9 (March 31, 2023: 9) Equity Shares of Clean Solar Power (Eastern Europe) Limited	72.97	72.97
Less: Provision for impairment of investment in equity share of subsidiaries/fellow subsidiaries (Refer Note 47)	(72.97)	(72.97)
	-	-
c) Investment measured at amortised cost- unquoted compulsorily convertible debentures	638.36	631.60
	638.36	**631.60**

*Deemed investment in subsidiaries includes equity component of compulsorily convertible debentures, ESOP issued to employees and interest free loan given to subsidiaries.

During the 2021-2022 year, the Company had revised certain terms and conditions attached to the loans of ₹ 500.00 Million given to Hero Wind Energy Private Limited. Post revision, these loans carry 0% interest and are repayable at the discretion of borrower. Accordingly, the same had been reclassified from 'Loan to related parties' to 'Deemed investment in subsidiaries'.

#Out of total number of equity shares of 504,751,179.00 issued by Hero Solar Energy Private Limited. ("HSE"), the Company has pledged shares for Medium-term loan facilities taken by HSE from Bank/Financial institutions as per below.

131,235,307 number of shares from Indusind Bank.

131,235,307 number of shares from Aditya Birla Finance.

111,0452,59 number of shares from Federal Bank.

Out of total number of equity shares of 363,519,000 issued by Hero Wind Energy Private Limited. ("HWE"), the Company has pledged 109,055,699 number equity shares for loan facilities taken by HWE from Federal Bank as on March 31 , 2024.

All the above-mentioned investees are incorporated in India except Clean Solar Power (Eastern Europe) Limited, which is incorporated in United Kingdom. Refer Note 31 (a) for structure of Clean Solar Power (Eastern Europe) Limited.

	As at March 31, 2024	As at March 31, 2023
Aggregate value of unquoted investments	23,980.50	23,973.73
Aggregate amount of impairment in value of investments	(72.97)	(72.97)
Aggregate value of unquoted investments (net of impairment)	23,907.53	23,900.76

*Below mentioned Deemed investment details in subsidiaries.

Deemed investment in subsidiaries*	As at March 31, 2024	As at March 31, 2023
Hero Wind Energy Priavate Limited	3,709.80	3,709.80
Hero Solar Energy Private Limited	5,403.38	5,403.38
Clean Wind Power (Satara) Private Limited	2.48	2.48
Vayu Urja Bharat Private Limited	0.29	0.29
	9,115.96	**9,115.95**

Notes to the standalone Financial Statements

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

6. Trade receivables

	As at March 31, 2024	As at March 31, 2023
Non-current		
- Considered good – unsecured Non-current	0.60	10.82
	0.60	**10.82**
Current		
- Considered good – unsecured*	446.55	482.27
	446.55	**482.27**
Total trade receivables (Non-current and Current)	**447.15**	**493.09**
* Trade receivable include the amount of unbilled revenue. Please refer accounting policy on Trade receivable.	191.63	70.67
* Trade receivable include the amount receivable from related parties.(Refer Note 31)	83.87	170.61

a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

b) For terms and conditions relating to related party receivables, Refer Note 31.

c) Trade receivables are generally on terms of 45 to 60 days.

Particulars	(i) Undisputed Trade receivables - considered good	(ii) Undisputed Trade Receivables - which have significant increase in credit risk	iii) Undisputed Trade Receivables - credit impaired	(iv) Disputed Trade Receivables - considered good	(v) Disputed Trade Receivables - which have significant increase in credit risk	(vi) Disputed Trade Receivables - credit impaired	Total
As at March 31, 2024							
Unbilled	191.63	-	-	-	-	-	191.63
Not Due	18.81	-	-	-	-	-	18.81
Less than 6 months	13.93	-	-	-	-	-	13.93
6 months- 1 year	79.23	-	-	-	-	-	79.23
1-2 years	0.05	-	-	-	-	-	0.05
2-3 years	0.08	-	-	-	-	-	0.08
More than 3 years	-	-	-	143.42	-	-	143.42
Total	**303.73**	**-**	**-**	**143.42**	**-**	**-**	**447.15**
As at March 31, 2023							
Unbilled	70.67	-	-	-	-	-	70.67
Not Due	28.79	-	-	-	-	-	28.79
Less than 6 months	54.94	-	-	-	-	-	54.94
6 months- 1 year	48.21	-	-	-	-	-	48.21
1-2 years	146.94	-	-	-	-	-	146.94
2-3 years	-	-	-	57.45	-	-	57.45
More than 3 years	0.12	-	-	85.97	-	-	86.09
Total	**349.67**	**-**	**-**	**143.42**	**-**	**-**	**493.09**

Trade receivables ageing for current and non-current.

#Ministry of power has notified Electricity (Late Payment Surcharge (LPS) and Related Matters) Rules, 2022 vide notification dated June 3, 2022. The rules prescribe the manner (including timelines options) in which the distribution licensees shall clear outstanding dues pertaining to generating companies. In line with the notification, the Company has commenced receiving payments as per plan opted by the customer.

Consequent to aforesaid notification, the total outstanding of ₹ 20.70 Million is discounted using discount rate of 9.20%. The resultant discounting effect of ₹ 3.45 Million has been recorded as finance cost in the financial statements for the previous year (FY 2022-2023). The carrying value as on March 31, 2024 amounts to ₹ 8.05 Million having non-current portion is ₹ 0.60 Million and current portion ₹ 7.45 Million.

Notes to the standalone Financial Statements

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

7A. Loans

	As at March 31, 2024	As at March 31, 2023
Non- current		
Loan to related parties (Refer Note 31)	3,174.47	3,174.47
	3,174.47	**3,174.47**
Current		
Loan to related parties (Refer Note 31)	7,079.18	7,222.99
	7,079.18	**7,222.99**
Total Loans	**10,253.65**	**10,397.46**

7B. Other financial assets

	As at March 31, 2024	As at March 31, 2023
Non-current		
Security deposits**	5.88	5.50
	5.88	**5.50**
Current		
Accrued Interest on fixed deposits	2.69	6.05
Deposits with remaining maturity of less than 12 months #	147.05	6.06
Accrued interest on loan to related parties (Refer Note 31)	1,005.13	1,046.53
Other receivables***	9.26	28.00
	1,164.13	**1,086.64**
Total (Non-current and current)	**1,170.01**	**1,092.14**
# Lien marked for the purpose of Debt Service Reserve Account (DSRA) and Bank Guarantee	70.13	6.06
** Deposits have been given for the purpose of office premises taken on lease.		
*** includes receivable from related parties	8.63	14.67

8. Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- In current account	262.97	211.22
- Deposits with original maturity of three months or less	12.35	82.65
	275.32	**293.87**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

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

	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
- In current account	262.97	211.22
- Deposits with original maturity of three months or less	12.35	82.65
Bank overdraft (Refer Note 15)	(142.90)	(60.18)
	132.42	**233.69**

Notes to the standalone Financial Statements

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

9. Other Bank Balance

	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity for more than 3 months but less than or equal to12 months*	1,112.04	566.52
Deposits with original maturity of three months or less-Lien marked	-	101.17
	1,112.04	**667.69**
*Includes deposits held as margin money	237.70	489.57

Break up of financial assets carried at amortised cost:	As at March 31, 2024	As at March 31, 2023
Trade receivables (Refer Note 6)	447.15	493.09
Cash and cash equivalents (Refer Note 8)	275.32	293.87
Other financial assets (Refer Note 7)	1,170.01	1,092.14
Loans(Refer Note 7A)	10,253.65	10,397.46
Investment in compulsory convertible debentures (Refer Note 5)	638.36	631.60
	12,784.49	**12,908.16**

10. Non-current tax asset (net)

	As at March 31, 2024	As at March 31, 2023
Advance Income Tax*	47.05	46.07
	47.05	**46.07**
* net of provision for tax	8.94	56.29

11. Other assets

	As at March 31, 2024	As at March 31, 2023
Non-current		
Other non-current assets:		
Prepaid expenses – Non-Current	1.47	1.38
Prepaid gratuity (funded) – net of provision for gratuity (Refer Note 35)	14.13	4.02
	15.60	**5.40**
Current		
Other advance (including employees)	1.82	0.99
Advance to Vendors	29.04	30.68
Balance with government authorities	28.91	80.28
Prepaid expenses – Current	30.78	19.17
Prepaid gratuity (funded) – net of provision for gratuity (Refer Note 35)	2.26	7.92
	92.81	**139.04**

12. Inventories

	As at March 31, 2024	As at March 31, 2023
Stores and spares	5.47	4.62
	5.47	**4.62**

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.

Notes to the standalone Financial Statements

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

13. Equity Share Capital

	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
787.50 Million (March 31, 2023: 787.50 Million) equity shares of ₹ 10 each	7,875.00	7,875.00
Issued, subscribed and paid up		
12.92 Million (March 31, 2023: 10.17 Million) equity shares of ₹ 10 each	129.21	101.65
	129.21	**101.65**

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

i. Reconciliation of authorised share capital as at year end:

	No. of shares	(₹ in Million)
Balance as at April 1, 2022	787,500,000.00	7,875.00
Increase/(Decrease) during the year	-	-
Balance as at March 31, 2023	**787,500,000.00**	**7,875.00**
Increase/(Decrease) during the year	-	-
Balance as at March 31, 2024	**787,500,000.00**	**7,875.00**

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

	No. of shares	(₹ in Million)
Balance as at April 1, 2022	7,040,295.00	70.40
Increase/(Decrease) during the year	3,124,824.00	31.25
Balance as at March 31, 2023	**10,165,119.00**	**101.65**
Increase/(Decrease) during the year	2,755,525.00	27.56
Balance as at March 31, 2024	**12,920,644.00**	**129.21**

b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 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

Hero Future Energies Asia Pte. Ltd. (holding company) along with its nominee*

	No. of shares	Holding %
Hero Future Energies Asia Pte. Ltd. (holding company) along with its nominee*		
At March 31, 2024	12,920,644.00	100.00%
At March 31, 2023	10,165,119.00	100.00%

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

Notes to the standalone Financial Statements

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

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. The Company has not bought back any shares.

e) Shareholding of promoter is 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 ₹ 10 each fully paid up						
For the year ended March 31, 2024	Hero Future Energies Asia Pte. Ltd.*	10,165,119.00	2,755,525.00	12,920,644.00	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%

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

14. Other Equity

	Retained earnings	Capital Reserve	Securities premium account	Amount
As at April 1, 2022	**(1,120.92)**	**3,194.56**	**3,385.37**	**5,459.01**
Add: Surplus/(Deficit) in statement of profit and loss	(2,021.35)	-	4,256.01	2,234.66
Add: Other comprehensive (income) for the year	1.69	-	-	1.69
Balance as at March 31, 2023	**(3,140.58)**	**3,194.56**	**7,641.38**	**7,695.36**
Add: Surplus/(Deficit) in statement of profit and loss	453.55	-	-	453.55
Add: Other comprehensive (loss) for the year	(1.03)	-	-	(1.03)
Add:- Addition during the year.	-	-	2,617.75	2,617.75
Balance as at March 31, 2024	**(2,688.06)**	**3,194.56**	**10,259.13**	**10,765.63**

Nature and Purpose of Reserve:

Securities Premium

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

Capital Reserve

Capital Reserve include reserve created on merger and equity component of preference shares as below:

Retained Earnings

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

Notes to the standalone Financial Statements

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

15. Borrowings

	As at March 31, 2024	As at March 31, 2023
Non-current		
At amortised cost		
Secured		
Term loan from banks (Refer Note (a) below)	307.18	337.40
Term loans from Financial Institution (Refer Note (c) and (d) below)	-	1,197.46
Unsecured		
Cumulative Compulsorily Convertible Preference Share (Refer Note (b) below)	24,949.67	24,949.67
	25,256.85	**26,484.53**
Current		
Secured		
Current maturities of long-term borrowings-Bank	30.31	30.29
Current maturities of long-term borrowings-Financial institution	-	419.54
Bank Overdraft (Refer Note (f) below)	-	60.00
Unsecured		
Commercial Papers (Refer Note (e) below)– Yes Bank Ltd	-	1,115.43
Bank Overdraft (Refer Note (f) below)	142.90	0.18
	173.21	**1,625.44**
Total	**25,430.06**	**28,109.97**

a) Term attached to loan from ICICI bank

Vide "Rupee Loan Facility agreement" dated August 26, 2015, entered by the Company with ICICI Bank Limited, the Company has been sanctioned term loan facility amounting to ₹ 547.50 Million. Against the said agreement, the Company has got disbursement of ₹ 529.89 Million. Term Loan carries interest rate linked to ICICI Bank base rate plus spread of 1.70%. The outstanding balance as on March 31, 2024 is ₹ 338.19 Million (March 31, 2023: ₹ 368.53 Million).

The Term Loan is repayable in 56 structured quarterly instalments starting from August 18, 2016 till May 18, 2030

Terms of security

The Term Loan along with interest and other monies are secured by way of equitable mortgage over the entire immovable properties pertaining to 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 compulsorily convertible Preference Shares ('CCPS V2'):

During the year ended March 31, 2018 vide NCLT order dated February 7, 2018, the Company has issued 33,329,801 compulsorily convertible Preference shares (CCPS V2) to holders of CCPS V1 (issued by erstwhile Hero Future Energies Private Limited -amalgamated entity) and 123,345,766 CCPS V2 to the equity shareholders of Hero Future Energies Private Limited (amalgamated company) of ₹ 100 each fully paid at par 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.

Terms attached to compulsorily convertible Preference Shares ('CCPS V3'):

During the year ended March 31, 2019, the Company has issued 16,829,290 compulsory convertible Preference shares (CCPS V3) to Hero Future Energies Asia Pte. Ltd. and 26,573,621 to Hero Futures Energies Global Limited of ₹ 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 2,628,606 Cumulative Compulsorily Convertible Preference Shares ('CCPS V3') at a consideration of ₹ 262.86 Million to Hero Future Energies Global Ltd. These CCPS have a face value of ₹ 100 each and are fully paid.

Notes to the standalone Financial Statements

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

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

Terms attached to compulsorily convertible Preference Shares ('CCPS V5'):

During the year ended March 31, 2020, the Company has issued 38,893,348 Cumulative Compulsorily Convertible Preference Shares ('CCPS V5') at a consideration of INR 3,889.33 Million to Abu Dhabi Future Energy Company PJSC-Masdar ('Masdar'). These CCPS 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 7,896,253 Cumulative Compulsorily Convertible Preference Shares ('CCPS V5') at a consideration of ₹ 789.63 Million to Abu Dhabi Future Energy Company PJSC-Masdar ('Masdar'). These CCPS have a face value of ₹ 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 financials year 2022-23, 39,164,629 numbers of Cumulative Compulsorily Convertible Preference Shares ('CCPS V5') were purchased by HFE Global and remaining 7,624,972 CCPS V5were purchased by BM Munjal Energies Private Limited from Masdar.

c) Term attached to loan from Tata Cleantech Capital Limited.

Vide "Facility agreement" dated March 20, 2023, entered by the Company with Tata cleantech Capital Limited as the "Lender", the Company has been sanctioned Indian rupee term loan facility (RTL) amounting to ₹ 2,500.00 Million. Against the said " Facility Agreement" the Company has got outstanding term loan of ₹ 1,500.00 Million. Interest rate 11.00% p.a. payable quarterly. During the year the Company has repaid the facility .

d) Terms attached to Term Loan from Arka Finance Ltd.

Vide "Sanction letter" dated February 24, 2021, entered by the Company with Arka Fincap limited as the "Lender", the Company has been sanctioned Indian rupee term loan facility (RTL) amounting to ₹ 250.00 Million. Against the said facility the Company has got outstanding term loan of ₹ 125.00 Million (March 31, 2023: ₹ 125.00 Million).

The Term Loan is repayable in four equal half yearly instalments starting after 18 months

Term of Security

The Loan is secured by exclusive charge by way of hypothecation of shareholder loan and pledge of compulsorily convertible debentures/equity/CCPS given by the Company to its subsidiary companies Hero Wind Energy Pvt. Ltd. and Hero Solar Energy Pvt. Ltd. Security shall be created based on the book value of up to ₹ 275.00 Million giving a security cover of 1.1X.

The Loan is now repaid during the year.

(e) Commercial Paper

During the previous year, the Company has issued unsecured Commercial Papers "CP" to its investors for the purpose of as defined in FIMMDA The said CP carries money market yield of 7.00% to 10.00% .

f) Terms attached to Bank Overdraft

Vide Sanction letter dated March 10, 2023, the Company has taken bank overdraft and working capital demand loan of ₹60.00 Million from Federal Bank Limited . The facility carries interest @ 1 year Deposit rate plus 65 bps i.e. 8.00% as specified in sanction letter. The outstanding balance as on March 31, 2024 is ₹ Nil (March 31, 2023 ₹ 60.00 Million).

Vide Sanction letter dated May 31, 2019, the Company has been sanctioned bank overdraft of ₹ 20.00 Million from ICICI Bank for its 10 MW Solar Power Project in Karnataka. The overdraft carries interest @ 6 Month MCLR plus 135 bps as specified in sanction letter. The outstanding balance as on March 31, 2024 Nil (March 31, 2023 is ₹ Nil).

'Vide Sanction letter dated December 11, 2020 (vide amendment to sanction letter dated March 27, 2024), the Company has been sanctioned overdraft facility of ₹ 150.00 Million from Axis Bank. The overdraft carries interest @ 1 month MCLR plus 115 bps as specified in sanction letter. The outstanding balance as on March 31, 2024 is ₹ 142.90 Million (March 31, 2023 is ₹ 0.18 Million).

Notes to the standalone Financial Statements

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

16. Lease liabilities

	As at March 31, 2024	As at March 31, 2023
Non-current		
Lease liabilities (Refer Note 40)	37.20	47.86
	37.20	**47.86**
Current		
Lease liabilities (Refer Note 40)	17.84	19.74
	17.84	**19.74**
Total Lease liabilities (Non-current and current)	**55.04**	**67.60**

17. Trade payables

	As at March 31, 2024	As at March 31, 2023
- Outstanding dues to micro and small enterprises*	0.15	0.14
- Outstanding dues to creditors other than micro and small enterprises#	630.79	724.46
	630.94	**724.60**
*These have been identified by the Company from the available information.		
# Includes payable to related parties (Refer note 31)	5.66	378.97
For explanations on the Company's credit risk management processes		

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:

		As at March 31, 2024	As at March 31, 2023
a)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	0.15	1.28
b)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

Notes to the standalone Financial Statements

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

Below is the ageing of the trade payables outstanding as at reporting dates:

Particulars	(a) Undisputed total outstanding dues of micro and small enterprises	(b) Undisputed total outstanding dues of creditors other than micro and small enterprises	(c) Disputed dues of micro and small enterprises	(d) Disputed total outstanding dues of creditors other than micro and small enterprises	Total
As at March 31, 2024					
Unbilled	-	523.63	-	-	523.63
Not due	0.03	1.52	-	-	1.55
Less than 1 Year	0.12	57.09	-	-	57.21
1-2 Years	-	0.31	-	-	0.31
2-3 Years	-	0.71	-	-	0.71
More than 3 Years	-	7.53	-	40.00	47.53
Total	**0.15**	**590.79**	**-**	**40.00**	**630.94**
As at March 31, 2023					
Unbilled	-	545.19	-	-	545.19
Not due	0.10	20.50	-	-	20.60
Less than 1 Year	0.04	146.42	-	-	146.46
1-2 Years	-	1.04	-	-	1.04
2-3 Years	-	5.19	-	-	5.19
More than 3 Years	-	6.12	-	-	6.12
Total	**0.14**	**724.46**	**-**	**-**	**724.60**

18. Other current financial liabilities

	As at March 31, 2024	As at March 31, 2023
Interest accrued on borrowings	0.10	21.89
Payables for property, plant and equipment	5.56	-
Other payables (Refer Note 31)	22.95	49.26
	28.61	**71.15**
Total	**28.61**	**71.15**
Breakup of financial liabilities at amortised cost:		
Borrowings (Refer Note 15)	25,430.06	28,109.97
Other current financial liabilities (Refer Note 18)	28.61	71.15
Trade payables (Refer Note 17)	630.94	724.60
	26,089.61	**28,905.72**

19. Provisions

	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for employee benefits:		
- Provision for compensated absence	10.50	9.28
	10.50	**9.28**
Current		
Provision for employee benefits:		
- Provision for compensated absence	1.81	1.69
- Provision for employee stock option plan (Refer Note 39)	258.89	259.83
	260.70	**261.52**

Notes to the standalone Financial Statements

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

20 Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory dues	12.49	63.76
	12.49	**63.76**

21. Revenue from operations

	For the year ended	
	March 31, 2024	March 31, 2023
Type of goods or service		
Sale of electricity	111.41	115.02
Sale of Services		
Income from Management and Development Services (Refer Note 31)	281.68	259.62
Other operating revenue:		
Scrap sales	0.04	0.22
	393.13	**374.86**

Performance obligation

Sale of electricity

The Company 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 Company has therefore determined that the sale of power meets the revenue recognition criteria to be recognised over time.

Income from Management and Development Services

The performance obligation of the Company is to provide Management and Development Services to its group companies and accordingly recognise revenue over the period of the contract based on service rendered.

Disaggregation of Revenue

The Company derives its revenue from a multiple streams of revenue as mentioned above.

Contract Balances

	As at March 31, 2024	As at March 31, 2023
Trade Receivables (Refer Note 6)	447.15	493.09

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

	As at March 31, 2024	As at March 31, 2023
Revenue as per contracted price	393.13	374.86
Adjustments for:		
Rebate and Discounts	-	-
Revenue from contract with customers	**393.13**	**374.86**

Notes to the standalone Financial Statements

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

22. Other income

	For the year ended	
	March 31, 2024	March 31, 2023
Interest income on debt instrument measured at amortised cost:		
- loan to related parties (Refer Note 31)	979.75	1,192.74
- debentures (Refer Note 31)	56.99	56.22
Interest income on fixed deposits	66.06	68.96
Unwinding of discount on deposits	0.39	0.36
Interest income on income tax refund	1.02	15.89
Unwinding of discount on expected credit loss	1.98	1.00
Provision written back	4.95	0.68
Exchange fluctuation expense (net)	10.90	154.84
Concession on lease rentals	2.11	16.90
	1,124.15	**1,507.59**

23. Employee benefit expenses

	For the year ended	
	March 31, 2024	March 31, 2023
Salaries, wages and bonus	158.32	256.41
Contribution to provident and other funds	8.49	9.57
Gratuity expense (Refer Note 35)	1.81	2.20
Staff welfare expenses	5.88	9.44
	174.50	**277.62**

24. Finance cost

	For the year ended	
	March 31, 2024	March 31, 2023
Interest expense on financial liabilities measured at amortised cost:		
Interest on borrowings from bank and financial Institution	237.95	1,266.92
Interest on Cumulative Compulsorily Convertible Preference Share (Refer Note 15)	-	2,087.31
Interest accretion on lease liabilities (Refer Note 40)	6.03	7.55
Interest on TDS	-	-
Other Finance Costs	88.62	322.71
	332.60	**3,684.49**

25. Depreciation and amortisation expense

	For the year ended	
	March 31, 2024	March 31, 2023
Depreciation of tangible assets and Right-of-use assets	59.93	47.99
Amortisation of intangible assets	13.37	12.61
	73.30	**60.60**

Notes to the standalone Financial Statements

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

26. Other expenses

	For the year ended	
	March 31, 2024	March 31, 2023
Legal and professional fees	173.06	71.46
Travelling and conveyance	42.24	56.87
Sales promotion expenses	30.43	23.63
Rent, rates and taxes	30.49	6.09
Operation and Maintenance expenses	4.51	4.76
Insurance	20.26	16.26
Repair and maintenance - Plant & Machinery	15.01	15.37
IT and Software subscription fees	58.59	38.99
Auditors' remuneration (Refer Note (a))	1.35	9.09
Power and fuel	2.17	2.98
Director sitting fees	-	0.70
Sundry balances written off	50.30	-
Miscellaneous expenses	19.07	6.86
	447.48	**253.06**

a) Details of payment made to auditors is as follows:

As auditor:	For the year ended	
	March 31, 2024	March 31, 2023
- Statutory audit fees	1.25	8.31
- Out of pocket expense	0.10	0.78
	1.35	**9.09**

27. Tax expense

	For the year ended	
	March 31, 2024	March 31, 2023
Current tax	8.94	-
Adjustment of tax relating to earlier periods	(2.04)	-
Deferred tax	28.95	(371.97)
	35.85	**(371.97)**

28. Other comprehensive income

	For the year ended	
	March 31, 2024	March 31, 2023
Re-measurement gains/(losses) on defined benefit plans(Refer Note 35)	(1.38)	2.29
Income tax effect	0.35	(0.60)
	(1.03)	**1.69**

29. Earnings per share (EPS)

	For the year ended	
	March 31, 2024	March 31, 2023
Profit/(Loss) attributable to the equity holders of the Company	453.55	(2,021.35)
Interest accretion on Compulsorily Convertible Preference Share	-	2,087.31
Adjusted Profit/(Loss)	453.55	65.96
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 ₹ 10 per share)	0.43	0.06

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.

Notes to the standalone Financial Statements

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

30. 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:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax	489.40	(2,272.36)
Statutory Income Tax rate		
At India's statutory income tax rate of 25.17% (March 31, 2023: 26%)	123.18	(590.81)
Effect of expenses that are not deductible in determining taxable profit	(31.58)	14.07
Effect on tax due to tax holiday exemption under 801A	19.06	16.28
Deferred tax created on equity shares with long-term capital gain tax rate	-	(59.70)
Income Not Taxable	-	34.80
Prior period tax expense	-	6.18
Sale of carbon credit (taxable at special rate)	-	(1.28)
Interest accreation on CCPS	-	340.88
Others	(81.25)	(2.25)
Rate Difference on deferred tax created on equity shares with long-term capital gain tax rate(25.17%-23.3%)	6.43	-
Income tax expense recognised in the statement of profit or loss	**35.85**	**(241.82)**

On periodical basis, the Company 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 Company has reassessed its deferred tax and its impact thereon.

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

Significant components of deferred tax assets/(liabilities)	Balance as at April 1, 2023	(Charged)/ credited to statement of profit or Loss	(Charged)/ credited to Other comprehensive income	Balance as at March 31, 2024
Higher depreciation and amortisation for tax purposes	(89.84)	(9.39)	-	(99.23)
Right-of-use and lease liability	1.13	3.44	-	4.57
Provision for employee benefits	5.89	8.34	(0.35)	13.88
Carry forward losses	204.87	(130.61)	-	74.26
35DD Merger expenses	122.21	(3.91)	-	118.30
Provision for ESOP	67.56	(2.40)	-	65.16
Compulsorily convertible debentures	(6.45)	(1.49)	-	(7.94)
Fair valuation of investment in equity shares	(830.11)	79.09	-	(751.02)
Effective interest rate adjustments for borrowings	0.35	3.11	-	3.46
Others	0.26	24.87	-	25.13
Net deferred tax assets/liabilities	**(524.13)**	**(28.95)**	**(0.35)**	**(553.43)**

Notes to the standalone Financial Statements

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

Significant components of deferred tax assets/(liabilities)	Balance as at April 1, 2022	(Charged)/ credited to statement of profit or Loss	(Charged)/ credited to Other comprehensive income	Balance as at March 31, 2023
Higher depreciation and amortisation for tax purposes	(92.65)	2.81	-	(89.84)
Right-of-use and lease liability	4.37	(3.24)	-	1.13
Provision for Employee Benefits	7.80	(1.31)	(0.60)	5.89
Carry forward losses	80.59	124.28	-	204.87
35DD Merger expenses	122.21	-	-	122.21
Provision for ESOP	67.56	-	-	67.56
Compulsorily convertible debentures	(4.86)	(1.59)	-	(6.45)
Fair valuation of investment in ES	(884.00)	53.89	-	(830.11)
Effective interest rate adjustments for borrowings	(2.44)	2.79	-	0.35
Deemed equity on cumulative compulsorily convertible preference share capital net of reversals	(194.99)	194.99	-	-
Others	0.92	(0.66)	-	0.26
Net deferred tax assets/liabilities	**(895.49)**	**371.97**	**(0.60)**	**(524.13)**

(i) 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 1, 2019, subject to certain conditions. The Company has decided to opt for the reduced corporate tax rates and the full impact of this change has been recognised in tax expense during the year ended March 31, 2024. Accordingly, the Company 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 liability by ₹ 553.13 Million as at March 31, 2024. 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 current year as the Company has opted for new tax regime.

(ii) The Company offsets deferred tax assets and deferred tax liabilities; if and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxation authority.

Notes to the standalone Financial Statements

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

31. Related Party Disclosures

a) List of related parties

Name of Related Party	Nature of relationship
BM Munjal Energies Private Limited	Ultimate Holding company
Hero Future Energies Asia Pte. Ltd.	Holding Company
Hero Future Energies Global Ltd.	Intermediate Holding company
Bahadur Chand Investments Private Limited	Enterprise having control
Hero Solar Energy Private Limited	Subsidiary Company
Hero Wind Energy Private Limited	Subsidiary Company
Hero Rooftop Energy Private Limited	Subsidiary Company
Clean Solar Power (Eastern Europe) Limited #	Fellow Subsidiary Company
Clean Wind Power (Anantapur) Private Limited	Step Down Subsidiary Company
Clean Wind Power (Pratapgarh) Private Limited	Step Down Subsidiary Company
Clean Wind Power (Ratlam) Private Limited	Step Down Subsidiary Company
Clean Wind Power (Satara) Private Limited	Step Down Subsidiary Company
Clean Wind Power (Devgarh) Private Limited	Step Down Subsidiary Company
Clean Wind Power (Manvi) Private Limited	Step Down Subsidiary Company
Clean Wind Power (Jaisalmer) Private Limited	Step Down Subsidiary Company
Clean Wind Power (Kurnool) Private Limited	Step Down Subsidiary Company
Clean Wind Power (Bhavnagar) Private Limited	Step Down Subsidiary Company
Clean Wind Power (Piploda) Private Limited	Step Down Subsidiary Company
Clean Wind Power (Bableshwar) Private Limited	Step Down Subsidiary Company
Clean Solar Power (Chitradurga) Private Limited	Step Down Subsidiary Company
Clean Solar Power (Dhar) Private Limited	Step Down Subsidiary Company
Clean Solar Power (Tumkur) Private Limited	Step Down Subsidiary Company
Clean Solar Power (Bhadla) Private Limited	Step Down Subsidiary Company
Clean Solar Power (Jaipur) Private Limited	Step Down Subsidiary Company
Clean Wind Power (Tuticorin) Private Limited	Step Down Subsidiary Company
Clean Solar Power (Gulbarga) Private Limited	Step Down Subsidiary Company
Clean Solar Power (Bellary) Private Limited	Step Down Subsidiary Company
Clean Solar Power (Jodhpur) Private Limited	Step Down Subsidiary Company
Rajkot (Gujarat) Solar Energy Private Limited	Step Down Subsidiary Company
Vayu Urja Bharat Private Limited	Step Down Subsidiary Company
Clean Solar Power (Sirsa) Private Limited	Step Down Subsidiary Company
Clean Solar Power (Kadapa) Private Limited	Step Down Subsidiary Company
Clean Solar Power (Konch) Private Limited	Step Down Subsidiary Company
Clean Solar Power (Amarsar) Private Limited	Step Down Subsidiary Company
Waaneep Solar Private Limited	Step Down Subsidiary Company
Clean Solar Power (Ranchi) Pvt. Ltd.	Step Down Subsidiary Company
Clean solar power (Rooftop) Pvt. Ltd.	Step Down Subsidiary Company
Hero Mindmine Institute Private Limited	Enterprises in which KMP has significant influence
Hero Fincorp Limited	Enterprises in which KMP has significant influence
Hero Motocorp Limited	Enterprises in which KMP has significant influence
Rockman Industries Limited	Enterprises in which KMP has significant influence
Hero Future Energies Limited Employees Group Gratuity Trust	Enterprises over which key management personnel and their relatives able to control
Rahul Munjal	Key Managerial Personnel (Chairman and Managing Director) resigned w.e.f. December 31, 2022
Renu Munjal	Director (resigned w.e.f. December 31, 2022)
Abhimanyu Munjal	Director (resigned w.e.f. December 31, 2022)
Vivek Mehra	Independent Director(resignation w.e.f. December 31, 2022)
Osama Abdullatif A Alothman	Nominee Director (w.e.f. February 28, 2020) resigned w.e.f. April 19, 2022
Srivatsan Sriniwas Iyer	Key Managerial Personnel (Chief Executive Officer)
Rajesh Puri	Key Managerial Personnel (Executive Director w.e.f. November 3, 2021) resigned w.e.f. September 30, 2022
Mayur Maheshwari	Key Managerial Personnel (Company Secretary)
Harish Pant	Director(appointment w.e.f. December 30, 2022)
Sumit Kumar Roy	Director(appointment w.e.f. December 30, 2022)
Benjamin Paul Fraser	Director(appointment w.e.f. December 30, 2022)
Anuj Agarwal	Director(appointment w.e.f. January 12, 2023)

Hero Future Energies Global Limited ("HFE Global") held 15,840 Unsecured, Unlisted, Optionally Convertible Cumulative Debentures ("OCCDs") of euro 1,000 each in Clean Solar Power Eastern Europe Limited ("CSPEE") with an option to convert those OCCDs into fully paid-up equity ordinary shares of GBP1. During the year ended March 31, 2022, HFE Global has exercised this option and as a result of this HFE Global has now become majority shareholder.

Notes to the standalone Financial Statements

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

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 Future Energies Asia Pte. Ltd.	Holding Company	Issue of equity share capital	27.56	31.25
		Security Premium	2,617.75	4,256.01
Hero Solar Energy Private Limited	Subsidiary Company	Management, Development fee and Cross charge	127.15	116.36
		Cross charge received	-	112.36
		Loans given	6,867.38	7,395.46
		Loans repaid by subsidiary	9,598.51	4,779.40
		Interest income on Loan*	283.65	262.77
		Interest income on Debentures*	50.24	50.10
		Expenses incurred by them on our behalf	5.17	10.54
Hero Wind Energy Private Limited	Subsidiary Company	Management, Development fee and Cross charge	66.08	59.02
		Cross charge received	-	102.49
		Loans given	6,485.27	6,859.44
		Loans repaid by subsidiary	4,131.10	7,573.12
		Expenses incurred by them on our behalf	-	0.21
		Interest income on Loan	451.88	409.30
Hero Rooftop Energy Private Limited	Subsidiary Company	Interest income on Loan	115.39	96.36
		Investment in Equity Shares	-	-
		Loan given	252.06	924.29
		Loans repaid by subsidiary	147.75	185.00
		Expenses incurred by us on their behalf	0.01	-
Clean Wind Power (Ratlam) Private Limited	Step Down Subsidiary Company	Management and development fees charged	40.10	45.07
Clean Solar Power (Tumkur) Private Limited	Step Down Subsidiary Company	Expenses incurred by us on their behalf	0.00	-
Clean Wind Power (Manvi) Private Limited	Step Down Subsidiary Company	Expenses incurred by us on their behalf	0.05	0.00
Clean Wind Power (Devgarh) Private limited	Step Down Subsidiary Company	Management, Development fee and Consultany fees	8.14	9.15
Clean Wind Power (Pratapgarh) Private Limited	Step Down Subsidiary Company	Expenses incurred by them on our behalf	0.48	-
Vayu Urja Bharat Private Limited	Step Down Subsidiary Company	Expenses incurred by us on their behalf	-	-
		Management, Development fee and Consultany fees	40.20	45.18
Clean Solar Power (Gulbarga) Private Limited	Step Down Subsidiary Company	Expenses incurred by us on their behalf	0.02	-
Clean Solar Power (Chitradurga) Private Limited	Step Down Subsidiary Company	Expenses incurred by us on their behalf	-	0.03
Bhilwara Green Energy Ltd.	Step Down Subsidiary Company	Expenses incurred by us on their behalf	0.05	-
Clean Solar Power (Eastern Europe) Limited	Fellow Subsidiary Company	Accrued Interest Received*	305.94	-
		Loans repaid by fellow subsidiary	-	2,992.35
		Interest income on loan	-	161.47
Key Management Personnel	Key Management Personnel	Remuneration	103.20	224.07
Vivek Mehra	Independent Director	Director sitting fees	-	0.40
Abhimanyu Munjal	Director	Director sitting fees	-	0.20
Renu Munjal	Director	Director sitting fees	-	0.10

* It excludes Ind as adjustment.

Notes to the standalone Financial Statements

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

c) Closing balances of related parties

Name of Related Party	Relationship	Nature of Transaction	As at March 31, 2024	As at March 31, 2023
BM Munjal Energies Private Limited	Ultimate Holding Company	Cumulative Compulsorily Convertible Preference Share	762.50	762.50
Hero Future Energies Global Ltd.	Intermediate Holding Company	Cumulative Compulsorily Convertible Preference Share	3,916.46	3,916.46
International Finance Corporation	Enterprise having significant influence over the Company	Cumulative Compulsorily Convertible Preference Share	3,125.54	3,125.54
IFC GIF Holding II Cooperative U.A	Enterprise having significant influence over the Company	Cumulative Compulsorily Convertible Preference Share	3,127.67	3,127.67
Hero Future Energies Limited Employees Group Gratuity Trust	Enterprises over which key management personnel and their relatives able to control	Contribution to Gratuity Fund Trust	34.62	31.37
Hero Future Energies Asia Pte. Ltd.	Holding Company	Compulsorily convertible Preference shares	1,682.93	1,682.93
		Trade Receivable	0.12	0.12
		Equity share capital	129.21	101.65
Bahadur Chand Investment Private Limited	Enterprise having control	Cumulative Compulsorily Convertible Preference Share	5,569.57	5,569.57
Hero Solar Energy Private Limited	Subsidiary Company	Receivable on account of Loan Given**	7,855.06	10,586.19
		Receivable on account of interest on loan	86.90	255.92
		Receivable on account of interest on Debentures	125.21	75.18
		Investment in Equity Shares	5,047.51	5,047.51
		Investment in Debentures	835.00	835.00
		Other Advance		
		Other receivable	-	-
		Other Payable	16.08	10.91
		Trade Receivable	50.02	15.96
		Advance from Customer	-	-
Hero Wind Energy Private Limited	Subsidiary Company	Receivable on account of Loan Given**	9,437.11	7,082.94
		Receivable on account of interest on loan	459.25	189.38
		Investment in Equity Shares	3,635.19	3,635.19
		Advance from Customer	-	-
		Trade Receivable	24.96	7.67
		Other Payable	0.08	0.08
		Other receivable	-	-
Hero Rooftop Energy Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	0.10
		Receivable on account of Loan Given	1,284.81	1,180.50
		Receivable on account of interest on loan	239.20	125.53
		Other Receivable	-	0.02
Clean Wind Power (Ratlam) Private Limited	Step Down Subsidiary Company	Advance from Customer	-	0.13
		Trade Receivable	0.74	-
		Other Receivable	7.60	7.60
Clean Wind Power (Devgarh) Private Limited	Step Down Subsidiary Company	Trade Receivable	0.79	0.81
		Advance from Customer	-	-
		Other Receivable	0.05	0.05
Clean Wind Power (Anantapur) Private Limited	Step Down Subsidiary Company	Other Receivable	-	-
		Other Payable	0.02	0.02
Clean Wind Power (Manvi) Private Limited	Step Down Subsidiary Company	Other Receivable	0.11	0.06
Clean Wind Power (Satara) Private Limited	Step Down Subsidiary Company	Other Receivable	0.07	0.07
Clean Wind Power (Pratapgarh) Private Limited	Step Down Subsidiary Company	Other Receivable	-	0.60
		Other Payable	0.43	-

Notes to the standalone Financial Statements

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

Name of Related Party	Relationship	Nature of Transaction	As at March 31, 2024	As at March 31, 2023
Clean Solar Power (Jodhpur) Private Limited	Step Down Subsidiary Company	Other Receivable	-	6.55
		Trade Receivable	-	139.62
Clean Wind Power (Tuticorin) Private Limited	Step Down Subsidiary Company	Receivable on account of interest on loan	94.57	94.57
Clean Solar Power (Jaipur) Private Limited	Step Down Subsidiary Company	Trade Payable	-	-
		Other Receivable	0.01	0.01
Vayu Urja Bharat Private Limited	Step Down Subsidiary Company	Trade Receivable	3.92	3.12
		Other Receivable	0.00	0.00
Clean Solar Power (Dhar) Private Limited	Step Down Subsidiary Company	Trade Payable	0.51	0.51
		Other Receivable	0.00	-
Rajkot (Gujarat) Solar Energy Private Limited	Step Down Subsidiary Company	Trade Receivable	-	-
		Other receivable	0.08	0.08
		Other Payable	-	-
Clean Solar Power (Gulbarga) Private Limited	Step Down Subsidiary Company	Trade Receivable	-	-
		Other payable	2.56	2.54
Clean Solar Power (Bhadla) Private Limited	Step Down Subsidiary Company	Other Payable	4.38	4.38
		Trade Payable	5.15	5.15
Clean Solar Power (Tumkur) Private Limited	Step Down Subsidiary Company	Other Payable	-	0.02
		Other Receivable	0.13	-
Clean Solar Power (Bellary) Private Limited	Step Down Subsidiary Company	Other Receivable	0.02	0.02
Clean Solar Power (Chitradurga) Private Limited	Step Down Subsidiary Company	Trade Receivable	3.31	3.31
		Other Receivable	0.04	0.04
Clean Wind Power (Piploda) Private Limited	Step Down Subsidiary Company	Other Receivable	0.02	0.02
LNJ Power Ventures Limited	Step Down Subsidiary Company	Other Receivable	0.05	0.05
Clean solar power (Rooftop) Pvt. Ltd.	Step Down Subsidiary Company	Other Receivable	0.02	0.02
Bhilwara Green Energy Ltd.	Step Down Subsidiary Company	Other Receivable	0.04	0.03
Clean Solar Power (Eastern Europe) Limited	Fellow Subsidiary Company	Investment in Equity Shares	72.97	72.97
		Receivable on account of interest on loan	-	305.94
Waneep Solar Private Limited	Step Down Subsidiary Company	Other Receivable	0.11	-
Key Management Personnel	Key Management Personnel	Remuneration and other payable	38.54	189.98

** Includes loan to Hero Solar Energy Private limited of ₹ 5,167.98 Million and to Hero Wind Energy Private Limited ₹ 3,700.00 Million which carries 0% interest rate therefore classified under deemed investment in subsidiaries and excludes interest accreted on such loan of ₹ 544.66 Million (March 31, 2023: ₹ 415.82 Million).

Refer Note 5 for detail of pledge of shares of Hero Solar Energy Private Ltd. ("HSE") and Hero Wind Energy Private Ltd. ("HWE") by the Company.

d) Other transactions

i) Other securities in the form of PDC signed by Managing Director Mr. Rahul Munjal given to banks for issuing Bank Guarantees & Letter of Credit on behalf of subsidiaries & step down subsidiaries are as follows:-

Particulars	As at March 31, 2024	As at March 31, 2023
Hero Solar Energy Private Limited	-	6,600.00
Hero Rooftop Energy Private Limited	-	300.00
Clean Wind Power (Devgarh) Private Limited	-	-
Clean Solar Power(Jodhpur) Private Limited	-	-
Clean Solar Rooftop Private Limited	-	100.00

Notes to the standalone Financial Statements

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

ii) The Company has provided corporate guarantee on behalf of other related parties in following manner for the purpose of borrowing taken by related parties:

The principal	Guarantor	Purpose of guarantee	As at March 31, 2024	As at March 31, 2023
Hero Solar Energy Private Limited	Hero Wind Energy Private Limited Hero Future Energies Private Limited	Borrowings taken by Hero Solar Energy Private Limited	2,357.10	50.00
Hero Wind Energy Private Limited	Hero Future Energies Private Limited	Borrowings taken by Hero Wind Energy Private Limited	559.70	2,496.30
Hero Solar Energy Private Limited	Hero Future Energies Private Limited	Borrowings taken by Hero Solar Energy Private Limited	1,352.10	1,829.90
Waaneep Solar Private Limited	Hero Future Energies Private Limited	Borrowings taken by Waaneep Solar Private Limited	4,111.40	-
Multiple step down subsidiary companies*	Hero Future Energies Private Limited	Borrowings taken by the step down subsidiary companies	23,663.77	25,295.80
Hero Solar Energy Private Limited	Hero Future Energies Private Limited & HFE Asia Pte Ltd	Borrowings taken by Hero Solar Energy Private Limited	2,900.00	1,383.30
Hero Solar Energy Private Limited	Hero Future Energies Private Limited/Hero Wind Energy Private Limited/Hero Future Energies Asia Pte. Ltd.	Borrowings taken by Hero Solar Energy Private Limited	750.00	750.00
Hero Wind Energy Private Limited	Hero Future Energies Private Limited & Hero Future Energies Asia Pte. Ltd.	Borrowings taken by Hero Wind Energy Private Limited	2,100.00	-
Hero Wind Energy Private Limited	Hero Future Energies Private Limited/Hero Solar Energy Private Limited/Hero Future Energies Asia Pte. Ltd.	Borrowings taken by Hero Wind Energy Private Limited	750.00	750.00
LNJ Ventures Private Limited	Hero Future Energies Private Limited	Borrowings taken by LNJ Ventures Private Limited	-	184.50
Clean Solar Power (Dhar) Pvt. Limited	Hero Future Energies Private Limited	Borrowings taken Clean Solar Power (Dhar) Pvt. Ltd.	-	18.14
Hero Wind Energy Private Limited	Hero Future Energies Private Limited & Hero Solar Energies Private Limited	Borrowings taken by Hero Wind Energy Private Limited	-	4,000.00

* 'Step down subsidiary companies include the following 8 entities:

Clean Solar Power (Dhar) Private Limited
Clean Solar Power (Gulbarga) Private Limited
Rajkot (Gujrat) Solar Energy Private Limited
Clean Wind Power (Ratlam) Private Limited
Clean Wind Power (Satara) Private Limited
Clean Wind Power (Piploda) Private Limited
Clean Wind Power (Bableshwar) Private Limited
Bhilwara Green Energy Limited

e) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

32. Capital Management

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

The Company 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 Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The net debt of the Company includes interest bearing borrowings less cash and cash equivalents.

Notes to the standalone Financial Statements

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

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings including current maturity (Refer to note 15)	25,430.06	28,109.97
Less: Cash and cash equivalents (Refer to note 8)	(275.32)	(293.87)
Net debt (A)	**25,154.74**	**27,816.10**
Equity share capital (Refer to note 13)	129.21	101.65
Other equity (Refer to note 14)	10,765.63	7,695.36
Total Capital (B)	**10,894.84**	**7,797.01**
Capital and net debt (C)	**36,049.58**	**35,613.11**
Gearing ratio (A / C)	**69.78%**	**78.11%**

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 except as mentioned in note 16.

33. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company'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 amortised cost*				
Investment in compulsorily convertible debentures (Refer Note 5)	638.36	631.60	638.36	631.60
Investment in shares (Refer Note 5)	14,153.21	14,153.21	14,153.21	14,153.21
Deemed investment in subsidiaries (Refer Note 5)	9,115.96	9,115.95	9,115.96	9,115.95
Trade receivables (Refer Note 6)	447.15	493.09	447.15	493.09
Cash and cash equivalents (Refer Note 8)	275.32	293.87	275.32	293.87
Loans (Refer Note 7A)	10,253.65	10,397.46	10,253.65	10,397.46
Other Bank balances(Refer note 9)	1,112.04	667.69	1,112.04	667.69
Other financial assets (Refer Note 7B)	1,170.01	1,092.14	1,170.01	1,092.14
Total A	**37,165.70**	**36,845.01**	**37,165.70**	**36,845.01**

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*				
Compulsorily convertible preference shares (Refer Note 15)	24,949.67	24,949.67	24,949.67	24,949.67
Borrowings (Refer Note 15)	480.39	3,160.30	480.39	3,160.30
Other financial liabilities (Refer to note 18)	28.61	71.15	28.61	71.15
Trade payables (Refer to note 17)	630.94	724.60	630.94	724.60
Lease liabilities (Refer to note 16)	55.04	67.60	55.04	67.60
	26,144.65	**28,973.32**	**26,144.65**	**28,973.32**

* 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 Company 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.

Notes to the standalone Financial Statements

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

Discount rate used in determining fair value

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

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

a) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the rate as at the end of the reporting period. The own non-performance risk as at March 31, 2024 was assessed to be insignificant.

b) 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.

c) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

34. 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 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 Company'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 amortised cost			
Security deposits (Refer Note 7B)	Level 2	5.88	5.50
		5.88	**5.50**

	Level Classification	As at March 31, 2024	As at March 31, 2023
Financial assets measured at amortised cost			
Investment in compulsorily convertible debentures (Refer Note 5)	Level 3	638.36	631.60
Investment in shares (Refer Note 5)	Level 3	14,153.21	14,153.21
Deemed investment in subsidiaries (Refer Note 5)	Level 3	9,115.96	9,115.95
Other financial assets (Refer Note 7B)	Level 3	1,164.13	1,086.64
Loans (Refer Note 7A)	Level 3	10,253.65	10,397.46
		35,325.31	**35,384.86**

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			
Compulsorily convertible preference shares (Refer Note 15)	Level 3	24,949.67	24,949.67
Borrowings (Refer Note 15)	Level 3	480.39	3,160.30
Other financial liabilities (Refer to note 18)	Level 3	28.61	71.15
		25,458.67	**28,181.12**

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

Notes to the standalone Financial Statements

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

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include: -Borrowings are primarily Indian domestic long-term rupee loans wherein interest rates are linked to benchmark rates (Marginal Cost of Lending Rates/Prime Lending Rates) of respective lenders. These benchmark rates are determined based on cost of funds of the lenders, as well as, market rates. The benchmark rates are periodically revised by the lenders to reflect prevalent market conditions. Accordingly, effective cost of debt for borrowings at any point of time is in line with the prevalent market rates. 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. Hence, the discounting rate for calculating the fair value of Borrowings has been taken in line with the current cost of debt.

- Fair value of other non-current assets and liabilities is determined based on discounted cash flow method using risk adjusted discount rate.

35. Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards provident fund/pension fund. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to the defined contribution scheme. The Company has recognised ₹ 8.49 Million (March 31, 2023: ₹ 9.20 Million) during the year as expense towards contribution to the plan.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Provident fund	8.09	8.98
National pension scheme	0.40	0.22
Total	**8.49**	**9.20**

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 Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognises 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.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 60 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

c) The following tables summarise 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 (viz. gratuity and compensated absences).

		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	19.43	18.23
2	Add: Current service cost	2.68	3.02
3	Add: Interest cost	1.42	1.26
4	Add: Actuarial (gain)/loss	2.33	(3.08)
5	Less: Benefits paid	(7.63)	-
	Present value of obligation as at the end of the year	**18.23**	**19.43**

Notes to the standalone Financial Statements

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

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:

	For the year ended March 31, 2024	For the year ended March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Cost for the year included under employee benefit		
Add: Current service cost	2.68	3.02
Add: Interest cost	1.42	1.26
Less: Investment Income	(2.30)	(2.07)
Net cost	**1.82**	**2.20**

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning	31.38	30.09
Add: Investment income	2.30	2.07
Add: Expected return on plan assets	0.95	(0.78)
Fair value of plan assets at the end	**34.63**	**31.38**

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:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Insurer managed funds	8.08	7.57
Equity	5.07	4.55
Corporate bond	5.23	4.69
Sovereign	13.60	12.20
Money Market, deposits & other	2.64	2.37
	34.63	**31.38**

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

		For the year ended March 31, 2024	For the year ended March 31, 2023
		Gratuity (Funded)	Gratuity (Funded)
1	Actuarial gain/(loss) for the year – obligation	(2.33)	3.08
2	Actuarial gain/(loss) for the year - plan assets	0.95	(0.78)
3	**Total gain/(loss) for the year**	**(1.38)**	**2.29**
4	Actuarial gain/(loss) recognised in the year	(1.38)	2.29

g) Principal actuarial assumptions at the balance sheet date are as follows:

		For the year ended March 31, 2024	For the year ended March 31, 2023
		Gratuity (Funded)	Gratuity (Funded)
Economic assumptions			
1	Discount rate	7.15%	7.30%
2	Rate of increase in compensation levels	12.00%	10.00%
Demographic assumptions			
1	Expected average remaining working lives of employees (years)	15.45	16.31
2	Retirement Age (years)	60.00	60.00

Notes to the standalone Financial Statements

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

3	Mortality Rate	100% Indian Assured Lives Mortality 2012-14	100% Indian Assured Lives Mortality 2012-14
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 Company 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 recognised in the Balance Sheet and experience adjustments on actuarial gain/ (loss) for benefit obligation and plan assets.

	For the year ended March 31, 2024	For the year ended March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation	18.23	18.23
Less: Fair value of plan assets	(34.63)	(32.11)
Net (assets)/liability	**(16.40)**	**(13.88)**

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
A. Discount rate		
Effect on DBO due to 1% increase in Discount Rate	(1.44)	(1.11)
Effect on DBO due to 1% decrease in Discount Rate	1.64	1.26
B. Salary escalation rate		
Effect on DBO due to 1% increase in Salary Escalation Rate	1.55	1.22
Effect on DBO due to 1% decrease in Salary Escalation Rate	(1.39)	(1.09)
C. Withdrawal Rate		
Effect on DBO due to 50% increase in Withdrawal Rate	(0.75)	(0.29)
Effect on DBO due to 50% decrease in Withdrawal Rate	1.08	0.47
D. Mortaility Rate		
Effect on DBO due to 10% increase in Mortality Rate	(0.02)	-
Effect on DBO due to 10% decrease in Mortality Rate	0.02	-

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.

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	2.26	7.92
2 to 5 years	8.44	6.01
6 to 10 years	1.96	0.97
More than 10 years	24.78	19.83

k) The Company expects to contribute Nil thousand (March 31, 2023: ₹ Nil thousand) to the plan during the next financial year.

Notes to the standalone Financial Statements

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

36. Financial risk management objectives and policies

The Company 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 Company operations and to provide guarantees to support its operations.

The Company principal financial assets includes Investment in mutual funds, security deposits, trade receivables, cash and bank and others.
The Company is exposed to credit risk, liquidity risk and market risk. The Company 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 affects on the financial performance of the Company, the Company 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 Company 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 Company main interest rate risk arises from long-term borrowings with fixed rates.

The Company 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 Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on profit before tax
March 31, 2024	+50	(6.31)
	-50	6.31
March 31, 2023	+50	(22.08)
	-50	22.08

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company'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 ₹ Nil Million (March 31, 2023 ₹ 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 Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Notes to the standalone Financial Statements

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

A. Information about revenue from major customers who contributed 10% or more relating to revenue from sale of power:

Particulars	For the year ended March 31, 2024
Hubli Electricity Supply Company Limited	111.41
Hero Solar Energy Private Limited	127.15
Hero Wind Energy Private Limited	66.08
Clean Wind Power (Ratlam) Private Limited	40.10
Vayu Urja Bharat Private Limited	40.20

The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low.The amounts are billed periodically and are paid within contractually agreed credit period.

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company 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 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.

The ageing analysis of trade receivables as of the reporting date is given in note 6.

ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company treasury department in accordance with the Company 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 Company Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company 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 Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company 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 Company expects to generate positive cash flows from operations in order to meet its external financial liabilities as they fall due and also consistently monitors refinancing options available in the debt market with a view to maintain financial flexibility.

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

As at March 31, 2024	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings* (Refer Note 15)	142.90	65.38	236.04	196.41	640.73
Trade payables (Refer Note 17)	-	630.94	-	-	630.94
Lease liabilities (Refer Note 16)	-	17.84	47.70	-	65.54
Other financial liabilities (Refer Note 18)	-	28.61	-	-	28.61
Total	**142.90**	**742.77**	**283.74**	**196.41**	**1,365.82**

As at March 31, 2023	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings* (Refer Note 15)	60.18	656.54	1,362.92	175.17	2,254.81
Trade payables (Refer Note 17)	-	724.60	-	-	724.60
Lease liabilities (Refer Note 16)	-	16.47	66.98	1.66	85.11
Other financial liabilities (Refer Note 18)	-	71.15	-	-	71.15
Total	**60.18**	**1,468.76**	**1,429.90**	**176.83**	**3,135.67**

* The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities that will be paid on those liabilities up to the maturity of the instruments. This excludes principle/interest of Compulsorily Convertible Preference Shares.

Notes to the standalone Financial Statements

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

37. The Company has exposure of ₹ 13,999.70 Million as at March 31, 2024 (March 31, 2023: ₹ 16,804.85 Million) in Hero Solar Energy Private Limited ('HSE') in form of investment in equity share capital, compulsorily convertible debentures, loans and advances, Interest receivable, trade and other receivables.

(a) Clean Solar Power (Tumkur) Private Limited, a subsidiary of the Hero Solar Energy Private Limted, 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 4, 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.

(b) Clean Solar Power (Jaipur) Private Limited, a subsidiary of the Hero Solar Energy Private Limted was in the process of setting up 100 MW solar power project in Jaipur location, in 2 phases. Since it was unlikely that the connectivity would be granted and the project would kick off, the Subsidiary decided to sell its assets accordingly classified Capital work-in-progress and freehold land as asset held for sale in year ended March 31, 2022. The subsidiary was carrying asset held for sale at fair value of ₹ 96.66 Million which was sold in year ended March 31, 2023.

(c) Waaneep Solar Private Limited, a subsidiary of the Hero Solar Energy Private Limted 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.

(d) Clean Solar Power (Jodhpur) Private Limited, a subsidiary of the Hero Solar Energy Private Limted during the period ended March 31, 2023, 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 ₹ 1,487.14 Million to be increased by interest related cost amounting ₹ 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 ₹ 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 Asset held for sale was adjusted and the Company has booked impairment of ₹ 57.74 Million for the year ended March 31, 2024. The closing balance of Asset held for sale is ₹ 1,538.16 Million (including interest recoverable amounting ₹ 107.92 Million).

(e) Clean Solar Power (Sirsa) Private Limited, a subsidiary of the Hero Solar Energy Private Limted agreed via an MOU on August 31, 2018, to acquire 270-285 acres (approx.) of land in Sirsa, Haryana, through a land aggregator. The aggregator acquired 272.86 acres and transferred 65.86 acres to the subsidiary. Due to unfavourable government policies, the subsidiary cancelled the project and decided not to execute further sale deeds. As per terms of agreement with land aggregator, the subsidiary has compensated the aggregator for expenses incurred and selling the 65.86 acres of land back to them for ₹ 21.34 Million in the year ended March 31, 2023.

38. The Company has exposure of ₹ 13,556.59 Million as at March 31, 2024 (March 31, 2023: ₹ 10,915.26 Million) in Hero Wind Energy Private Limited ('HWE') in form of investment in equity share capital, loans and advances, Interest receivable, trade and other receivables.

(a) HWE has exposure of ₹ 2,681.87 Million (March 31, 2023: ₹ 2,513.34 Million) in Clean Wind Power (Anantapur) Private Limited (the subsidiary) of which ₹ 279.80 Million (March 31, 2023: 279.80 Million) is in form of investment in equity share capital, ₹ 300.00 Million in the form of investment in optional convertible debenture (March 31, 2023: ₹ 300.00 Million), ₹ 1,416.80 Million (March 31, 2023: ₹ 1,416.80 Million) as loans and deemed investment, ₹ 625.40 Million in the form of interest receivable (March 31, 2023: ₹ 625.40 Million) and ₹ 37.93 Million in the form of trade and other receivable (March 31, 2023: ₹ 36.43 Million).

(i) Telangana State Electricity Regulatory Commission (TSERC) issued Tariff order dated October 6, 2018 declaring tariff of ₹ 3.61 per/kwh. Based on the said tariff order, the said Company requested Telangana State Southern Power Distribution Company Limited ('TSSPDCL') to enter into Power Purchase Agreement (PPA), however, TSSPDCL had declined the request of the Company to enter into PPA at ₹ 3.61 per/kwh and proposed a tariff of ₹ 2.79 per/kwh.

Aggrieved with the TSSPDCL offer of ₹ 2.79/kwh, the Company approached Telangana High Court and High Court directed TSSPDCL to sign PPA at the interim rate of ₹ 2.79/kwh subject to final decision of the High Court. The PPA got signed on February 24, 2021 at the interim rate of ₹ 2.79/kwh ("interim PPA").

Notes to the standalone Financial Statements

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

Subsequent to signing of interim PPA, the TSSPDCL has issued a letter asking company to sign the amended PPA with revised COD which will render the pending case for revised tariff of 3.61 per kw/h infructuous. The Company has challenged this letter and received an interim order dated March 10, 2022 from the High Court directing TSSPDCL to make payment for the energy supplied by the Company @ 2.79/kWh as per terms of the interim PPA, till final outcome of pending writ petition.

Based on discussion with the concerned government bodies, management's internal assessment supported by an expert legal opinion, the management believes that the Company will be able to enter into PPA shortly and will secure the final tariff rate of ₹ 3.61/kwh. Accordingly, management has carried out impairment assessment basis the tariff rate of ₹ 2.79/kwh.

Based on the above, the Company has recognised an impairment charge of ₹ 63.167 Million i.e. excess of carrying amount of PPE over fair value in the statement of profit & loss during the year, as management believes that the Company will be able to enter into PPA shortly and will secure the final tariff rate of ₹ 3.61/kwh. However, on prudence basis, the management has carried out impairment assessment considering tariff rate of ₹ 2.79/kwh.

(ii) Telangana State Industrial Infrastructure Corporation Limited (TSIIC) has issued show cause notices to Clean Wind Power (Anantapur) Private Limited "the subsidiary" dated April 30, 2022, May 31, 2022, and March 11, 2023 about potential withdrawal of the 2017 wind turbine installation permit due to conflicts with the NIMZ master plan. The Company responded and sought relief from the Telangana High Court, which in December 2023 prohibited TSIIC from taking action without considering the Company's replies and required a reasoned order. TSIIC then ordered the removal of the turbines in March 2024, but the Court stayed this order and barred further interference. TSIIC admitted to violating the Court's order and withdrew its March 2024 directive. The High Court then restrained TSIIC from further actions regarding the turbines. TSIIC is now seeking an amicable resolution, and the Company's management believes a resolution is likely without significant resource loss.

(b) HWE has investment of ₹ 101.98 Million (March 31, 2023: ₹ 101.98 Million) and ₹ 1,866.59 Million (March 31, 2023: ₹ 1,866.59 Million) in Clean Wind Power (Pratapgarh) Private Limited and Clean Wind Power (Manvi) Private Limited respectively for 70% (approx) equity shareholding and has entered into Shareholders Agreement with remaining 30% shareholders, whereas the Company has the sole discretion to purchase any or all of the equity shares held by other shareholders at par value i.e. ₹ 10 per share. Further all the directors of subsidiaries are appointed by the Company and the other shareholders do not have any right to appoint any director. Based on internal technical assessment the management believes that the provision of Section 89 and 90 of the Companies Act, 2013 read along with Companies (Significant Beneficial owners) Rules, 2018 are not applicable to the arrangement mentioned above and, accordingly, no regulatory filings are required.

Further, vide notification dated May 22, 2018, Ministry of Power has issued draft Electricity (Amendment) Rules, 2018 which will come into effect for existing power plants from the date of publication in Official Gazette. Per the terms of revised rules, for the purpose of assessing status as "Captive Generating Plant" at least 26% of the equity base of 30% of Capital employed (considering normative funding of 70% by Banks) (in the form of equity share capital with voting rights) needs to be invested by Captive user. As of now, the subsidiaries are thinly capitalised and capital employed is through borrowings given by the Company. The management believes that as these are draft regulations and hence do not have any impact on the concerned subsidiary and management will take appropriate action, as deemed necessary, if the abovementioned draft Rules gets notified to maintain the status of "Captive Generating Plant" and continue to generate future economic benefits from these entities and thus, no adjustments are deemed necessary at this stage.

(c) HWE has exposure of ₹ 4,125.38 Million (March 31, 2023: ₹ 4,042.59 Million) in Vayu Urja Bharat Private Limited ("the subsidiary" or "Vayu Urja") of which ₹ 762.81 Million (March 31, 2023: 762.81 Million) is in form of investment in equity share capital, ₹ 186.94 Million (March 31, 2023: ₹ 186.94 Million) is in form of investment in Debenture, ₹ 2,370.66 Million (March 31, 2023: ₹ 2,370.66 Million) as loans and deemed investment, ₹ 670.65 Million (March 31, 2023: ₹ 591.72 Million) as interest receivable and ₹ 134.32 Million (March 31, 2023: ₹ 130.46 Million) as trade and other receivable.

(i) The said subsidiary has entered into a Power Purchase Agreement ('PPA'), dated July 28, 2016, with Southern Power Distribution Company of A.P. Limited ('Discom') for selling entire wind energy from proposed 120MW wind power plant for a period of 25 years. As per the terms of PPA, the tariff was determined to be ₹ 4.84 per unit and the Company is also entitled to benefit of Generation Based Incentives ('GBI'). Discom vide their petition no. O.P. no. 1/2017 dated February 14, 2017 filed with Andhra Pradesh Electricity Regulatory Commission ('Commission') has requested the Commission to amend tariff order and incorporate a condition to pass on GBI amount to Discom, as Discom had not factored in GBI benefit to Power producers while approving the tariff of ₹ 4.84 per unit.

APREC vide order dated July 28, 2018 permitted Discom to deduct the amounts so claimed and availed towards such GBI by the Company and only pay the balance of tariff payable. Aggrieved by the order of APERC, the subsidiary filed the petition in High Court, who vide order dated August 23, 2018 has granted interim stay on order issued by APERC and has directed Discom to remit the amounts that were withheld on the account of GBI. Further, the subsidiary has issued the contempt notice to APSPDCL through its legal counsel vide letter dated November 19, 2018 and follow up contempt notice on February 5, 2019 for not following the order of High Court. Interlocutory application has been filed for expedited hearing & compliance pending before the HC. Part argument has been taken place. The matter is expected to be listed in 2nd week of August 2023.

Notes to the standalone Financial Statements

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

The management is of the view that collectability of the amount withheld by Discom is certain and, accordingly, revenue has been recognised in the financial statement of the Company.

(ii) The said subsidiary has project capacity of 120 MW in Andhra Pradesh had entered into Power Purchase agreement ('PPA') with Southern Power Distribution Company of Andhra Pradesh Limited ('APDISCOM') for sale of power at an approved tariff of ₹ 4.84 per unit for 120 MW wind project, dated December 6, 2014

APDISCOM had filed the O.P 17 of 2019 before Andhra Pradesh Electricity Regulatory Commission ("APERC"), *inter alia* to amend the provisions of Regulation 1 of 2015, and consequently to revise the wind tariff fixed by the Hon'ble APERC for wind power projects pursuant to Regulation 1 of 2015. Being aggrieved by this, Indian Wind Power Association along with few other independent power producers filed a writ petition before the Hon'ble High Court of Andhra Pradesh at Amaravati, challenging the proceedings in O.P. No. 17 of 2019 before the Hon'ble APERC, as being without jurisdiction. However, the Hon'ble High Court, vide its judgement dated September 24, 2019, disposed the aforesaid writ petition with direction to the Hon'ble APERC to finish the proceedings in O.P. No. 17 of 2019 within 6 months and gave liberty to the petitioners to raise every defence permissible under law, including about jurisdiction. The subsidiary filed a writ appeal No. 394 of 2019, before the division bench of the Hon'ble High Court of Andhra Pradesh challenging the aforesaid judgement, dated September 24, 2019 of the Hon'ble Single Judge in W.P. No. 2401 of 2019. High Court, vide Judgement dated March 15, 2022, allowed our appeal holding that APERC has no jurisdiction to decide the constitutional validity of Regulation 1 of 2015. High Court also quashed the OP 17 petition filed by the APDISCOM and matter was disposed off in the favour of Subsidiary. AP Discom has also filed the SLP before the Supreme Court on jurisdiction issue, wherein notice has issued. The next date is yet to be notified.

Separately on August 31, 2019, Vayu Urja obtained a favourable order from APERC to receive full payment at the original PPA tariff rates in monthly instalments of ₹ 1,640.00 Million. Subsequently, the Company approached APERC for enforcement of its order for full payment as per the PPA and pursuant to APERC's directions, APDISCOM started making payments in instalments. APDISCOM went to appeal against the APERC order in Supreme Court against the full tariff order as per the PPA. Subsequently the same has also been withdrawn and thus payment at PPA tariff has attained the finality. Furthermore, APDISCOM again failed to make payment of invoices due from November 2020 to November 2021 and against this vayu urja has filed petitions for recovery of principal amount and late payment surcharges from the Discom. APDISCOM has issued letter dated August 5, 2022 for monthly equated payment in 12 months instalments of admitted amount of ₹ 1,938 Million till May 2022 as per Rule 5 of LPS Regulation 2022.

The subsidiary has received favourable order from APERC for payment of our outstanding generation based incentives (GBI) and capacity utilisation factor (CUF) amounts of ₹ 705.40 Million within 6 weeks. In spite of order from APERC for payment of our outstanding GBI and CUF amounts of ₹ 705.40 Million within 6 weeks, APDISCOM has not made any payment. Therefore, the subsidiary has recently filed an writ petition before AP High Court for seeking payment direction for ₹ 705.40 Million. APDISCOM has paid ₹ 300 Million as CUF amount out of ₹ 705.4 Million. The final argument has been concluded for payment of GBI amount and order is reserved by High Court.

Based on internal assessment, no provision is required in relation to said matters in the financial statement of HWE.

39. 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 ₹ 258.89 Million. Therefore, a provision of ₹ 258.08 Million has been recognised as at March 31, 2024 (March 31, 2023: ₹ 259.83 Million).

Notes to the standalone Financial Statements

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

Details of ESOP policy is as under:

Particulars	Category A Options	Category B Options	Category C Options
Exercise price	₹ 10 (Rupees Ten)	₹ 17 (Rupees Seventeen)	₹ 24 (Rupees Twenty Four)
Number of options granted as at March 31, 2024	1,09,00,000	61,25,966	18,75,000
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 fofeited 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

Movement in share options issued under the erstwhile ESOP policy for the year ended March 31, 2024 is as follows:

Particulars	Category A	Category B	Category C
Opening balance	1,09,00,000	61,25,966	18,75,000
Granted during the year	-	-	-
Forfeited/Lapsed during the year	-	-	-
Exercised during the year	-	-	-
Closing balance	**1,09,00,000**	**61,25,966**	**18,75,000**
Vested and exercisable	**1,09,00,000**	**61,25,966**	**18,75,000**

40. Leases

The Company has lease contracts for office premises for lease term of 9 years.

Carrying amounts of right-of-use assets recognised and the movements during the year are disclosed under note 3.

Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the year:

	Amount
As at April 1, 2022	94.24
Accretion of interest	7.55
Payments	(17.28)
Concessional income	(16.90)
As at March 31, 2023	**67.60**
Accretion of interest	6.03
Payments	(16.48)
Concessional income	(2.11)
As at March 31, 2024	**55.04**

	As at March 31, 2024	As at March 31, 2023
Current	17.84	19.74
Non-current	37.20	47.86

The maturity analysis of lease liabilities are disclosed in Note 36.

Notes to the standalone Financial Statements

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

The effective interest rate for lease liabilities is 10.01%, with maturity between 2027-2028

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense of right-of-use assets	23.10	14.16
Interest expense on lease liabilities	6.03	7.55
	29.13	**21.71**

The Company had total cash outflows for leases of ₹ 16.48 Million during the year ended March 31, 2024 (March 31, 2023: ₹ 17.28 Million).

41. Commitments and contingencies

a) Contingencies

Particulars	As at March 31, 2024	As at March 31, 2023
Corporate Guarantees given to banks on behalf of group companies* (Refer note 31(d))	38,544.07	36,757.94
	38,544.07	**36,757.94**

* Out of total amount of ₹ 38,544.07 Million, corporate guarantee of ₹ 3,857.10 Million has been given jointly with Hero Wind Energy Private Ltd and Hero Solar Energy Private Ltd (subsidiaries of Hero Future Energies Private Limited) as at March 31, 2024.

* Out of total amount of ₹ 36,757.94 Million, corporate guarantee of ₹ 1,550.00 Million has been given jointly with Hero Wind Energy Private Ltd and Hero Solar Energy Private Ltd (subsidiaries of Hero Future Energies Private Limited) as at March 31, 2023.

b) Other Commitments

The Company has entered into a Power Purchase Agreement for 25 years from date of commissioning for 10 MW power plant with Hubli Electricity Supply Company Limited (“Discom”), wherein the Company has committed to sell and aforementioned Discom has committed to purchase entire generation.

c) Other litigation

On August 18, 2015 the Company 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 ₹ 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.

d) Tax litigations

(i) For assessment year 2017-18, Assessment was completed under Section 143(3) vide order dated December 28, 2019, wherein the assessing officer made a total addition of ₹ 13.08 Million by disallowing club fee of ₹ 2.05 Million and under Section 14A amounting to ₹ 11.03 Million. The assessment has been completed on consolidated basis, merging the Income and income tax of the Hero Future Energies Private Limited (Amalgamating company - HFE Old) with the Hero Future Energies Private Limited (Amalgamated company - HFE New). Total additions of ₹ 59.06 Million (including addition of ₹ 45.98 Million of HFE Old) were made, against which Hero Future Energies Private Limited has filed appeal with CIT(A) on January 24, 2020.

The Company filed appeal with CIT(A) on January 24, 2020 for additions of ₹ 59.06 Million made. CIT(A) vide its order dated September 22, 2020 deleted all the additions made therein Further, as per notice dated 22.07.2022 (received on 05.08.2022) received from ITAT, department has filed the appeal to ITAT against the CIT(A) order passed in HFE favour. Now the date of hearing with ITAT is 17.10.2022 which is duly attended by the consultant Dr. Rakesh Gupta, case is discussed at ITAT and closed vide order dated 20.10.2022. Now, only AO has to considered the appeal effect in their orders.

(ii) For assessment year 2018-19, assessment was completed under Section 143(3)/143(2). Assessing officer (AO) made two additions in his order dated September 03, 2021. AO Disallowed ₹ 36.38 Million claimed u/s 80IA and ₹ 7.65 Million write off under Miscellaneous expense (on account of balance w/off of customer earlier debited for LPS income). The Company has filed an appeal with CIT(A) against AO order on September 27, 2021 which is pending. However, in view of the management, these additions are not tenable in law. The Company is contesting the demands of income tax and the management believes that its position will likely be upheld in the appellate process.

No tax expense has been accrued in the financial statements for the tax demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company’s financial position and results of operation.

Notes to the standalone Financial Statements

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

42. Ratios

Particulars	Numerator	Denominator	For the year ended March 31, 2024	March 31, 2023	% Change	Reason for Change
Current Ratio (in times)	Current assets	Current Liabilities	9.05	3.58	153.07%	Refer note (ii) below
Debt Equity Ratio (in times)	Total Borrowings	Total Shareholder's equity	2.33	3.61	-35.26%	Refer note (ii) below
Debt Service Coverage ratio (in times)	Profit after tax + Depreciation & Amortisation + Finance cost+ Deferred tax + non-cash expense - Non-cash income	Interest expense + Principal repayment+ Rent payment	0.31	0.35	-11.47%	Refer note (i) below
Return on equity ratio (in %)	(Net profit after tax - preference dividend)	Average equity	5%	-30%	-116.18%	Refer note (iii) below
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	1.27	1.27	-0.08%	Refer note (i) below
Net capital turnover ratio (in times)	Revenue from operations	(Current Assets - Current Liabilities)	0.04	0.05	-17.38%	Refer note (i) below
Net profit ratio (in %)	Profit after tax	Revenue from operations	115%	-539%	-121.40%	Refer note (iii) below
Return on capital employed (in %)	Profit before interest and tax	Total equity + Borrowings + Deferred tax liabilities-intangible assets (goodwill)	2%	4%	-37.13%	Refer note (iv) below
Return on investments (in %)	Interest income	Time weighted average Investments	10%	10%	-3.03%	Refer note (i) below

(i) Since the change is less than 25%, the reason for change is not required to be given.

(ii) Due to repayment of borrowings from financial institution during the year.

(iii) Due to increase in profit during the year.

(iv) Due to decrease in Profit before interest and tax during the year.

(v) Below ratios are not given as the same are not applicable to the Company.
Inventory turnover ratio
Trade payables turnover ratio

43. Disclosure pursuant to amendment to Ind AS 7 (Cash flow statement)

Particulars	Balance April 1, 2023	Cash flows	Non-cash transactions: Initial cost	Interest accretion	Concessional Income*	Balance March 31, 2024
Loan from bank	367.69	(30.33)	-	0.13	-	337.49
Loan from financial institutions	1,617.00	(1,625.00)	(22.42)	30.42	-	-
Commercial Papers	1,115.43	(1,115.43)	-	-	-	-
Cumulative Compulsorily Convertible Preference Share	24,949.67	-	-		-	24,949.67
Lease liabilities	67.61	(16.47)		6.01	(2.11)	55.04
Total Liabilities from financing activities	**28,117.40**	**(2,787.23)**	**(22.42)**	**36.56**	**(2.11)**	**25,342.20**

Particulars	Balance April 1, 2022	Cash flows	Non-cash transactions: Initial cost	Interest accretion	Concessional Income *	Balance March 31, 2023
Loan from bank	397.76	(30.23)	-	0.16	-	367.69
Loan from financial institutions	5,775.49	(4,241.67)	73.57	9.61	-	1,617.00
Commercial Papers	1,839.18	(723.75)	-	-	-	1,115.43
Cumulative Compulsorily Convertible Preference Share	22,862.36	-	-	2,087.31	-	24,949.67
Lease liabilities	94.24	(17.28)	-	7.55	(16.90)	67.61
Total Liabilities from financing activities	**30,969.03**	**(5,012.93)**	**73.57**	**2,104.63**	**(16.90)**	**28,117.40**

* Relates to lease rent concession received during the year resulting in decrease of lease liability.

Notes to the standalone Financial Statements

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

44. Operating segment

The Company is engaged in a single segment i.e. the business of "generation and sale of power" (on its own and through its direct or indirect subsidiaries) from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its CEO, CFO and Board of directors, who is the Chief Operating Decision Maker (CODM). All the Company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

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

45. As per RBI Press Release no. 1998-99/1269 dated April 8, 1999 ('Press Release'), the Company, 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.

46. Going Concern

The net worth of Company has been fully eroded owing to accumulated losses of ₹ 2,688.06 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 Company Hero Future Energies Global Ltd received the first tranche of new equity investment of ₹ 13,606.90 Million (US$165 Million), of which ₹ 4,287.26 Million (US$ 51.94 Million) was transferred to the Company as a equity and ₹ 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 Companies existing debt facilities, Further the Company has received second tranche of ₹ 5,819.90 Million (US$ 70.22 Million) out of which ₹ 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 Company's refinancing requirements through the going concern period.

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 Company 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 Company 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 Company's re-financing activities from previous years and is within the normal course of business for the Company. 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 Company's control.

47. 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 February 24, 2022. The current geopolitical tension between Ukraine and Russia may significantly impact the project assets in Ukraine in terms of either their future cash flows or value in the event of potential disposal thereby effecting exposure of the Company in Clean Solar Power (Eastern Europe) Limited. During the year ended March 31, 2022, the Company assessed the impairment on equity investment and recognised a loss of ₹ 69.94 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 Company has recovered interest accrued on loan given to Clean Solar Power (Easter Europe) Limited amounting ₹ 305.94 Million.

Notes to the standalone Financial Statements

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

48. Other Statutory information

(i) The Company has not held any benami property and no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Company has not had any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company 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 Company 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 Company 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 Company does not have any such transaction which is not recorded in the books of account 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 Company 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

(ix) The Company is not declared wilful defaulter by any bank or financial institution or lender during the year.

49. Figures have been rounded off to nearest Million thereof, unless otherwise stated and absolute amounts less than ₹ 5,000 are appearing in the financial statements as "0" due to presentation in Million, if any.

50. The Company uses SAP ECC as an accounting software for maintaining its books of account 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.

51. Events occurring after balance sheet date

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

52. (i) The Company does not have any pending litigations which would impact its financial position.

(ii) The Company does not have any long-term commitments/contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

53. Four communications without details were received via the whistle-blower channel. These were assessed and were concluded as not to be whistle-blower complaints.

Notes to the standalone Financial Statements

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

54. Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's 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
Other financial assets	7B	8,309.63	(7,222.99)	1,086.64
Other financial assets	7B	3,179.97	(3,174.47)	5.50
Loans – Non-current	7A	-	3,174.47	3,174.47
Loans – Current	7A	-	7,222.99	7,222.99
Other non-current assets	11	1.38	4.02	5.40
Other current assets	11	143.06	(4.02)	139.04

The accompanying notes form an integral part of these standalone 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
Partner
Membership Number: 502896

Place: Gurugram
Date: July 25, 2024

For and on behalf of the Board of Directors
Hero Future Energies Private Limited
CIN: U40300DL2013PTC253648

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

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

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

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

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 ₹ 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 ₹ 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 ₹ 0.10 Million as at March 31, 2024, total revenues of Nil and net cash flows amounting to ₹ 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

INDEPENDENT AUDITOR'S REPORT

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.

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)
12	Clean Wind Power (Bableshwar) 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
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 judgement and maintain professional skepticism throughout the audit. We also:

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

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: 24502896BKGFOC9116

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.

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 authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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: 24502896BKGFOC9116

Place: Gurugram
Date: July 25, 2024

Consolidated Balance Sheet

as at March 31, 2024

(All amounts are in Indian Rupees (in mn), 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	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
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
Director
DIN: 01866057
Place: New Delhi
Date: July 25, 2024

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

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

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

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts are in Indian Rupees (in mn), 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)**		**15,871.59**	**16,573.23**
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 amortisation expense	28	3,413.28	3,420.57
	Other expenses	29	2,634.89	2,528.51
	Total expenses		**15,315.09**	**19,554.30**
V	**Profit/(Loss) before exceptional items and tax (III-IV)**		**556.50**	**(2,981.07)**
VI	**Exceptional items**	56	57.74	5.35
VII	**Profit/(Loss) before tax (V-VI)**		**498.76**	**(2,986.42)**
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		**474.81**	**168.44**
IX	**Profit/(Loss) for the year (VII-VIII)**		**23.95**	**(3,154.86)**
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		**(9.76)**	**6.01**
	Other comprehensive income for the year, net of tax		**(9.76)**	**6.01**
XI	**Total comprehensive income/(loss)of the year, net of tax (IX+X)**		**14.19**	**(3,148.85)**
XII	**Earning/(Loss) per share: (Face Value ₹ 10 per share)**			
	Basic and Diluted (Amount in ₹)	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
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
Director
DIN: 01866057
Place: New Delhi
Date: July 25, 2024

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

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

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

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

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

A. Equity Share Capital

Equity shares of ₹ 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			
	Securities Premium	Capital Reserve	Retained Earnings/ (Losses)	Total other Equity
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
Partner
Membership Number: 502896

Place: Gurugram
Date: July 25, 2024

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

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

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(All amounts are in Indian Rupees (in mn), 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 amortisation 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**

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

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

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
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)**
	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 7" 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
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
Director
DIN: 01866057
Place: New Delhi
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Place: Paris
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Mayur Maheshwari
Company Secretary
M.No.- F7379
Place: New Delhi
Date: July 25, 2024

Notes to the Consolidated Financial Statements

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

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.

Notes to the Consolidated Financial Statements

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

(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.

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 (Bableshwar) 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 (Sirsa) 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 Renergies 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%	-

Notes to the Consolidated Financial Statements

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

Notes:

(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 realised 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.

Notes to the Consolidated Financial Statements

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

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

Notes to the Consolidated Financial Statements

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

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.

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 recognised 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 recognised 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 counter party, 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.

Notes to the Consolidated Financial Statements

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

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:

- 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 recognised 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 @ ₹ 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 ₹ 10 Million per MW. GBI is recognised 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

Notes to the Consolidated Financial Statements

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

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 (₹) 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 ₹ 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

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

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 recognised 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 recognised 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 recognised where there is reasonable assurance that the grant will be received and all attached conditions will be compiled with. When the grant related to an expense item, it is recognised 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 recognised 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 recognised in the statement of profit and loss when the asset is derecognised.

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/amortisation 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 amortised 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 amortisation year and the amortisation 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 combination	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;

Notes to the Consolidated Financial Statements

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

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.

m) Impairment of non-financial assets

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.

Notes to the Consolidated Financial Statements

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

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 recognises 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 recognised 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 recognised 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.

Notes to the Consolidated Financial Statements

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

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 recognised 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 recognised 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.

Notes to the Consolidated Financial Statements

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

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.

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 recognised 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.

Notes to the Consolidated Financial Statements

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

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 effecting 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.

Notes to the Consolidated Financial Statements

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

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 judgement 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.

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 availment 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.

Notes to the Consolidated Financial Statements

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

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 of 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

Notes to the Consolidated Financial Statements

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

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		(355.9)	(1.1)	(2.74)	
(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)
Decrognition 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	3,250.39
Impairment during the year	-	404.70	-	-	404.70
On disposals/adjustments during the year	-	(22.09)	-	(14.26)	(36.35)
Decrognition 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**

Note:

a) Two subsidiaries of the Group are having 232.10 acre (March 31, 2023: 281.25 acre of freehold land amounting to ₹189.21 Million (March 31, 2023: ₹ 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 ₹ 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 ₹ Nil (March 31, 2023 ₹ 5.75 Million).

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

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

Notes to the Consolidated Financial Statements

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

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 ₹ 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.

Notes to the Consolidated Financial Statements

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

5 Intangible assets

	Customer contracts acquired under business combination	Other intangible assets	Sub total	Goodwill	Total
Gross Block					
(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 Renergies and Projects Private Limited, the goodwill arises from acquisition is ₹ 46.05 Million. (Refer note 57).

The value of goodwill allocated to each CGU as at March 31, 2024 is ₹ 350.81 Million comprising of Bhilwara Green Energy Limited ₹ 46.84 Million, LNJ Power Ventures Limited ₹ 22.58 Million, Vision Renergies and Projects Private Limited ₹ 46.05 Million and Waaneep Solar Private Limited ₹ 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 (Nagari, 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 ₹ 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 esclation rate would result impairment of ₹ 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 ₹ 73.47 Million

6 Financial assets

	As at March 31, 2024	As at March 31, 2023
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

Notes to the Consolidated Financial Statements

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

Breakup of investments is as follows:

	As at March 31, 2024	As at March 31, 2023
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	**-**	**-**

	As at March 31, 2024	As at March 31, 2023
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 1,867,233.09 units (March 31, 2023: Nil units)	101.65	
HDFC Short term debt – Growth 8,379,293.75 units (March 31, 2023: Nil units)	242.04	-
	390.57	**94.25**
Aggregate value of unquoted investments	463.54	167.22
Aggregate amount of impairment in value of investments	(72.97)	(72.97)
Aggregate value of unquoted investments (net of impairment)	390.57	94.25

7 Trade receivables

	As at March 31, 2024	As at March 31, 2023
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	(632.51)	(580.58)
	5,357.26	**6,021.00**
Total Trade Receivables – Non-current and Current	**5,780.07**	**6,915.21**
* Trade receivable include the amount of unbilled revenue. Please refer accounting policy on Trade receivable.	**1,163.84**	**1,185.15**
* Trade receivable include the amount receivable from related parties (refer note 34)	**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	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	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	30.65	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	29.53	7.20	13.56	57.26
(iv) Disputed Trade Receivables – considered good	44.84	84.03	296.74	237.06	808.16	314.61	583.03	2,368.47
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	69.76	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**	**6,412.58**

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	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	50.85	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**

8 Cash and cash equivalents

	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
	4,926.61	**4,159.90**
* Includes deposits held as margin money against term loan.	302.48	-

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

	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)
	4,693.65	**3,903.53**

9 Other bank balances

	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity for more than 3 months but less than or equal to 12 months*	3,551.73	2,998.08
	3,551.73	**2,998.08**
* Includes deposits held as margin money against bank guarantee and term loan.	1,794.38	2,310.96

Notes to the Consolidated Financial Statements

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

10A Other financial assets

	As at March 31, 2024	As at March 31, 2023
Current		
Loan to related parties** (refer note 34)	-	50.00
Loan to others	8.00	-
	8.00	**50.00**

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

10B Other financial assets

	As at March 31, 2024	As at March 31, 2023
Non-current		
Deposits with remaining maturity of more than 12 months*	616.45	59.16
Security deposits	84.53	68.88
Less: provision for doubtful advance - financial asset	(0.76)	(0.76)
Other receivables- financial non-current	23.88	113.33
	724.10	**240.61**
Current		
Deposits with remaining maturity of less than 12 months*	1,561.93	245.07
Accrued Interest on fixed deposits	11.57	16.52
Accrued interest on loan to related parties - current	-	304.93
Security deposits	16.59	20.63
Receivable for loss of control in subsidiary (Refer Note 56)	1,537.29	1,487.14
Other receivables - financial current	474.78	345.29
Less: provision for doubtful advance	(115.25)	(79.23)
	3,486.91	**2,340.35**
Total	**4,211.01**	**2,580.96**
* Includes fixed deposit with interest under lien held as margin money	662.80	202.07

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

	As at March 31, 2024	As at March 31, 2023
Security Deposits	100.36	88.75
Trade receivables (Refer to note 7)	5,780.07	6,915.21
Cash and cash equivalents (Refer to note 8)	4,926.61	4,159.90
Other bank balances (Refer to note 9)	3,551.73	2,998.08
Loans (Refer to note 10A)	8.00	50.00
Other financial assets (Refer to note 10B)	4,110.65	2,492.21
Total	**18,477.42**	**16,704.15**

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

	As at March 31, 2024	As at March 31, 2023
Investment (Refer to note 6)	390.57	94.25
	390.57	**94.25**

Notes to the Consolidated Financial Statements

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

11 "Other assets

(Unsecured, considered good, unless otherwise stated)"

	As at March 31, 2024	As at March 31, 2023
Non-current		
Capital advances	184.38	139.85
Less: Provision for doubtful capital advances	(108.03)	(108.03)
Prepaid expenses	22.21	21.74
Prepaid gratuity (funded) (net of provision for gratuity)	23.41	15.61
Deferred asset*	134.26	142.22
Contract Assets**	379.84	359.07
Other receivable	247.27	191.20
	883.34	**761.66**
Current		
Balance with government authorities	260.64	495.35
Advance to Vendors	342.46	399.17
Less: provision for doubtful advance	(8.04)	(121.13)
Prepaid expenses - Current	206.20	375.53
Other advances (including employees)	5.44	3.06
Prepaid gratuity (funded) (net of provision for gratuity)	3.37	12.79
Deferred asset*	7.58	7.38
Other receivables	67.52	68.68
	885.17	**1,240.83**

* 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)

12 Non-current tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Advance Income Tax (Net)*	397.96	570.57
	397.96	**570.57**
* Net of provision for tax	8.94	185.51

13 Inventories

	As at March 31, 2024	As at March 31, 2023
Stores and spares	162.30	205.27
	162.30	**205.27**

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
	21.21	**915.27**

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

Notes to the Consolidated Financial Statements

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

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 ₹ 10 each	7,875.00	7,875.00
Issued, subscribed and paid up		
Equity Share capital		
12,920,644 (March 31, 2023: 10,165,119) equity shares of ₹ 10 each	129.21	101.65
	129.21	**101.65**

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

i. Reconciliation of authorised share capital as at year end:

	No. of shares	(₹ in Million)
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	**787,500,000**	**7,875.00**

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

	No. of shares	(₹ 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	2,755,525	27.56
Balance as at March 31, 2024	**12,920,644**	**129.21**

b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 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

As at March 31, 2024	No. of shares	Holding %
Hero Future Energies Asia Pte. Limited (holding company) along with its nominee*	12,920,644	100.00%

Notes to the Consolidated Financial Statements

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

As at March 31, 2023	No. of shares	Holding %
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 ₹ 10 each fully paid up						
For the year ended March 31, 2024	Hero Future Energies Asia Pte. Ltd.	10,165,119.00	2,755,525.00	12,920,644.00	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	(6.88)
Closing Balance (March 31, 2023)	**(24,211.97)**
Add: Profit for the year	23.95
Add:- Other comprehensive expense	(9.76)
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	Amount
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**

Debenture redemption reserve

Debenture redemption reserve is created to protect debenture holders against the risk of the default of the issuing compan. the companies which issues debentures requires to create a reserve out of their divisible profits at least equal to 25% of the nominal value of debentures issued, before the start of redemption.

Notes to the Consolidated Financial Statements

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

The group is required to create debenture redemption reserve in terms of Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of Companies (Share Capital & Debenmture 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 utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

The Group recognises 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

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	31,035.69	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
	94,590.18	**93,218.31**
Current		
Secured		
Current maturities of long term borrowings from Banks	3,483.83	1,408.73
Current maturities of long term borrowings from Financial Institutions	2,669.30	1,933.80
Current maturities of Onshore ECB Bonds	1,627.92	1,492.85
Short term Loans from banks - current	-	5,375.06
Short term loans from Financial Institutions- current	-	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	1,187.00	-
Bank overdraft	232.96	2.00
	9,688.76	**15,560.30**
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 unamortised balance of such amount as of March 31, 2024 is ₹933.36 Million (March 31, 2023 is ₹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) Cummulative Compulsory 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.

Notes to the Consolidated Financial Statements

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

Security and Repayment terms for Borrowings

	Entity name	Nature of Lender	Amount (in Millions) March 31, 2024	Amount (in Millions) March 31, 2023	Repayment terms	Security and other details
(i)	**Term Loan**					
	Hero Future Energies Private Limited (HFEPL)	ICICI Bank Ltd.	337.49	367.69	The principal amount is repayable in 56 structured quarterly instalments starting from August 18, 2016 till May 18, 2030.	Refer Note 1(a)
		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.	
	Clean Solar Power (Tumkur) Private Limited	India Infradebt Limited	3,639.47	3,792.29	The facility is repayable in 70 structured quarterly installments starting from September 30, 2021 till March 31, 2039.	Refer Note (2)
		Aditya Birla Finance Limited	898.16	936.12		
		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)
	Clean Wind Power (Devgarh) Private Limited	India Infradebt Limited	5,074.86	1,490.82	During the year ended March 31, 2024, L&T Finance Limited and L&T Infra Credit Limited (previous lenders) has downsell the borrowings outstanding amounting to ₹ 2,293.56 Million to India Infradebt Limited amounting to ₹ 1,035.81 Million and to Tata Capital Limited (previously know as Tata Cleantech Capital Ltd.), ("TCCL") amounting to ₹ 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 installments from the disbursement date till March 31, 2037. 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.	Refer Note (4)
		Aditya Birla Finance Limited ("ABFL")	-	1,491.16		
		L&T Finance Company Limited	-	772.81		
		L&T Infra Credit Limited	-	1,506.17		

Notes to the Consolidated Financial Statements

(All amounts are in Indian Rupees (in mn), 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
Vayu Urja 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 ₹ 3,877.49 Millions. The new Loan is repayable in 44 structured quarterly instalments, starting from March 31, 2024 till December 30, 2034. The old facilty from IREDA is repayable in 68 structured quarterly instalments till June 30, 2035.	Refer Note (5)
	South Indian Bank Ltd.	-	387.46		
	Indian Renewable Energy Development Agency	6,719.10	3,101.36		
	PTC India Financial Service Ltd.	2,143.12	2,277.79	The loan is repayable in 66 structured quarterly instalments commencing from June 30, 2018 and ending on June 30, 2035.	
LNJ Power Ventures Limited	Yes Bank	-	182.12	During the year ended March 31, 2024, the entitiy 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)
	International Finance Corporation	-	181.06		
	India Infradebt Limited	520.79	-		
Clean Wind Power (Manvi) Private Limited	India Infradebt Limited	1,868.93	2,059.42	The Term Loan is repayable in 68 structured quarterly instalments starting from December 31,2019 till September 30, 2036.	Refer Note 7(a)
	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)
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)
Clean Solar Power (Bhadla) Private Limited	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.	Refer Note (12)
	State Bank of India	8,618.63	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 ₹ 1,200.00 Millions is repayable 138 monthly installments commencing from October 31, 2021 till March 31, 2033.	Refer Note (12)

Notes to the Consolidated Financial Statements

(All amounts are in Indian Rupees (in mn), 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
Clean Solar Power (Bellary) Private Limited	Federal Bank	749.17	807.62	The Term Loan facility is repayable in 60 structured quarterly instalments, starting from September 2021 till June 30, 2036.	Refer Note (9)
Clean Wind Power (Anantapur) Private Limited	PTC India Financial Services Ltd.	-	830.78	During the year ended March 31, 2024, the entitiy has refinanced the existing Rupee term loan facility of PTC India Financial Service Ltd. from India Infradebt Limited.	
	India Infradebt Ltd.	799.22	-	The Loan is repayable in 66 structured quarterly instalments, starting from December 31, 2023 till March 31, 2040.	Refer Note (8)
Hero Solar Energy Private Limited (HSEPL)	IndusInd Bank Ltd.	2,742.39	1,241.05	1) The Company has got disbursement of ₹ 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 ₹ 2,750.00 Million from IndusInd Bank Limited. The loan is repayable in 14 quarterly structured installments till March 31, 2027 after mortarium of 6 months.	Refer Note (13)
	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 movable 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 mortarium 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 ₹ 2,900 Million is availed. The facility is repayable in 18 equal monthly instalments, starting from September, 2024 till February 28, 2026, after mortarium of 12 months.	The Loan is secured by way of a) hypothecation of loans and advances given by HSEPL to the SPV's to the extent of 1.1x. b) Pledge of 22% shared of HSEPL held by HFEPL.
	Arka Fincorp Limited	-	125.32	The Loan is repaid during the year ended March 31, 2024.	

Notes to the Consolidated Financial Statements

(All amounts are in Indian Rupees (in mn), 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
	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 ₹ 4,150 Million. The term Loan facility is repayable in 59 structured quarterly instalments, starting from March, 2024 till September 30, 2038.	
Waaneep Solar Private Limited	Tata Capital Ltd. (earlier known as Tata Cleantech Capital Ltd.)	2,851.55	-		Refer Note (10)
	Kotak Infrastructure Debt Fund Limited	1,228.76	-		
Hero Wind Energy Private Limited (HWEPL)	SBM Bank (India) Limited	41.44	207.83	The loan is repayable in 12 structured quarterly installments 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 installments starting from September 30, 2024 after mortarium of 12 months, till March 31, 2026.	Refer Note (10a)
	Federal Bank Limited	2,060.32	4,000.00	During the year the term Loan facility from Federal Bank was repaid and new facility of ₹ 2,100 Million is availed. The facility is repayable in 18equal monthly instalments, starting from September, 2024 after mortarium 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 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 30% shares of the subsidiary held by its Holding company Hero Rooftop Energy Private Limited.
Total		**53,428.30**	**53,057.81**		
(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 installments starting from November 2022 to May 2024.	a) The NCDs are secured by exclusive charge by way of pledge of 49% of investment in equity share of subsidiary "Waaneep Solar Private Limited" and loan given by the company to subsidiary "Waaneep Solar Private Limited" required to maintain security cover of 1.1X

Notes to the Consolidated Financial Statements

(All amounts are in Indian Rupees (in mn), 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
				b) 11.65% Non convertible debentures is scheduled to be repaid in bullet payment in December 3, 2025.	b) The NCD are secured by exclusive charge by: - Security of 1.1x of principal plus final redemption amount (P+I) to be be provided upfront. (hypothecation of loans from HFEPL to HSEPL) - Corporate Guarantee by the HFEPL - DSRA, at the end of 37 months
				c) 11.10% Non convertible debentures issued is scheduled to be repaid in 10 equal quarterly instalments starting from December 2022 to March 2025.	c) The 'NCD's are secured by exclusive charge by way of hypothecated assets (i.e shareholder loan extended from HFEPL) charged as security maintaning security cover of 1.1x.
				d) Issued 1,187 unsecured, unlisted and redeemable Non- convertible debentures ('NCD') of face value of ₹ 1.00 Million each. The NCD are repayable in bullet payment in September 2024.	
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)	Refer Note (15)
				d) 9.05% Non convertible debenturesis 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.	
Total		**2,334.54**	**3,334.71**		

Notes to the Consolidated Financial Statements

(All amounts are in Indian Rupees (in mn), 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
(iii)	**Onshore External Commercial Borrowings (ECB) Bonds**					
	Clean Solar Power (Dhar) Private Limited	Clean Renewable Power (Mauritius) Pte Ltd	850.52	905.15		Hero Future Energies Private Limited has given the guarantee in the favour of Axis Trustee Services Limited on the behalf of Clean Renewable Power (Mauritius) Pte Limited. The Loan amount is secured through (i) First ranking charge by way of mortgage over movable property and hypothecation over project documents of the Company, mortgage/charge on certain immovable properties(other than Clean Wind Power (Ratlam) Private Limited, Clean Solar Power (Dhar) Private Limited and Rajkot (Gujarat) Solar Energy Private Limited) (ii) Second ranking charge by way of hypothecation over all current assets of the Company (iii) Pledge of 51% of the equity shares of the Company by Hero Solar Energy Private Limited.
	Clean Solar Power (Gulbarga) Private Limited		9,038.22	9,618.68	Repayable in half yearly structured installments starting from March 25, 2022 till March 25, 2027	
	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		1,561.02	1,661.25		
	Bhilwara Green Energy Limited		1,268.31	1,349.77		
	Clean Wind Power (Bableshwar) Private Limited		2,004.93	2,133.68		
	Rajkot (Gujarat) Solar Energy Private Limited		1,971.86	2,098.49		
			23,246.17	**24,739.02**		
(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 (amalgamated 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**		

Notes to the Consolidated Financial Statements

(All amounts are in Indian Rupees (in mn), 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
(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 ₹ 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**		
(vi)	**Optionally Convertible Cumulative Debentures**					
	Hero Solar Energy Private Limited	O2 Power SG PTE Ltd.	-	120.59	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 (Bhainsada) Private Limited.
	Total		**-**	**120.59**		
(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	Bahadur 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	0.60	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

Notes to the Consolidated Financial Statements

(All amounts are in Indian Rupees (in mn), 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
Hero Rooftop Energy Private Limited	Axis Bank Ltd.	-	0.31	Repayable on demand	Unsecured
Vayu Urja Bharat Private Limited	Axis Bank Ltd.	-	162.13	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**	**256.38**		
(ix) Commercial Papers					
Hero Future Energies Private Limited	Commercial papers	-	1,115.43	Commercial papers repaid during the year.	Unsecured
		-	**1,115.43**		
(x) Term Loan from others					
Waaneep Solar Private Limited	Jet Infraventure Limited	1.04	1.04	Repayable on demand	Unsecured
	Harshok Properties Private Limited	1.74	1.74		Unsecured
	Thar Commercial Finance Private Limited	0.71	0.71		Unsecured
	Waaree Energies Limited	0.61	0.61		Unsecured
Total		**4.10**	**4.10**		
Total		**104,278.94**	**108,779.02**		

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 Compulsory 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 ₹ 100 each fully paid at par 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.

Refer note 43 for further details.

Notes to the Consolidated Financial Statements

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

(c) Terms attached to Cumulative Compulsory 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 Futures Energies Global Limited of ₹ 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 2,628,606 Cumulative Compulsorily Convertible Preference Shares ('CCPS V3') at a consideration of ₹ 262.86 Million to Hero Future Energies Global Ltd. These CCPS V3 have a face value of ₹ 100 each and are fully paid.

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

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

During the year ended March 31, 2020, the Company has issued 38,893,348 Cumulative Compulsorily Convertible Preference Shares ('CCPS V5') at a consideration of INR 3,889.33 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 7,896,253 Cumulative Compulsorily Convertible Preference Shares ('CCPS V5') at a consideration of ₹ 789.63 Million to Abu Dhabi Future Energy Company PJSC-Masdar ('Masdar'). These CCPS V5 have a face value of ₹ 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 7,624,972 CCPS V5 were purchased by BM Munjal Energies Private Limited from Masdar.

(2). The facility is secured with first charge by way of emortgage 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, OCDs 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

Notes to the Consolidated Financial Statements

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

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 pertaning 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/CCD/CCPS of the borrower, in demat form (free from all restrictive convenants, lien or other encumbrance under any contract, arrangement or arrangement including but not limited to any shareholder agreement), together with all the accertions 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/CCD/CCPS/Preference Shares of the Borrower, in dematerialised 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 pertaning 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/CCD/CCPS of the borrower, in demat form (free from all restrictive convenants, lien or other encumbrance under any contract, arrangement or arrangement including but not limited to any shareholder agreement), together with all the accertions 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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(10a) The Facility together with all Obligations in relation thereto shall be secured by the following (collectively referred to as the "Security""):

(a) 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;

(b) an assignment /hypothecation of HFEPL Loans by HFEPL, until the Interim Security End Date;

(c) an assignment /hypothecation of the Identified Project SPV Loans by the Borrower, until the Final Settlement Date;

(d) a pledge of the Pledged Securities by the Pledgor pari passu with the lenders of the Other Borrower Facility, until the Final Settlement Date;

(e) 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;

(f) an exclusive charge on the Interest Service Reserve Amount.

Notes to the Consolidated Financial Statements

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

(11) a) First charge by way of mortagage on all the immovable properties & first charge by way of mortagage 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 pari passu charge by way of hypothecation on all ,borrower's current assets, book debts,commissions,operting 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

(a) Pledge of 26% investment in form of shares/convertible equity instrument, Shareholder's loan, Promoter contribution of HSEPL held by HFEPL.

(b) Pledge of equity shares/convertible instrucments of identified SPV's of HSEPL and/or HWEPL and hypothecation over loans and advances given by HSEPL and/or HWEPL to identified SPV's.

(c) Charge over accounts of HSEPL and/or HWEPL designated to receive minimum ₹ 1,250 Million annual cash flow from underlying identified SPV's.

(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 –

a) First pari 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);

b) Pledge of 26% shareholding (on a fully diluted basis) of HSEPL at all times (to be shared on a pari passu basis with ABFL Facility in HWEPL)

c) 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.

d) ISRA equivalent to 1 quarter interest servicing

e) Unconditional & Irrevocable Corporate Guarantee of the Guarantors

f) DPN

g) 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

1. Security of 1.1x of principal to be be provided upfront. (hypothecation of loans from HFEPL to HWEPL)
2. Corporate guarantee of HFEPL.

(b) The 11,10% non-convertible debentures (unlisted) are secured by way

1. Security of 1.1x of principal to be be provided upfront. (hypothecation of loans from HFEPL to HWEPL)
2. Corporate guarantee of HFEPL.

(c) The 11,65% non-convertible debentures (unlisted) are secured by way

1. Security of 1.1x of principal plus final redemption amount (P+I) to be be provided upfront. (hypothecation of loans from HFEPL to HWEPL)
2. Corporate guarantee of HFEPL.
3. 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 ₹ 70.02 Million is being reclassified from non-current to current. Hence the total current portion of loan is ₹ 76.94 Million.

Notes to the Consolidated Financial Statements

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

18 Trade payables

	As at March 31, 2024	As at March 31, 2023
Trade payables		
- total outstanding dues to micro and small enterprises	40.40	35.03
- total outstanding dues to parties other than micro and small enterprises	1,538.67	1,767.86
	1,579.07	**1,802.89**

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	145.64	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**	**260.95**	**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	-	21.56	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	10.06
Total	**1,389.42**	**254.02**	**136.76**	**5.13**	**1.99**	**15.57**	**1,802.89**

19 Other Financial Liabilities

	As at March 31, 2024	As at March 31, 2023
Non-current		
Security deposit	2.59	3.53
Interest accrued but not due	0.70	0.60
	3.29	**4.13**
Current		
Interest accrued on borrowings - current	409.60	431.31
Interest accrued on loan from related parties (refer note 34)	238.80	208.94
Payables for property, plant and equipment and intangible asset	828.02	1,149.65
Other payable	57.96	88.63
	1,534.38	**1,878.53**
Total	**1,537.67**	**1,882.66**

Notes to the Consolidated Financial Statements

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

Breakup of financial liabilities at amortised cost:

	As at March 31, 2024	As at March 31, 2023
Borrowings (Refer note 17)	104,278.94	108,778.61
Trade payables (Refer note 18)	1,579.07	1,802.89
Other financial liabilities (Refer note 19)	1,537.67	1,882.66
	107,395.68	**112,464.16**

20 Other liabilities

	As at March 31, 2024	As at March 31, 2023
Non-current		
Contract Liabilities:		
Deferred revenue (Refer note 50) current	554.69	317.92
Others:		
Deferred Liability	0.85	-
Deferred government grant (Refer note 44)	2,206.09	1,906.14
Operation and maintenance equalisation reserve	286.90	438.93
	3,048.53	**2,662.99**
Current		
Contract Liabilities:		
Advance from customers	2.06	99.52
Deferred revenue (Refer note 50) current	142.14	135.11
Others:		
Deferred government grant (Refer note 44)	158.14	136.47
Deferred Liability	0.04	-
Statutory dues	109.46	193.91
Operation and maintenance expense equalisation reserve	152.13	126.81
Other Payables	33.71	37.36
	597.68	**729.18**
Total	**3,646.21**	**3,392.17**

21 Provisions

	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for employee benefits:		
- Provision for gratuity (Refer note 35)	9.50	4.35
- Provision for compensated absences	48.81	35.76
Others		
Provision for decommissioning cost (refer note below)	127.93	116.98
	186.24	**157.09**
Current		
Provision for employee benefits:		
- Provision for gratuity (Refer note 35)	2.12	0.79
- Provision for compensated absences	5.46	6.06
Provision for employee stock option plan (Refer note 47)	258.24	259.84
Others:		
Provision for onerous contract*	-	22.75
	265.82	**289.44**

Notes to the Consolidated Financial Statements

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

	As at March 31, 2024	As at March 31, 2023
Movement of Provision for Decommissiong cost		
Opening Balance	116.98	107.50
Accretion during the period	11.55	9.48
Additions	10.26	-
Change in estimate	(10.86)	-
Closing Balance	**127.93**	**116.98**

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

22 Current tax liabilities (Net)

	As at March 31, 2024	As at March 31, 2023
Liabilities for current tax (net of advance tax)*	28.19	7.08
	28.19	**7.08**
* Net of advance tax	141.29	66.10

23 Revenue from operations

	Year ended March 31, 2024	Year ended 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 recognised 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 recognise revenue over the period of the contract based on service rendered.

Notes to the Consolidated Financial Statements

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

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 ₹ 79.20 Million, ₹ 5.20 Million is shown in other income as Balance and Provision written back, ₹ 16.09 Million as Sale of electricity for the period for which revenue was not recognised and balance amount ₹ 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 Liabilty:		
Deferred revenue (Refer Note 20)	696.83	453.03
Advance from customers (Refer Note 20)	2.06	99.52

Contract Balances

	Year ended March 31, 2024	Year ended 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	Year ended March 31, 2023
Late payment surcharge	36.83	487.27
Balances and Provision written back (Refer Note 29(a) below)	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
	1,253.94	**1,928.18**

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

Notes to the Consolidated Financial Statements

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

25 Cost of material consumed

	Year ended March 31, 2024	Year ended March 31, 2023
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

	Year ended March 31, 2024	Year ended March 31, 2023
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:

	Year ended March 31, 2024	Year ended March 31, 2023
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
Total interest expense	**8,529.84**	**12,615.60**

* During the year interest accretion on lease liability amounting ₹ 3.62 Million is transferred to Capital work-in-progress.

28 Depreciation and amortisation expense

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of tangible assets (refer note 3A)	3,237.28	3,250.39
Amortisation 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

	Year ended March 31, 2024	Year ended March 31, 2023
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

Notes to the Consolidated Financial Statements

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

	Year ended March 31, 2024	Year ended March 31, 2023
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

30 Tax expense

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	184.24	223.29
Adjustment of tax relating to earlier periods	(69.62)	0.46
Deferred tax	360.19	(55.31)
	474.81	**168.44**

31 Other Comprehensive Income

	Year ended March 31, 2024	Year ended March 31, 2023
Re-measurement gains on defined benefit plans	(11.75)	5.93
Income Tax Effect	1.99	0.08
	(9.76)	**6.01**

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** for tax purposes	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 ₹ 18.12 Million (March 31, 2023 deferred tax asset of ₹ 190.41 Million) is not recognised in the consolidated financial statements.

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

Notes to the Consolidated Financial Statements

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

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 ₹ 187.88 Million as at March 31, 2024 and deferred tax liability by ₹ 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 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 on 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 amortisation 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	532.98	(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)**

Notes to the Consolidated Financial Statements

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

(a) The Group has recognised an asset of ₹ 225.98 Million (March 31, 2023: ₹ 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 utilise 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 ₹ 82.77 Million (2023: ₹ 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)

Financial year of expiry	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 Cumulative 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.

Notes to the Consolidated Financial Statements

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

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	
International Finance Corporation	Enterprise having significant influence over the Company
Clean Renewable Power (Mauritius) Pte Ltd.	Fellow Subsidiary Company
Clean Solar Power Eastern Europe Limited	
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 Abdullatif A Alothman- Nominee Director (Resigned w.e.f April 19, 2022)	
Srivatsan Srinivas Iyer- Chief Executive Officer (w.e.f January 31, 2021)	
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	

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
		Loan Repaid	500.00	1,750.00
Hero motocorp Ltd		Operation & Maintenance Fees	4.70	4.88
Rockman Industries Limited	Enterprise owned or significantly influenced by key management personnel or their relatives	Operation & Maintenance Fees	-	0.35
		Sale of Electricity	21.52	18.38
		Collection received	24.72	15.52
Hero Future Energies Asia Pte. Limited	Holding Company	Issue of Equity Shares	2,645.31	4,287.26
Bahadur Chand Investments Private Limited	Enterprise having control	Loan Repaid	1,240.00	880.00
		Loan Received	620.00	-
		Interest Paid on Loan	29.99	111.00
Clean Solar Power (Eastern Europe) Limited	Fellow Subsidiary Company	Accrued Interest Received*	305.94	-
		Loan repaid*	-	2,992.35
		Interest Income	-	161.47
International Finance Corporation	Enterprise having significant influence over the Company	Loan repaid	183.25	33.58
		Interest expense	9.03	20.79
Clean Renewable Power (Mauritius) Pte Ltd.	Fellow Subsidiary Company	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.

Notes to the Consolidated Financial Statements

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

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
		Payable on account of loan	-	500.00
Bahadur Chand Investment Private Limited	Enterprise having control	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
		Equity Shares	10,388.33	7,743.02
		Cumulative Compulsorily Convertible Preference Share	1,682.93	1,682.93
Hero Future Energies Global Ltd.	Intermediate Holding Company	Cumulative Compulsorily Convertible Preference Share	3,916.46	3,916.46
BM Munjal Energies Private Limited	Ultimate Holding Company	Cumulative Compulsorily Convertible Preference Share	762.50	762.50
		Other Receivables	0.03	-
Clean Solar Power Eastern Europe Limited	Fellow Subsidiary Company	Interest receivable	-	305.94
		Investment in Equity shares	72.97	72.97
International Finance Corporation	Enterprise having significant influence over the Company	Loan Payable	-	183.25
		Cumulative Compulsorily Convertible Preference Share	3,125.54	3,125.54
IFC GIF Holding II Cooperative U.A	Enterprise having significant influence over the Company	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	As at 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 ₹ 38.54 Million (March 31, 2023 ₹ 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.

Notes to the Consolidated Financial Statements

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

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 recognised ₹ 31.12 Million (March 31, 2023: ₹ 30.01 Million) during the year as expense towards contribution to the plan.

	Year ended March 31, 2024	Year ended 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" recognises 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 summarise 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 Gratuity (Funded)	As at March 31, 2023 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 Gratuity (Funded)	Year ended March 31, 2023 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**

Notes to the Consolidated Financial Statements

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

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

	Year ended March 31, 2024 Gratuity (Funded)	Year ended March 31, 2023 Gratuity (Funded)
Fair value of plan assets at the beginning	75.54	72.74
Add: Investment income	5.52	5.01
Add: Expected return on plan assets	2.80	(2.21)
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:

	Year ended March 31, 2024	Year ended March 31, 2023
Categories		
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 Gratuity (Funded)	Year ended March 31, 2023 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

g) Principal actuarial assumptions at the balance sheet date are as follows:

		Year ended March 31, 2024 Gratuity (Funded)	Year ended March 31, 2023 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

3	**Mortality Table**	**Indian Assured Lives Mortality (2012-14) (modified) ultimate**	**Indian Assured Lives Mortality (2012-14) (modified) ultimate**
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

Notes to the Consolidated Financial Statements

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

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

	Year ended March 31, 2024 Gratuity (Funded)	Year ended March 31, 2023 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 Gratuity (Funded)	Year ended March 31, 2023 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 : ₹ Nil Million) to the plan during the next financial year.

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

	Year ended March 31, 2024 Gratuity (Funded)	Year ended March 31, 2023 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

Notes to the Consolidated Financial Statements

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

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:

Particulars	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 ₹ 56.23 Million during the year ended March 31, 2023 (March 31, 2023 ₹ 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 ₹ 298.99 Million (March 31, 2023 ₹ 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**

Notes to the Consolidated Financial Statements

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

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 ₹ 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 ₹ 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 ₹ 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 ₹ 585.00 Million following the successful recovery of ₹ 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 (Bhavnagar) Private Limited (""the Company"") had signed Power Purchase agreement (PPA) with Maharashtra Electricity Distribution Company Limited (MSEDCL) on July 17, 2018 for development of 75.6 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. ₹ 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

Notes to the Consolidated Financial Statements

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

frustration of the PPA and seeking stay against encashment of performance bank guarantee (PBG) amounting ₹ 151.20 Million and Subsequently, as agreed with MSEDCL the Company has deposited the amount equivalent to PBG ₹ 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 ₹ 151.20 Million. Accordingly no provision is recognised 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 Bhilwara 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 6 January 2020 ("Demand Notice") purportedly claiming arrears of ₹ 89.68 Million (March 31, 2023 ₹ 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 ₹ 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. MPGERF 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 ₹ 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

Notes to the Consolidated Financial Statements

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

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.

Particulars	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'.

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.

Notes to the Consolidated Financial Statements

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

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:

a) 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.

b) 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.

c) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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**

Notes to the Consolidated Financial Statements

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

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.

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 affects 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 points	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.

Notes to the Consolidated Financial Statements

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

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 ₹ Nil Million (March 31, 2023 ₹ 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 it's 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(t)):

	Fair Value in (₹ 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.

Notes to the Consolidated Financial Statements

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

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 months	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 months	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 breache. If there was no covenant breach ₹77.37 Million would be payable in 1 to more than 5 years (March 31, 2023: ₹148 Million is payable in 1 to 5 years) including interest accrued thereon.

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) securitisation 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 ₹ 492.00 Million, ₹ 1,175.00 Million and ₹ 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 Securitisation Agreement.

On account of reasonable certainty of collection of VGF, the same has been treated as deferred revenue and is being amortised 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 ₹ 123.41 Million (March 31, 2023 ₹97.52 Million) as Other income, which is recorded under Note 24 of the financial statements, while an amount of ₹2,106.40 Million (March 31, 2023 ₹1,828.36 Million) has been recorded as ''Deferred income'' under Note 20 of the financial statements.

Notes to the Consolidated Financial Statements

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

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

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	**1,08,873.77**	**(4,754.26)**	**227.54**	**38.59**	**98.65**	**(0.23)**	**1,04,484.06**

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	**1,24,425.91**	**(6,539.57)**	**489.19**	**2,131.95**	**-**	**(11,633.71)**	**1,08,873.77**

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

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 Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Hero Future Energies Private Limited	(102.45%)	10,895.00	2346.69%	453.20	13.98%	(1.37)	3184.77%	451.84
Hero Wind Energy Private Limited	(62.59%)	6,649.36	(2917.44%)	(559.89)	15.90%	(1.55)	(3957.33%)	(561.45)
Clean Wind Power (Anantapur) Private Limited	17.55%	(1,787.69)	(1233.67%)	(235.31)	(1.67%)	0.16	(1657.43%)	(235.15)
Clean Wind Power (Pratapgarh) Private Limited	1.62%	(172.05)	(6.39%)	(1.22)	1.92%	(0.19)	(9.91%)	(1.41)

Notes to the Consolidated Financial Statements

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

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 Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Clean Wind Power (Ratlam) Private Limited	(7.06%)	750.42	324.71%	62.08	3.61%	(0.35)	435.09%	61.73
Clean Wind Power (Satara) 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%	301.98	3.20%	(0.31)	2126.32%	301.67
Clean Wind Power (Manvi) Private Limited	(4.73%)	502.87	(221.45%)	(42.24)	5.50%	(0.54)	(301.50%)	(42.78)
Clean Wind Power (Jaisalmer) Private Limited	2.65%	(281.16)	(0.51%)	(0.10)	0.00%	-	(0.68%)	(0.10)
Vayu Urja Bharat Private Limited	(2.84%)	315.51	1175.26%	237.49	2.13%	(0.21)	1672.48%	237.28
Clean Wind Power (Kurnool) Private Limited	(0.00%)	0.00	(1.20%)	(0.23)	0.00%	-	(1.61%)	(0.23)
Clean Wind Power (Bhavnagar) Private Limited	6.23%	(661.94)	(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%	(0.29)	(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	0.36%	(0.03)	1866.76%	264.85
LNJ Power Ventures Limited	5.27%	(557.93)	(453.48%)	(84.50)	(0.48%)	0.05	(595.26%)	(84.45)
Hero Rooftop Energy Private Limited	2.26%	(240.44)	(536.92%)	(102.41)	9.75%	(0.95)	(728.55%)	(103.36)
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	126.17%	25.42	1.69%	(0.16)	178.04%	25.26
Clean Solar Power (Tumkur) Private Limited	13.50%	(1,434.96)	777.01%	148.07	7.46%	(0.73)	1038.50%	147.34
Clean Solar Power (Bhadla) Private Limited	(25.29%)	2,688.04	340.01%	64.85	3.41%	(0.33)	454.77%	64.52
Clean Solar Power (Jaipur) Private Limited	2.11%	(224.51)	(6.50%)	(1.24)	0.06%	(0.01)	(8.78%)	(1.24)
Clean Solar Power (Gulbarga) Private Limited	(3.75%)	398.62	(525.13%)	(100.16)	0.95%	(0.09)	(706.66%)	(100.26)
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)

Notes to the Consolidated Financial Statements

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

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 Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Clean Solar Power (Sirsa) Private Limited	1.50%	(64.40)	(15.61%)	(3.74)	0.00%	-	(26.35%)	(3.74)
Clean Solar Power (Baniyana) 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%	-	(0.98%)	(0.14)
Clean Renewable Energy KK 2A Pvt. Ltd.	0.00%	(0.93)	(0.81%)	(0.15)	0.00%	-	(1.09%)	(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%	(0.62)	(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)	(0.76%)	(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)	(0.78%)	(22.61)	0.00%	-	(159.37%)	(22.61)
Clean Renewable Energy Hybrid Five Pvt. Ltd.	0.00%	(0.05)	(118.54%)	(0.15)	0.00%	-	(1.07%)	(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	(19.56%)	(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 Renergies 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%**	**(9.76)**	**100%**	**14.19**

Notes to the Consolidated Financial Statements

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

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 Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Hero Future Energies Private Limited	(58.73%)	7,799.60	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%	(868.47)	(1.50%)	(0.09)	27.47%	(868.56)
Clean Wind Power (Anantapur) Private Limited	12.27%	(1,630.00)	4.78%	(150.83)	0.38%	0.02	4.77%	(150.80)
Clean Wind Power (Pratapgarh) Private Limited	1.28%	(170.64)	0.11%	(3.39)	1.25%	0.07	0.11%	(3.31)
Clean Wind Power (Ratlam) Private Limited	(5.19%)	688.69	1.03%	(32.62)	1.49%	0.09	1.03%	(32.53)
Clean Wind Power (Satara) 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	(12.59%)	398.06
Clean Wind Power (Manvi) Private Limited	(4.11%)	545.65	4.60%	(145.17)	0.93%	0.06	4.59%	(145.11)
Clean Wind Power (Jaisalmer) Private Limited	2.12%	(281.26)	0.01%	(0.24)	0.00%	-	0.01%	(0.24)
Vayu Urja Bharat Private Limited	(0.59%)	78.34	(0.02%)	0.49	6.70%	0.40	(0.00%)	0.89
Clean Wind Power (Kurnool) Private Limited	0.02%	(2.34)	0.00%	(0.15)	0.00%	-	0.00%	(0.15)
Clean Wind Power (Bhavnagar) Private Limited	4.94%	(656.47)	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%	(86.83)	(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)	2.59%	(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	(38.00%)	5,046.92	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%	0.06	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 (Bhadla) 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%)	498.25	13.77%	(434.43)	1.86%	0.11	13.75%	(434.32)
Clean Solar Power (Bellary) Private Limited	0.33%	(44.03)	(0.30%)	9.58	0.52%	0.03	(0.30%)	9.61
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

Notes to the Consolidated Financial Statements

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

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 Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
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 (Sirsa) Private Limited	0.17%	(22.53)	(1.69%)	53.36	0.00%	-	(1.69%)	53.36
Clean Solar Power (Baniyana) 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%	(0.18)	0.00%	-	0.01%	(0.18)
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 ₹ 259.84 Million. Therefore, a provision of ₹ 258.08 Million has been recognised as at March 31, 2024 (March 31, 2023: ₹ 259.84 Million).

Details of ESOP policy is as under:

Particulars	Category A Options	Category B Options	Category C Options
Exercise price	₹ 10 (Rupees Ten)	₹ 17 (Rupees Seventeen)	₹ 24 (Rupees Twenty Four)
Number of options granted as at March 31, 2024	1,09,00,000	61,25,966	18,75,000
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 fofeited 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

Notes to the Consolidated Financial Statements

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

Particulars	Category A	Category B	Category C
Opening balance	**1,09,00,000**	**61,25,966**	**18,75,000**
Granted during the year	-	-	-
Forfeited/Lapsed during the year	-	-	-
Exercised during the year	-	-	-
Closing balance	**1,09,00,000**	**61,25,966**	**18,75,000**
Vested and exercisable	**1,09,00,000**	**61,25,966**	**18,75,000**

48 Going Concern

The net worth of Group has been fully eroded owing to accumulated losses of ₹ 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 ₹ 13,606.90 Million (US$165 Million), of which ₹ 4,287.26 Million (US$ 51.94 Million) was transferred to the Company as a equity and ₹ 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 ₹ 5,819.90 Million (US$ 70.22 Million) out of which ₹ 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, in 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 ₹ 1,390.52 Million and ₹ 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 filled 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 March 31, 2024 the company has recorded an amount of ₹ 696.83 Million (2023: ₹ 453.03 Million) as deferred revenue under note 20 of the consolidated financial statements. During the year, the company recorded other operating income of ₹ 134.41 Million (2023: ₹ 76.82 Million) arising from deferred revenue.

Notes to the Consolidated Financial Statements

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

Accordingly, the company has recognised ₹ 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 ₹ 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 05, 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.

52 During the year ended March 31, 2023 one of the subsidiary, Waaneep 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 succesfully 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 March 31, 2024 no indicator for impairment existed.

In resect 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 ₹ 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 ₹ 69.94 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 ₹ 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 ₹ 36.83 Million for the year ended March 31, 2024 which were not earlier recognised due to lack of reasonable certainty.

b) Total receivables of ₹ 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 ₹ 276.06 Million had been recognised as other financing costs in the year ended March 31, 2023.

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

d) Non-current and current portion of receivables (including LPS) as of March 31, 2024 amounted to ₹ 419.16 Million and ₹ 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 ₹ 1,487.14 Millions to be increased by interest related cost amounting ₹ 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 ₹ 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 ₹ 57.74 Million for the year ended March 31, 2024. The closing balance of receivable shown for loss of control of subsidiary is ₹ 1,537.29 Million (including interest recoverable amounting ₹ 107.92 Million).

Notes to the Consolidated Financial Statements

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

57 Acquisitions

On January 31, 2024 the Group acquired 100% shares of Vision Renergies and Projects Private Limited (“”Company””) at an acquisition price of ₹ 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 ₹ 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 greenshoe 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 ₹ 3.50/kWh with private customer in the state of Karnataka.

Notes to the Consolidated Financial Statements

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

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 4.69/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 Sysytem (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 amortisation expense	28	3,418.36	2.21	3,420.57
Other expenses	29	2,609.93	(81.42)	2,528.51

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 ₹ 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.

As per our report of even date

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

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

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

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

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

FORM - AOC-1

Salient Features of the Financial Statement of Subsidiaries/Associates as per Companies Act, 2013

Part "A": Subsidiaries

(IN INR)

S. No.	Name of subsidiary	Date since when subsidiary was acquired / incorporated	Reporting Currency	Share Capital	Reserves and surplus of subsidiary	Total assets of subsidiary	Total liabilities of subsidiary	Investment	Turnover of subsidiary	Profit before taxation	Exceptional Item	Provision for taxation	Profit after taxation	Proposed dividend	% of Shareholding
1	CLEAN WIND POWER (ANANTAPUR) PRIVATE LIMITED	15-07-2013	INR	27,98,00,000	-2,06,74,91,083	1,32,34,21,740	3,11,11,12,823	-	13,94,14,500	-23,53,10,250		-	-23,53,10,250		100
2	CLEAN WIND POWER (PRATAPGARH) PRIVATE LIMITED	10-07-2013	INR	1,00,00,000	-18,20,77,590	52,28,35,000	69,49,12,590	-	14,54,14,030	52,63,100		64,81,430	-12,18,330		69.16
3	CLEAN WIND POWER (RATLAM) PRIVATE LIMITED	24-07-2013	INR	35,00,00,000	40,03,80,000	7,23,21,50,000	6,48,17,70,000	-	1,22,10,00,000	34,53,20,000		28,32,50,000	6,20,70,000		100
4	CLEAN WIND POWER (SATARA) PRIVATE LIMITED	24-07-2013	INR	71,88,90,000	-4,34,08,380	2,32,04,75,870	1,64,49,94,250	-	37,12,50,920	10,34,36,240		4,11,97,420	6,22,38,820		100
5	CLEAN WIND POWER (DEVGARH) PRIVATE LIMITED	19-11-2012	INR	1,05,04,40,000	3,00,22,70,000	10,65,06,80,000	6,59,79,70,000	-	1,24,15,80,000	60,91,10,000		30,74,50,000	30,16,60,000		100
6	CLEAN WIND POWER (MANVI) PRIVATE LIMITED	14-07-2014	INR	4,23,28,000	46,05,45,586	5,14,08,44,571	4,63,79,70,985		85,44,76,006	6,99,35,402		11,21,75,683	-4,22,40,281		69.81
7	CLEAN WIND POWER (JAISALMER) PRIVATE LIMITED	14-07-2014	INR	12,00,000	-28,23,59,760	1,20,810	28,12,80,570	-	-	-96,720		-	-96,720		100
8	CLEAN WIND POWER(KURNOOL) PRIVATE LIMITED	28-04-2016	INR	1,11,60,000	-1,11,60,000	-	-	-	-	-2,28,755		-	-2,28,755		100
9	CLEAN WIND POWER(BHAVNAGAR) PRIVATE LIMITED	06-05-2016	INR	26,00,000	-66,45,37,650	77,12,59,240	1,43,31,96,890	-	-	-54,45,410			-54,45,410		100
10	CLEAN WIND POWER(PIPLODA) PRIVATE LIMITED	11-05-2016	INR	13,61,30,000	-10,40,49,760	2,16,86,66,970	2,13,65,86,730	-	33,84,49,110	4,22,52,630		3,33,44,860	89,07,770		100
11	CLEAN WIND POWER (BABLESHWAR) PRIVATE LIMITED	28-10-2016	INR	1,00,000	-10,28,03,730	2,11,98,64,150	2,22,25,67,880	-	32,07,05,950	1,67,41,280		3,23,24,930	-1,55,83,650		100
12	CLEAN WIND POWER (TUTICORIN) PRIVATE LIMITED	28-11-2016	INR	1,00,000	-19,90,74,010	23,26,53,900	43,16,27,910		-	-2,36,61,420			-2,36,61,420		100
13	BHILWARA GREEN ENERGY LIMITED	25-10-2017	INR	56,96,00,700	87,48,40,656	2,84,68,76,140	1,40,24,34,784		54,34,81,840	35,89,72,980		9,41,72,150	26,48,00,830		100
14	LNJ POWER VENTURES LIMITED	27-10-2017	INR	1,00,00,000	-56,79,08,490	1,06,14,56,830	1,61,93,65,320		16,71,22,560	-8,43,99,170		74,150	-8,44,73,320		74
15	VAYU URJA BHARAT PRIVATE LIMITED	25-03-2015	INR	53,00,00,000	-21,44,67,479	12,18,99,23,736	11,87,43,91,215		1,65,06,70,000	23,75,00,000		-	23,75,00,000		100
16	CLEAN SOLAR POWER (DHAR) PRIVATE LIMITED	27-11-2013	INR	45,01,00,000	10,88,84,330	1,77,83,41,810	1,21,93,57,480		24,48,45,620	8,55,72,470		-1,83,70,600	10,39,43,070		100
17	CLEAN SOLAR POWER (CHITRADURGA) PRIVATE LIMITED	16-07-2013	INR	22,37,00,000	-77,54,19,790	3,17,70,80,400	3,72,88,00,190		35,53,57,000	-10,97,38,870		-8,55,20,510	-2,42,18,360		100

(IN INR)

S. No.	Name of subsidiary	Date since when subsidiary was acquired / incorporated	Reporting Currency	Share Capital	Reserves and surplus of subsidiary	Total assets of subsidiary	Total liabilities of subsidiary	Investment	Turnover of subsidiary	Profit before taxation	Exceptional Item	Provision for taxation	Profit after taxation	Proposed dividend	% of Shareholding
18	RAJKOT (GUJARAT) SOLAR ENERGY PRIVATE LIMITED	05-12-2013	INR	13,75,00,000	-2,96,41,270	2,60,93,64,610	2,50,15,05,880		42,24,71,540	7,09,69,170		4,55,45,050	2,54,24,120	0	100
19	CLEAN SOLAR POWER (TUMKUR) PRIVATE LIMITED	25-04-2016	INR	58,00,00,000	-2,01,49,10,000	11,79,50,40,000	13,22,99,50,000		1,63,17,90,000	4,61,80,000		-10,18,80,000	14,80,60,000	0	100
20	CLEAN SOLAR POWER (BHADLA) PRIVATE LIMITED	26-04-2016	INR	3,05,00,00,000	-36,19,30,000	15,57,57,30,000	12,88,76,60,000		1,98,58,10,000	7,05,30,000		57,20,000	6,48,10,000	0	100
21	CLEAN SOLAR POWER (JAIPUR) PRIVATE LIMITED	28-04-2016	INR	1,00,000	-22,46,07,512	4,96,49,200	27,41,56,712		-	-12,32,920		-	-12,32,920	0	100
22	CLEAN SOLAR POWER (GULBARGA) PRIVATE LIMITED	14-07-2016	INR	2,01,80,00,000	-1,61,93,40,000	13,06,16,10,000	12,66,29,50,000		1,52,42,90,000	6,67,10,000		16,68,60,000	-10,01,50,000	0	100
23	CLEAN SOLAR POWER (BELLARY) PRIVATE LIMITED	22-08-2016	INR	1,00,000	-2,27,36,840	1,14,98,93,340	1,17,25,30,180		21,55,17,080	2,86,84,130		72,20,430	2,14,63,700	0	100
24	CLEAN SOLAR POWER (KONCH) PRIVATE LIMITED	21-08-2018	INR	17,70,000	-17,69,000	1,000	-		-	-4,67,419		-	-4,67,419	0	100
25	CLEAN SOLAR POWER (SIRSA) PRIVATE LIMITED	27-08-2018	INR	1,00,000	-6,45,01,040	1,83,990	6,45,85,030		-	-37,38,060		-	-37,38,060	-	100
26	CLEAN SOLAR POWER (KADAPA) PRIVATE LIMITED	07-09-2018	INR	5,20,000	-5,20,000	-	-		-	-1,91,350		-	-1,91,350	-	100
27	WAANEEP SOLAR PRIVATE LIMITED	31-12-2018	INR	2,05,00,00,000	19,56,10,000	7,61,56,00,000	5,36,99,90,000		94,00,00,000	17,00,50,000		-30,71,70,000	47,72,20,000	0	100
28	HERO SOLAR ENERGY PRIVATE LIMITED	09-04-2013	INR	5,04,75,10,000	-1,04,45,40,000	27,07,13,20,000	23,06,83,50,000	13,10,27,40,000	53,74,50,000	-1,25,51,70,000	5,77,36,250	-21,35,70,000	-1,04,16,00,000	0	100
29	HERO WIND ENERGY PRIVATE LIMITED	09-05-2013	INR	3,63,51,90,000	3,01,45,84,000	18,41,88,80,000	11,76,91,06,000	11,85,11,80,000	63,33,70,000	-57,85,10,000	-	-1,86,50,000	-55,98,60,000	0	100
30	HERO ROOFTOP ENERGY PRIVATE LIMITED	22-08-2017	INR	1,00,000	-24,05,68,048	1,48,52,08,700	1,72,56,76,748	10,48,480	3,87,81,868	-10,24,39,719	-		-10,24,39,719	0	100
31	CLEAN SOLAR POWER (BANIYANA) PRIVATE LIMITED	14-05-2019	INR	1,00,000	-2,28,89,420	15,01,24,720	17,29,14,140			-2,27,15,957	-	-	-2,27,15,957	0	100
32	CLEAN SOLAR POWER (AMARSAR) PRIVATE LIMITED	16-10-2020	INR	1,00,000	-4,87,95,993	1,89,413	4,88,85,406	-	-	-25,97,489		-	-25,97,489	0	100
33	CLEAN SOLAR ROOFTOP PRIVATE LIMITED	18-06-2020	INR	1,00,000	-56,75,316	13,70,13,369	14,25,88,685		1,91,07,806	-64,85,330		-1,38,986	-63,46,344	0	100
34	CLEAN RENEWABLE ENERGY (BARMER) PRIVATE LIMITED	12-07-2021	INR	1,00,000	-2,19,09,930	33,41,46,355	35,59,56,285			-2,18,05,440			-2,18,05,440	0	100
35	CLEAN RENEWABLE ENERGY (BIKANER) PRIVATELIMITED	02-07-2021	INR	1,00,000	-5,37,965	73,98,710	78,36,675			-3,41,315			-3,41,315	0	100
36	CLEAN RENEWABLE ENERGY KK ONE PRIVATE LIMITED	20-01-2023	INR	1,00,000	-1,47,890	72,027	1,19,917			-1,47,890			-1,47,890	0	100
37	CLEAN RENEWABLE ENERGY AP One Private Limited	19-04-2023	INR	1,00,000	-2,26,11,280	15,06,31,310	17,31,42,590			-2,26,11,280			-2,26,11,280	0	100
38	CLEAN RENEWABLE ENERGY Hybrid One Private Limited	01-09-2023	INR	1,00,000	-1,49,250	71,125	1,20,375			-1,49,253			-1,49,253	0	100
39	CLEAN RENEWABLE ENERGY Hybrid Two Private Limited	15-09-2023	INR	1,00,000	-1,49,250	71,125	1,20,375			-1,49,253			-1,49,253	0	100
40	CLEAN RENEWABLE ENERGY Hybrid Five Private Limited	24-11-2023	INR	1,00,000	-1,51,310	98,790	1,50,100			-1,51,310			-1,51,310	0	100

(IN INR)

S. No.	Name of subsidiary	Date since when subsidiary was acquired / incorporated	Reporting Currency	Share Capital	Reserves and surplus of subsidiary	Total assets of subsidiary	Total liabilities of subsidiary	Investment	Turnover of subsidiary	Profit before taxation	Exceptional Item	Provision for taxation	Profit after taxation	Proposed dividend	% of Shareholding
41	CLEAN RENEWABLE ENERGY Hybrid Three Private Limited	28-11-2023	INR	1,00,000	-37,31,700	20,87,550	57,19,250			-37,31,700			-37,31,700	0	100
42	CLEAN RENEWABLE ENERGY Hybrid Four Private Limited	24-11-2023	INR	1,00,000	-1,51,310	98,790	1,50,100			-1,51,310			-1,51,310	0	100
43	CLEAN RENEWABLE ENERGY TN One Private Limited	21-04-2023	INR	1,00,000	-1,53,590	68,959	1,22,549			-1,53,590			-1,53,590	0	100
44	CLEAN RENEWABLE ENERGY MH One Private Limited	06-05-2023	INR	1,00,000	-1,54,550	70,647	1,25,197			-1,54,550			-1,54,550	0	100
45	CLEAN RENEWABLE ENERGY KK 1A Private Limited	21-09-2023	INR	1,00,000	-1,39,510	81,071	1,20,581			-1,39,510			-1,39,510	0	100
46	CLEAN RENEWABLE ENERGY KK 2A Private Limited	10-08-2023	INR	1,00,000	-10,30,250	4,02,413	13,32,660			-1,54,850			-1,54,850	0	100
47	CLEAN RENEWABLE ENERGY KK 2B Private Limited	22-08-2023	INR	1,00,000	-14,32,240	3,03,138	16,35,378			-1,55,440			-1,55,440	0	100
48	CLEAN RENEWABLE ENERGY KK 2C Private Limited	24-08-2023	INR	1,00,000	-7,23,500	7,08,353	13,31,853			-1,51,850			-1,51,850	0	100
49	CLEAN RENEWABLE ENERGY KK 2D Private Limited	29-08-2023	INR	1,00,000	-11,18,330	3,14,538	13,32,868			-1,52,926			-1,52,926	0	100
50	CLEAN RENEWABLE ENERGY MH 1A Private Limited	22-08-2023	INR	1,00,000	-1,44,010	77,902	1,21,912			-1,44,010			-1,44,010	0	100
51	Vision Renergies And Projects Private Limited	01-02-2011	INR	1,00,00,000.00	-1,34,82,080	80,00,620	1,14,82,700			-89,60,940			-89,60,940	0	100

Note:

1. (a) Reporting period for all companies except Clean Renewable Energy Hybrid Six Private Limited and Clean Renewable Energy Hybrid Seven Private Limited whose accounting period is from 01-01-2024 to 31.03.2025

   (b) After the closure of Financial Year the following Companies were striked off:-

   i) Clean Wind Power (Kurnool) Private Limited w.e.f 06.07.2024
   ii) Clean Solar Power (Kadapa) Private Limited w.e.f 06.07.2024;
   iii) Clean Solar Power (Konch) Private Limited w.e.f 16.07.2024;

   (c) Following companies were incorporated after the financial year ended 31.03.2024:-

   (i) Clean Renewable Energy GJ 1B Private Limited
   (ii) Clean Renewable Energy GJ 1C Private Limited
   (iii) Clean Renewable Energy GJ 1A Private Limited
   (iv) Clean Renewable Energy ISTS 1 Private Limited
   (v) Clean Renewable Energy Hybrid Eight Private Limited
   (vi) Clean Renewable Energy Hybrid Ten Private Limited
   (vii) Clean Renewable Energy Hybrid Nine Private Limited
   (viii) Clean Renewable Energy KK 1B Private Limited
   (ix) Clean Renewable Energy KK 1D Private Limited
   (x) Clean Renewable Energy KK 1E Private Limited
   (xi) Clean Renewable Energy HR 1A Private Limited
   (xii) Clean Renewable Energy KK 1C Private Limited

   d) Vision Renergies And Projects Private Limited was acquired by Hero Solar Energy Private Limited (Wholly Owned Subsidiary) on 2nd February 2024

2. Name of Subsidiaries which are yet to commence operations:-

   i) Clean Wind Power (Jaisalmer) Private Limited;
   ii) Clean Wind Power (Kurnool) Private Limited;
   iii) Clean Wind Power (Bhavnagar) Private Limited;
   iv) Clean Wind Power (Tuticorin) Private Limited;
   v) Clean Solar Power (Baniyana) Private Limited;
   vi) Clean Solar Power (Jaipur) Private Limited;
   vii) Clean Solar Power (Konch) Private Limited;
   viii) Clean Solar Power (Sirsa) Private Limited;
   ix) Clean Solar Power (Kadapa) Private Limited;
   x) Clean Solar Power (Amarsar) Private Limited;
   xi) Clean Renewable Energy (Barmer) Private Limited;and
   xii) Clean Renewable Energy (Bikaner) Private Limited
   xiii) Clean Renewable Energy KK One Private Limited
   xiv) Clean Renewable Energy AP One Private Limited
   xv) Clean Renewable Energy Hybrid One Private Limited
   xvi) Clean Renewable Energy Hybrid Two Private Limited
   xvii) Clean Renewable Energy Hybrid Three Private Limited
   xviii) Clean Renewable Energy Hybrid Four Private Limited
   xix) Clean Renewable Energy Hybrid Five Private Limited
   xx) Clean Renewable Energy TN One Private Limited
   xxi) Clean Renewable Energy MH One Private Limited
   xxii) Clean Renewable Energy KK 1A Private Limited
   xxiii) Clean Renewable Energy KK 2A Private Limited
   xxiii) Clean Renewable Energy KK 2C Private Limited
   xxiv) Clean Renewable Energy KK 2D Private Limited
   xxv) Clean Renewable Energy MH 1A Private Limited

3. Name of Subsidiaries which have been liquidated or sold during the year:-

   Clean Solar power (Bhainsada) Private Limited:-

   As per the Debenture Subscription and Share Purchase Agreement dated February 4, 2021, the Hero Solar Energy Private Limited has divested 51% stake in the Clean Solar Power (Bhainsada) Private Limited ("CSP Bhainsada") to O2 Power SG Pte Ltd. along with right to take all business decision to run the operation. Hence, as per Ind AS 110 'Consolidated Financial Statements', the management is of the view that the Company, in its consolidated financial statement for the year ended March 31,2024, does not need to consolidate CSP Bhainsada.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

S. No.	Name of Associates or Joint Ventures	Latest Audited Balance Sheet Date	Date on which Associate or Joint Venture was associated or acquired	Shares of Associate/Joint Ventures held by the company on the year end						Profit/Loss for the year	
				No.	Amount of Investment in Associates/ Joint Venture (₹ in "000")	Extend of Holding %	Description of how there is significant influence	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in "000")	Reason why the associate/ joint venture is not consolidated	Considered in consolidation (₹ in "000")	Not considered in consolidation (₹ In "000")

1. Names of associates or joint ventures which are yet to commence operations : Nil

2. Name of associates or joint ventures which have been liquidated or sold during the year : Nil

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

Sd/-
Benjamin Paul Fraser
Director
DIN: 09759173

Sd/-
Anuj Agarwal
Director
DIN: 01866057

Sd/-
Srivatsan Srinivas Iyer
Chief Executive Officer
Place of Signature: New Delhi

Sd/-
Mayur Maheshwari
Company Secretary
Date:- September 30, 2024

Notes

HERO FUTURE ENERGIES®

planet positive power

For any queries, please reach out to:
mayur.maheshwari@herofutureenergies.com

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