

Date: September 30, 2021

**DISCLOSURE DOCUMENT / PLACEMENT MEMORANDUM
HERO SOLAR ENERGY PRIVATE LIMITED**

Our Company was incorporated on April 09, 2013,

as a private company limited by shares under the Companies Act, 1956 at New Delhi.

Registered Office: Plot No. 201, First Floor, Okhla Industrial Estate Phase- III, New Delhi- 110020, India


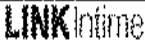

Corporate Office: 202, Third Floor, Okhla Industrial Estate Phase- III, New Delhi- 110020, India

Company Secretary and Compliance Officer: Ms. Neha Sethi, **Telephone:** +91-72900 31535, **E-mail:** secretarial@herofutureenergies.com
CFO: N.A

Promoter: Hero Future Energies Pvt. Ltd, **Telephone:** +91-011--49598000 **E-mail:** secretarial@herofutureenergies.com

E-mail: secretarial@herofutureenergies.com, **Telephone:** +91-011--49598000

CIN: U40106DL2013PTC250501, **PAN:** AADCH1476P, **Website:** www.herofutureenergies.com/hsepl



DEBENTURE TRUSTEE	REGISTRAR TO THE ISSUE	RATING AGENCY
 Catalyst Trusteeship Limited 810, 8 th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi -- 110001 Contact person - Mr. Umesh Salvi Email Id - umesh.salvi@ctltrustee.com Contact number: 011-43029101 Website: www.catalysttrustee.com	 Link Intime India Private Limited 247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W), Mumbai -- 400 083 Contact person: Mr. Amit Dabhade Email Id: amit.dabhade@linkintime.co.in Contact number: +91 22 49186000 Website: www.linkintime.co.in	 CRISIL Ratings Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076. Contact Person: - Mr. Varun Marwaha Email Id: - Varun.marwaha@crisil.com Contact number: +91 -022-40001700 Website: www.crisil.com

DISCLOSURE DOCUMENT CONTAINING DISCLOSURES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 (AS MAY BE APPLICABLE) AND SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 (THE "PLACEMENT MEMORANDUM") FOR THE ISSUE OF 750 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF INR 10,00,000 (INDIAN RUPEES TEN LAKHS ONLY) EACH (THE "DEBENTURES") AT PAR AGGREGATING TO INR 75,00,00,000 (INDIAN RUPEES SEVENTY FIVE CRORES ONLY) (THE "ISSUE") TO BE ISSUED BY HERO SOLAR ENERGY PRIVATE LIMITED (THE "ISSUER" or "COMPANY") TO BE LISTED ON THE WHOLESALE DEBT MARKET ("WDM") SEGMENT OF THE [NATIONAL STOCK EXCHANGE OF INDIA LIMITED] ("NSE" OR "STOCK EXCHANGE"). THIS ISSUE WOULD BE OPEN FROM 30.09.2021 TO 30.09.2021 FOR ISSUANCE OF DEBT SECURITIES ON PRIVATE PLACEMENT BASIS IN ACCORDANCE WITH SEBI OPERATIONAL CIRCULAR FOR ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES, SECURITISED DEBT INSTRUMENTS, SECURITY RECEIPTS, MUNICIPAL DEBT SECURITIES AND COMMERCIAL PAPER DATED AUGUST 10, 2021 BEARING REFERENCE NUMBER SEBI/HO/DDHS/P/CIR/2021/613 AS AMENDED AND OTHER SEBI CIRCULARS ISSUED BY SEBI IN THIS REGARD FROM TIME-TO-TIME ("SEBI CIRCULAR").

The Issue is subject to the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Issuer, the Application Form, the SEBI NCS Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), each as amended, other terms and conditions as may be incorporated in the Debenture Trust Deed and other documents in relation to the issue.



Details of eligible investors;	<ol style="list-style-type: none"> 1. Scheduled commercial banks in India; 2. NBFCs and RNBCs registered with RBI; 3. Indian companies; 4. Mutual Funds; 5. Rural regional banks in India; 6. Insurance companies registered with IRDA; 7. Financial institutions, including All India Financial Institutions; 8. Housing finance companies registered with the National Housing Board; and 9. Other eligible investors as per the concerned guidelines and regulations"
Coupon payment frequency	Payable on Quarterly basis
Redemption Dates	Equal Quarterly amortization structure. From the 12th month from deemed date of allotment please see Annexure I .
Final Redemption Date	Please also see Annexure I .
Redemption Amount	Please also see Annexure I .
Credit Rating	"A+/Stable" CRISIL
Coupon	11.50% p.a. payable quarterly
Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters	Not applicable

STATUTORY AUDITOR	LEGAL COUNSELS	ARRANGER
<p>S.R. Batliboi & Co. LLP Chartered Accountants</p> <p>2nd & 3rd Floor Golf View Corporate Tower - B Sector - 42, Sector Road Gurugram - 122 002, Haryana, India Tel: +91 124 681 6000</p> <p>Website: www.ey.com/en_in Contact Person: Mr. Pravin Tulsian Email Id- pravin.tulsyan@srb.in</p>	 <p>DSK Legal 1203-BA, One World Centre, Tower 2B Floor 12B, 841, Senapati Bapat Marg Elphinstone, Road, Mumbai - 400013 Contact Number: +91- 22-6658 8096</p> <p>Website: dsklegal.com Contact Person: Ajay Shaw Email ID: ajay.shaw@dsklegal.com</p>	 <p>Trust Investment Advisors Private Limited 109/110, 1st Floor, Balarama, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 CTN: U67190MH2006PTC162464</p> <p>Website: www.trustgroup.in Email: mbd.trust@trustgroup.in Contact Person: Ms. Hani Jalan Contact Number: +91 022 4084 5000</p>



BACKGROUND

This Disclosure Document / Placement Memorandum ("the **Placement Memorandum**") is related to the Debentures, proposed to be issued by the Company on a private placement basis and contains relevant information and disclosures required for the purpose of issuing the Debentures. The Issue has been authorised by the Company through a resolution passed by the board of directors of the Company (the "**Board**") dated 23rd September 2021 and a special resolution passed by the shareholders of the Company dated 23rd September, 2021.

GENERAL RISKS

Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of the issuer and the offer including the risks involved. The Debentures have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the Section 'Management's Perception of Risk Factors' given on page number 23

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities, unless they can afford to take the risks attached to such investments. Investors are advised to take informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision the investor must rely on their examination of the Issuer, the Issue, this Placement Memorandum and the Issue including the risks involved. Specific attention of investors is invited to statement of risk factors contained under Section 'Management's Perception of Risk Factors' of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. This Issue has not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the Issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading. The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/ placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

CREDIT RATING

CRISIL Ratings Limited has assigned "A+/Stable" rating to these Debentures. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Press release of credit ratings can be viewed on website <https://www.crisil.com/>.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. Please refer to Annexure V to this Placement Memorandum for the rationale for rating above.



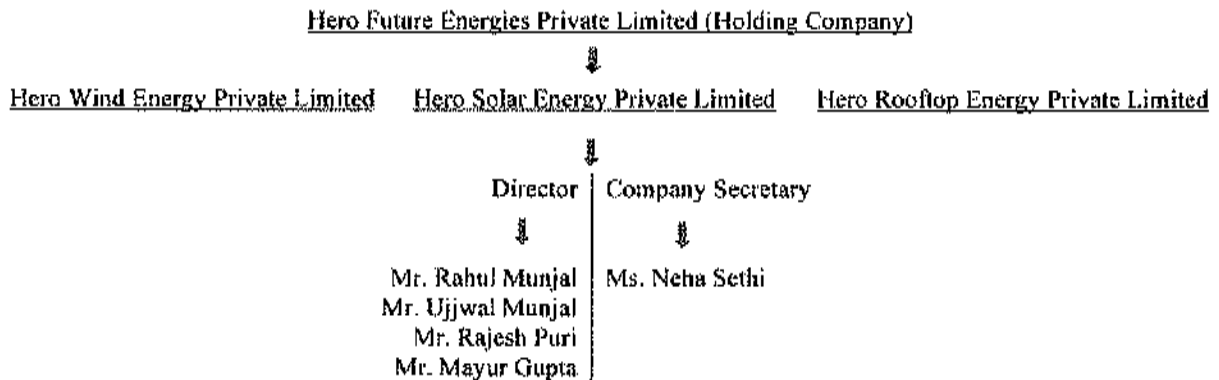
Details of Promoters of the Issuer Company

Name	Hero Future Energies Private Limited
Date of Birth/Incorporation	06/06/2013
Age	-
Registered addresses	Plot no. 201, First Floor, Okhla Industrial Estate Phase- III, New Delhi - 110020
Educational qualifications	-
Experience in the business or employment	-
Positions/posts held in the past,	-
Directorships held	-
Other ventures of each promoter	-
Special achievements	-
Business and financial activities	-
Photograph	-
Permanent Accountant Number	AADCJ1119P

About the Issuer

Overview of the business and its subsidiaries: The Company and its subsidiaries is engaged in the development and construction of Solar power generation projects. Company strongly believes in Clean & Green Power and our Projects shall be using the best technologies with a minimum impact on environment

Corporate Structure:



Project cost and means of financing, in case of funding of new projects: N.A

LISTING

The Debentures are proposed to be listed on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited ("NSE").

The Company has received an 'in principle' approval from NSE for the proposed listing of the Debentures offered through this Placement Memorandum. A copy of the in-principle approval from NSE is set out at **Annexure X** and the recovery expense fund has been created in NSE.



ISSUE PROGRAMME

Particulars	Date
BID/ISSUE OPENING DATE	30th September, 2021
BID/ISSUE CLOSING DATE	30th September, 2021
PAY-IN DATE	30th September, 2021
DEEMED DATE OF ALLOTMENT	30th September, 2021

Issue of Debentures shall be subject to the terms and conditions pertaining to the Debentures outlined hereunder and filed with the NSE, if required, and other documents in relation to such issuance (if any). The terms and conditions contained in this Placement Memorandum shall be read in conjunction with the provisions (as may be mutually agreed between the Company and respective Debenture Holders from time to time) contained in the respective Placement Memorandum and in case of any repugnancy, inconsistency or where there is a conflict between the terms and conditions as are stipulated in the respective Placement Memorandum for all intents and purposes.

This Placement Memorandum is dated September 30, 2021. It is hereby clarified that the Issuer while making any private placement under this Placement Memorandum shall file with the NSE, containing details of the private placement and material changes, if any, in the information provided in Placement Memorandum.

UNDERTAKING BY THE DIRECTORS OF THE ISSUER

The directors of the Issuer undertake that:

- (i) the Issuer is in compliance with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Companies Act and the rules and regulations made thereunder;
- (ii) the compliance with the Companies Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;
- (iii) the monies received under the Issue shall be used only for the purposes and objects indicated in the Placement Memorandum; and
- (iv) whatever is stated in the Placement Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of the placement memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the memorandum of association and articles of association.



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DISCLAIMERS

This Placement Memorandum contains relevant information and disclosures required for the purpose of issuing the Debentures in accordance with Section 42 of the Companies Act, 2013, Rule 14 of the PAS Rules and Schedule II of SEBI NCS Regulations. The Issuer has, together with the Application Form (provided in Annexure II), issued the Debentures to identified Eligible Investors inviting subscription to the Debentures. Any application by a person to whom the Placement Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

The Issue described under this Placement Memorandum has been authorised by the Issuer through a resolution of the Board of Directors of the Issuer dated September 23, 2021, and the resolution of the shareholders of the Issuer dated September 23, 2021 and the Memorandum and Articles of Association of the Issuer.

Pursuant to a resolution of the Board of Directors of the Issuer dated 31st January 2019 in accordance with provisions of the Companies Act, 2013, the Issuer has been authorised to borrow within the overall borrowing limits of the Company, on such terms and conditions as the Board of Directors may think fit

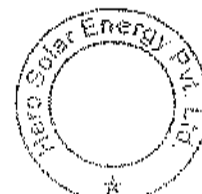
This Placement Memorandum is issued by the Issuer. This Placement Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein base.

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus. The offering of Debentures, to be listed on the Wholesale Debt Market ("WDM") segment of NSE and is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. Nothing in this Placement Memorandum shall constitute and/or deem to constitute an offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debentures in general under any law for the time being in force.

The contents of this Placement Memorandum are intended to be used only by those potential investors to whom this Placement Memorandum is issued. It is not intended for distribution to any other person and should not be reproduced by the recipient. No invitation is being made to any persons other than the potential investor to whom this Placement Memorandum has been sent. Any application by a person to whom this Placement Memorandum has not been sent by the Issuer shall be rejected without assigning any reason. Invitations, offers and sales of the Debentures shall only be made pursuant to this Placement Memorandum. The person who is in receipt of this Placement Memorandum shall maintain utmost confidentiality regarding the contents of this Placement Memorandum and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the Issuer. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. It is the responsibility of the Eligible Investors to have obtained all consents, approvals or authorizations required by them to participate in the Issue.

The Issuer confirms that the information contained in this Placement Memorandum is true and correct in all material respects and is not misleading in any material respect to the best of its understanding. All information considered adequate and relevant about the Issue and the Issuer has been made available in this Placement Memorandum for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Issuer does not undertake to update the Placement Memorandum to reflect subsequent events after the date of the Placement Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

The Issuer accepts no responsibility for statements made other than in this Placement Memorandum (and any relevant pricing or other supplements) or any other material expressly stated to be issued by or at the instance of the Issuer in connection with the issue of the debentures and that anyone placing reliance on any other source of information would be doing so at their own risk.



The purpose of this Placement Memorandum is to provide general information about the issuer and to assist recipients, who are willing and eligible to invest in the Debentures. Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Placement Memorandum should not consider such receipt a recommendation to purchase any Debentures.

Each investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Eligible Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances. By subscribing to the Issue, eligible investors shall be deemed to have acknowledged that the Issuer does not owe them a duty of care in this respect. Accordingly, none of the Issuer's officers or employees or representatives or advisors shall be held responsible for any direct or consequential losses suffered or incurred by any recipient of this Placement Memorandum as a result of or arising from anything expressly or implicitly contained in or referred to in this Placement Memorandum or any information received by the recipient in connection with this Issue.

Neither the intermediaries nor their agents nor advisors associated with the issue of Debentures undertake to review the financial condition nor affairs of the Issuer during the duration of the arrangements contemplated by this Placement Memorandum or have any responsibility to advise any investor or potential investor in the Debentures of any information coming to the attention of any other intermediary.

Disclaimer of the Securities and Exchange Board of India

The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this Placement Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the debentures issued hereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Placement Memorandum. The issue of Debentures being made on a private placement basis, filing of this Placement Memorandum with SEBI is not required. However, SEBI reserves the right to take up at any point time, with the Issuer, any irregularities or lapses in this Placement Memorandum.

Disclaimer in respect of Jurisdiction

Issue of these Debentures have been/will be made in India to investors as specified under paragraph titled "Who Can Apply" in this Placement Memorandum, who have been/shall be specifically approached by the Issuer. This Placement Memorandum is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. The Debentures are governed by and shall be construed in accordance with the existing Indian laws as applicable in the state of New Delhi. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of the city of New Delhi.

Issue of Debentures in dematerialised form

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of the Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its Depository Participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.



DEFINITIONS AND ABBREVIATIONS

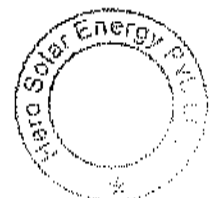
This Placement Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or it is specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made under that provision.

The words and expressions used in this Placement Memorandum, but not defined herein shall have the same meaning ascribed to such terms under the SEBI NCS Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder, as the case may be.

Notwithstanding the foregoing, the terms not defined but used in the sections entitled "Summary of Key Financial Information" and "Schedule I - Financial Statements" on pages 42 and 83, respectively, shall have the meanings ascribed to such terms in these respective sections.

Issue Related Terms

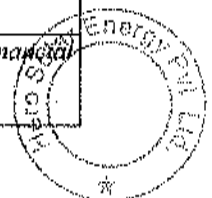
Term	Description
Allot/ Allotment/ Allotted	The allotment of the Debentures pursuant to the Issue
Applicant(s) or Investor(s)	A person who applies for the issuance and allotment of the Debentures pursuant to the terms of the Placement Memorandum and the Application Form
Application	An application to subscribe to the Debentures offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under this Placement Memorandum
Application Amount	The aggregate value of the Debentures applied for, as indicated in the Application Form for the Issue
Application Form	The form through which an Eligible Investor can subscribe to the Debentures, which form is serially numbered and addressed specifically to whom the offer is made and provided in Annexure II
Article of Association	The articles of association of the Issuer
Arranger	Trust Investment Advisors Private Limited
Beneficial Owner(s)	Holder(s) of the Debentures in dematerialised form as defined under section 2 of the Depositories Act
Issue Opening Date	The opening date of the Bid/Issue is 30 th September , 2021
Issue Closing Date	The closing date of the Bid/Issue is 30 th September , 2021
Board of Directors/ Board	The board of directors of the Issuer or any committee constituted by the Board thereof



Working Day	<p>"working day" means all days on which commercial banks in the city, as specified in the offer document, are open for business;</p> <p>Explanation: For the purpose of this definition, in respect of -</p> <p>(i) Announcement of bid /issue period: working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business;</p> <p>(ii) the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges</p> <p>working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays bank holidays and public holidays, as specified by the Board; determined in accordance with SEBI Circular No. SEBI/LAD-NRO/GN/2021/39, dated 9 August 2021 on SEBI (Issues and Listing of Non-Convertible Securities) Regulations, 2021) and Sebi Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021 for Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper, each as amended from time to time.</p>
Company/ Issuer	Hero Solar Energy Private Limited (HSEPL)
Coupon Payment Date	Coupon payment date shall have the meaning ascribed to it in the section entitled " <i>Summary Term Sheet for the Debentures</i> " attached as <i>Annexure I</i>
Coupon Rate	The rate at which interest is payable on the Debentures as specified in the section entitled " <i>Summary Term Sheet for the Debentures</i> " attached as <i>Annexure I</i>
Control	Control shall have the meaning given to the term " control " under the Act and the term " controlled " shall be correspondingly construed.
Credit Rating	"A+/Stable" CRISIL



Term	Description
Debentures	The Secured, Rated, Listed, Redeemable, non-convertible debentures of INR 75,00,00,000 (Indian Rupees Seventy Five Crore Only) with a face value of INR 10,00,000 (Indian Rupees Lakhs only) each issued at par.
Debt	all the amounts payable by the Issuer pursuant to the terms of the Transaction all amounts payable (whether due or not) by the Company to the Debenture Holder(s) pursuant to the terms of the Transaction Documents pertaining to the Debentures, including without limitation: (a) The Outstanding Principal Amount, Interest and all other obligations and liabilities of the Company, including indemnities, Default Interest, fees (including Debenture Trustee's fee) arising out of or in connection with the Debentures or any other Transaction Documents; (b) Any and all sums expended by the Debenture Holder(s) and / or the Debenture Trustee and / or any other third party in order to preserve the Security; (c) Any and all expenses incurred by the Debenture Holder(s) and / or the Debenture Trustee for enforcement and collection of its amounts payable under the Transaction Documents including expenses of enforcement and realization of the Security; and (d) Legal fees payable for this transaction, and all other costs, charges and expenses, redemption proceeds and other amounts payable by the Company in respect of the Debentures.
Debenture Holder(s)	The persons who are for the time being holders of the Debentures and whose names are most recently entered into the Register of Debenture Holders and shall include the Beneficial Owners
Debenture Trustee	Trustee for the Debentures Holders, Catalyst Trusteeship Limited
Debenture Trustee Agreement	The debenture trustee agreement dated 23 rd September 2021 entered into between the Debenture Trustee and the Issuer in respect of the Issue
Debenture Trust Deed	The trust deed entered/ to be entered into between the Debenture Trustee and the Issuer in relation to the Issue
Deemed Date of Allotment	The deemed date of Allotment, being 30 th September 2021 and as specified in the section entitled "Summary Term Sheet for the Debentures -" attached as Annexure I
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended, in this case being NSDL.
Designated Pay in Account	The bank account details of issuer as detailed in Settlement section of Issue Procedure
Directors	Directors on the Board of the Issuer, as appointed from time to time.
Eligible Investors	Eligible Investors shall have the meaning ascribed to it in the section entitled "Issue Procedure"
Equity	Equity means the issued, subscribed, paid up and voting equity share capital of the Company.
Events of Default	Events of Default shall be as specified in the section entitled "Summary Term Sheet for the Debentures" attached as Annexure I and as set out in the Debenture Trust Deed.
Financial Indebtedness	Financial indebtedness shall be as specified in the section entitled " Financial Indebtedness " Page no.37



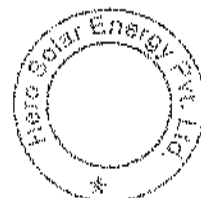
Financial Ratios	Financial ratios shall be as specified in the section entitled " <i>Summary of Key Financial Information on Page No. 43</i> "
Governmental Authority	Governmental Authority shall mean any government, agency or department, local authorities (such as corporation, municipality or panchayat), commission, board, agency, regulatory authority, instrumentality, court, quasi-judicial, judicial or administrative body, or any subdivision thereof or any other authority, including, without limitation, any stock exchange or any self-regulatory organization, established under any Applicable Law having jurisdiction over the matter in question.
Issue	Issue of Debentures, by way of private placement, by the Issuer pursuant to the terms of this Placement Memorandum
Majority Debenture Holders	Majority Debenture Holders means Debenture Holders representing not less than 51 per cent of the aggregate Nominal Value of the outstanding Debentures.
Majority Resolution	Majority Resolution means (a) a resolution passed at a Meeting of the Debenture Holders; or (b) written instructions given, by majority Debenture Holders.
Material Adverse Effect	Material Adverse Effect means, in the opinion of the Debenture Trustee (acting reasonably), a material and adverse effect on: (a) the financial condition, assets, or business activities of the Company ; (b) the ability of Company to perform and comply with any of its obligations under any Transaction Document to which it is a party; (c) the validity, legality or enforceability of any Transaction Documents (including the effectiveness or ranking of any Security granted or purported to be granted pursuant to any Security Documents) against the Company; or (d) the validity, legality or enforceability of, or the rights or remedies of any Secured Party under any Transaction Document. And as detailed in the Debenture Trust Deed
Maturity Date	The date specified in the section entitled " <i>Summary Term Sheet for the Debentures attached as Annexure-I</i> "
Memorandum of Association	The memorandum of association of the Issuer
Pay in Date	Pay in Date shall have the meaning ascribed to it in the section entitled " <i>Summary Term Sheet for the Debentures - attached as Annexure-I</i> "



Term	Description
Person	<p>Shall be construed to include:</p> <ul style="list-style-type: none"> (i) individual, sole proprietorship, firm, partnership, limited liability partnership, trust, joint venture, company, corporation, body corporate, unincorporated body, association, organisation, any Governmental Authority or other entity or organisation (whether or not in each case having separate legal personality); (ii) that person's successors in title, legal heirs, executors, and permitted transferees and permitted assignees; and (iii) references to a person's representatives shall be to its officers, employees, legal or other professional advisers, sub-contractors, agents, attorneys and other duly authorised representatives.
Parent	<p>means Hero Future Energies Private Limited having corporate identity number U40300DL2013PTC253648 and incorporated in India under the provisions of the Companies Act, 1956, having its registered office at Plot No. 201, First Floor, Okhla Industrial Estate Phase- III, New Delhi- 110020 which expression shall deem to include its successors and permitted assigns.</p>
Promoter Group	<p>Regulation 2(pp) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended) defines promoter group as under: 2(pp) "promoter group" includes:</p> <ul style="list-style-type: none"> i) the promoter; ii) an immediate relative of the promoter (i.e. any spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and iii) in case promoter is a body corporate: <ul style="list-style-type: none"> A) a subsidiary or holding company of such body corporate; B) any body corporate in which the promoter holds twenty per cent or more of the equity share capital; and/or any body corporate which holds twenty per cent or more of the equity share capital of the promoter; iv) in case the promoter is an individual: <ul style="list-style-type: none"> A) any body corporate in which twenty per cent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member; B) any body corporate in which a body corporate as provided in (A) above holds twenty per cent or more, of the equity share capital; and C) any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;



	<p>v) all persons whose shareholding is aggregated under the heading "shareholding of the promoter group":</p> <p>Provided that a financial institution, scheduled bank, foreign portfolio investor other than individual, corporate bodies and family offices, mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time, shall not be deemed to be promoter group merely by virtue of the fact that twenty per cent. or more of the equity share capital of the promoter is held by such person or entity:</p> <p>Provided further that such financial institution, scheduled bank, foreign portfolio investor other than individual, corporate bodies and family offices, mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time shall be treated as promoter group for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them;</p> <p>Our Promoter has not been declared as willful defaulter</p>
Record Date	Record date shall have the meaning ascribed to it in the section entitled "Summary Term Sheet for the Debentures" attached as <i>Annexure I</i>
Redemption Amount	Redemption amount shall have the meaning ascribed to it in the section entitled "Summary Term Sheet for the Debentures" attached as <i>Annexure I</i>
Redemption Date	Redemption date shall have the meaning ascribed to it in the section entitled "Summary Term Sheet, for the Debentures" attached as <i>Annexure I</i>
Registered Office	Plot No. 201, First Floor, Okhla Industrial Estate Phase- III, New Delhi- 110020
Register of Debenture Holders	The register maintained by the Issuer at its Registered Office in accordance with the Companies Act, containing the names of the Debenture Holders entitled to receive interest in respect of the Debentures on the Record Date, and shall include the register of Beneficial Owners maintained by the Depository under the Depositories Act.
Registrar/Registrar to the Issue	Registrar to this Issue, being Link Intime India Private Limited
Registrar of Companies or RoC	Jurisdictional Registrar of Companies being Roc at New Delhi



Transaction Documents	<p>In respect of the Issue, the documents for the Issue will be</p> <ul style="list-style-type: none"> (a) The Debenture Trust Deed ("DTD"); (b) the Debenture Trustee Agreement; (c) the Security Documents, as may be defined under the Transaction Documents; (d) Placement Memorandum/ Private Placement Offer Letter(s); (e) Consent Letter from Trustees; (f) Rating letter including rating rationale; (g) Letter appointing registrar to the issue; (h) Tripartite agreements between the Company, registrar and both depositories; (i) Certified true copy(ies) of the Board Resolution, shareholders' resolution for issue of non-convertible debentures and any other corporate authorizations from the Issuer as may be applicable as per the provisions of the Companies Act, 2013 (j) Letter appointing Debenture Trustee to the Debenture Holders (k) Rating letter and rating rationale (l) Letter appointing the Registrar (m) Application made to NSE for seeking their in-principle approval for listing of Debentures (n) In Principal Approval (o) any other document that may be designated as a transaction document by the Debenture Trustee in accordance with the Debenture Trust Deed and <p>any other agreements, deeds, letters, or documents entered into between the Parties in relation to the transactions being contemplated under this Deed and/or designated as such by the Parties.</p>
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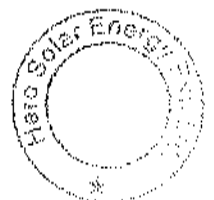


Conventional and General Terms, Abbreviations and References to Other Business Entities

Abbreviation	Full form
CIT(A)	Commissioner of Income tax (Appeals)
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
Depositories Act	Depositories Act, 1996
Depository Participant/ DP	A depository participant as defined under the Depositories Act
Debenture Trustee Regulations/ SEBI Debenture Regulations	The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as amended from time to time
DP ID	Depository Participant Identification Number
FPI	Foreign portfolio investor, as defined under Regulation 2(1)(j) of the SEBI (Foreign Portfolio Investors) Regulations, 2019, registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of 12 months commencing on April 01 of a particular year and ending on March 31 of immediately successive year.
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
IT Act	The Indian Income Tax Act, 1961
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
NECS	National Electronic Clearing Services
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India
NEFT	National Electronic Funds Transfer
NSE	National Stock Exchange of India
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Body
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
p.a.	per annum
PAN	Permanent Account Number



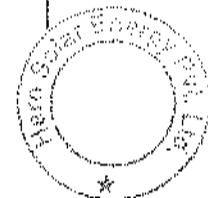
Abbreviation	Full form
RBI	The Reserve Bank of India constituted under the RBI Act
RBI Act	Reserve Bank of India Act, 1934, as amended
RTGS	Real Time Gross Settlement
WDM	Wholesale debt market segment of NSE
Rs./INR	Indian Rupees



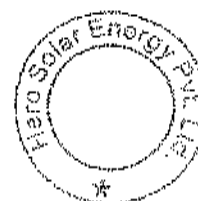
PART A - DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in Form PAS-4 and the relevant pages in this Placement Memorandum where these disclosures, to the extent applicable, have been provided.

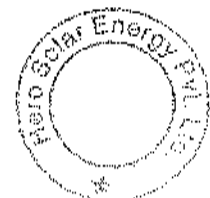
Sr. No.	Disclosure Requirements	Page Number/ Response
1.	GENERAL INFORMATION	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	31
b.	Date of incorporation of the company.	31
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	29
d.	Brief particulars of the management of the company.	35
e.	Names, addresses, DIN and occupations of the directors.	35
f.	Management's perception of risk factors.	23
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	41
	statutory dues;	
	debentures and interest thereon;	
	deposits and interest thereon; and	
	loan from any bank or financial institution and interest thereon.	
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	31
i.	Any Default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder.	44
2.	PARTICULARS OF THE OFFER	
a.	Financial position of the Company for the last 3 financial years.	42
b.	Date of passing of board resolution as provided in Annexure III	71
c.	Date of passing of resolution in the general meeting, authorizing the offer of securities as provided in Annexure IV	72
d.		33
	Kinds of securities offered (i.e. whether share or debenture) and class of security, the total number of shares or other securities to be issued.	
e.	Price at which the security is being offered including the premium, if any, along with justification of the price	33
f.	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer.	N.A
g.	Relevant date with reference to which the price has been arrived at.	N.A
h.	The class or classes of persons to whom the allotment is proposed to be made	57
i.	Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer).	N.A
j.	The proposed time within which the allotment shall be completed.	30/09/2021
k.	The names of the proposed allottees and the percentage of post private placement capital that may be held by them.	Not applicable since the issue is of non-convertible
l.	The change in control, if any, in the company that would occur consequent to the private placement.	N.A



m.	The number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year, in terms of securities as well as price.	Nil
n.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.	N.A
o.	Amount which the company intends to raise by way of proposed offer of securities.	INR 75 CR
p.	Terms of raising of securities:	
i)	Duration, if applicable;	30 months
ii)	Rate of dividend;	N.A
iii)	Rate of interest;	11.50% pa
iv)	Mode of payment; and	49
v)	Mode of repayment.	58
q.	Proposed time schedule for which the private placement offer cum application letter is valid	60
r.	Purposes and objects of the offer.	57
s.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	N.A
t.	Principle terms of assets charged as security, if applicable.	62
u.	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations.	45
v.	The pre-issue and post-issue shareholding pattern of the company	27
		49
3.	MODE OF PAYMENT FOR SUBSCRIPTION	
4.	DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	NIL
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	NIL
c.	Remuneration of directors (during the current year and last three financial years).	36
d.	Related party transactions entered during the last three financial years immediately preceding the year of the issued of the private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided.	44



Sr. No.	Disclosure Requirements	Page Number/ Response
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	43
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of issue of private placement offer cum application letter in the case of company and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the issue of private placement offer cum application letter and if so, section-wise details thereof for the company and all of its subsidiaries.	45
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	45
5.	FINANCIAL POSITION OF THE COMPANY	
a.	The capital structure of the company in the following manner, in a tabular format	33
i)	The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	33
ii)	Size of the present offer; and	33
iii)	Paid up capital:	33
iv)	After the offer; and	33
v)	After conversion of convertible instruments (if applicable);	N.A
vi)	Share premium account (before and after the offer).	33
vii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	33
viii)	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	N.A
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter.	44
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	43



Sr. No.	Disclosure Requirements	Page Number/ Response
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of issue of private placement offer	42
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of issue of private placement offer cum application letter.	43
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	44
PART- B		
6.	APPLICANT DETAILS/APPLICATION FORM	68



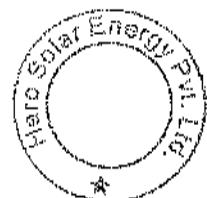
FORWARD-LOOKING STATEMENTS

This Placement Memorandum contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as aim, anticipate, believe, expect, estimate, intend, objective, plan, project, shall, will, will continue, will pursue or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- delay or non-receipt of necessary government and other approvals;
- regulatory changes pertaining to the industry in India which have an impact on our business and durability to respond to them;
- our ability to successfully implement our strategy, growth and expansion;
- competition in the industry in which we operate in;
- our ability to respond to technological changes;
- our exposure to market risks;
- the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices and other rates or prices; and
- general economic and political conditions in India and globally, which have an impact on our business and our ability to respond to them.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Issuer, Registrar nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.



MANAGEMENT'S PERCEPTION OF RISK FACTORS

The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Potential investors should carefully consider all the risk factors in this Placement Memorandum for evaluating the Company, its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. The order of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Placement Memorandum and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures. Potential Investors should perform their own independent investigation of the financial condition and affairs of the Company, and their own appraisal of the creditworthiness of the Company. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations with respect to the Debentures. Potential investors should thereafter reach their own views prior to making any investment decision.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but the inability of the Company, as the case may be, to pay principal or other amounts on or in connection with any Debentures may occur for other reasons and the Company does not represent that the statements below regarding the risks of holding any Debentures are exhaustive.

Please note that unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below:

- **Repayment of principal is subject to the credit risk of the Company.**
Potential investors should be aware that receipt of the principal amount along with redemption, the yield payable thereon and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company and the potential investors assume the risk that the Company may not be able to satisfy their obligations under the Debentures. In the event that insolvency or bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert insolvency or bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.
- **Tax Considerations and Legal Considerations.**
Special tax considerations and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of this investment.
- **Company's indebtedness and covenants imposed by its financing arrangements may restrict its ability to conduct its business or operations.**
Company's financing arrangements require it to maintain certain security cover for some of its borrowings. Should there be any breach of financial or other covenants of any financing arrangements and such breach continues beyond the stipulated cure period, the Company may be subjected to various consequences as a result of such default including forced repayment of such borrowings. Further, under some of the financing arrangements, the Company is required to inform / obtain prior approval of the lenders / debentures holders / debenture trustee for various actions. This may restrict / delay some of the actions / initiatives of the



Company from time to time.

- **Accounting Considerations.**

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

- **Security may be insufficient to redeem the Debentures**

In the event that the Company is unable to meet its payment and other obligations towards potential investors under the terms of the Debentures, the Debenture Trustee may enforce the security created in respect of assets over which a security interest has been created. The potential investors' recovery in relation to the Debentures will be inter alia subject to (i) the market value of such assets; and (ii) finding a willing buyer for such assets at a price sufficient to repay the amounts due and payable to the potential investors' amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

- **Material changes in regulations to which the Company are subject could impair the Company's ability to meet payments or other obligations.**

The Company is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Company or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

- **Legality of Purchase.**

Potential Investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

- **A slowdown in economic growth in India**

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy or a fall in India's GDP may adversely affect its business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general downturn in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

- **Litigations.**

Property and taxation litigations in India can be uncertain and resolution of the same may take several years and be subject to considerable expenses. Details of all such pending litigations are set out in the Debenture Trust Deed.

- **Public health epidemics and pandemics risk in India and abroad.**

We face risks related to public health epidemics and pandemics in India and abroad. Our business could be materially and adversely affected by the outbreak of public health epidemics, or the fear of such an outbreak, in India or elsewhere. The COVID-19 outbreak is ongoing and the actual extent of the outbreak and its impact on the economy globally in general and in India, in particular remains uncertain at this point in time and may turn severe in future. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. If the outbreak of any of these epidemics or other severe epidemics, continues for an extended period, occur again and/or increases in severity, it could have an adverse effect on economic activity worldwide, including India, and could materially and adversely affect our business, financial condition and results of operations. Similarly, any other future public health epidemics or outbreak of avian or swine influenza or other contagious disease in India could also materially and adversely affect our business, financial condition, results of operations. The extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect the business, financial condition, liquidity, cashflows and results of operations and



the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.

- **Impact of Covid 19 Pandemic – The ongoing Covid -19 pandemic had adverse repercussions across the broad spectrum of the economy.**
 1. The project execution has got delayed due to lockdown and new social distancing norms. The project execution is expected to take longer than the earlier planned timelines.
 2. The energy demand especially in the commercial and industrial sector had witnessed a sharp decline during the lockdown. It has recovered since then but still is below the pre Covid levels.
 3. The receivable cycle is also expected to increase with DISCOM's coming under further stress.
 4. Covid 19 has impacted the financial markets as well with banks unwilling to lend due to the present uncertainty. All the above will put pressure on Company's cashflow, liquidity, profitability and growth.
- **Change in Regulatory Framework -** The Company is subject generally to changes in Indian law, as well as to changes in government regulations and policies. Any changes in the regulatory framework could adversely affect the profitability of the Company or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.
- **Slowdown in Economic Growth -** The Company's performance and the quality and growth of its assets are dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect its business, including its ability to grow its asset portfolio, the quality of its assets, and its ability to implement its strategy. India's economy could be adversely affected by a general rise in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or general down trend in the economy.
- **Other Factors -** The performance of the Company may be adversely affected by other external factors such as political and economic developments, natural disasters like earthquakes, flood, drought, act of God, etc., terrorist attacks and other acts of violence or war (which may negatively affect the Indian and worldwide markets, resulting in loss of business confidence) which could have an adverse impact on the Company's business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on the Company's business.
- **DISCOM Receivables –** The Company has counterparty exposure to DISCOMS of various state governments regarding its PPAs who are known to have weaker financial health for last few years. This has led to substantial delays in payment and inconsistent payment track record which affects Company's cashflow and liquidity situation. No improvement in DISCOMS financial health would continue to have pressure on Company's cashflow, liquidity, profitability and growth.
- **Land Acquisition –** Company needs to acquire large parcels of land to construct its upcoming wind projects. Land acquisition in the country has been very time consuming and fraught with multiple socio-political issues leading to substantial delays and cost overruns. Company's growth plan would continue to keep Company exposed to such risk.
- **Interest rate risk –** Company has substantial part of its loan portfolio linked to floating rate benchmarks. Any adverse movement in these benchmarks will increase the interest cost of the Company and negatively impact its profitability.
- **Change in Wind/solar resource pattern –** For the last few years various regions of the country has been witnessing substantial variation from the predicted resource pattern thereby affecting generation from Company's asset/projects and in turn revenue, profitability and growth of the Company.
- **General Risks.**

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, the Investors must rely on their own examination of the Company, this Placement Memorandum issued in pursuance hereof and the Issue including the risks involved. Specific attention of investors is invited to statement of risk factors contained under Section- 'Management's perception of Risk Factors' of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities of investor's decision to purchase such securities.



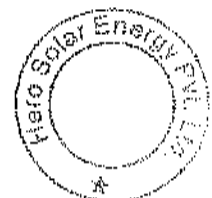
- **An active trading market may not develop for the Debentures**

The Debentures are new securities for which there is no existing trading market and for which an active trading market may never develop. It is not possible to predict if and to what extent a secondary market may develop, or at what price the Debentures will be sold or purchased in the secondary market or whether such market will be liquid or illiquid. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to redemption. Price volatility may also result from many other factors, including the Company's results of operations, financial and business condition.

- **Additional Assumptions**

The initial subscriber by subscribing to and any subsequent purchaser by purchasing the Debentures shall be deemed to have agreed that and accordingly the Company shall be entitled to presume that each of the initial subscribers and any subsequent purchasers (Debenture Holder, as referred to hereinabove and hereinafter):

- (a) has reviewed the terms and conditions applicable to the Debentures as contained in the Placement Memorandum and the relevant supplemental Placement Memorandum (if any) and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that Debentures are a suitable investment and that the Debenture Holder can bear the economic risk of that investment;
- (b) has received all the information believed by it to be necessary and appropriate or material in connection with, and for, investment in the Debentures;
- (c) has sufficient knowledge, experience and expertise as an investor, to make the investment in the Debentures;
- (d) has understood that information contained in this Placement Memorandum and the relevant supplemental Placement Memorandum (if any) is not to be construed as business or investment advice;
- (e) has made an independent evaluation and judgement of all risks and merits before investing in the Debentures;
- (f) has understood that the method and manner of computation of returns and calculations on the Debentures shall be solely determined by the Company and the decision of the Company shall be final and binding;
- (g) has understood that in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial or other related markets or if for any other reason the calculations cannot be made as the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder(s) and no liability thereof will attach to the Company; and
- (h) has the legal ability to invest in the Debentures and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or its assets.



HISTORY AND CERTAIN CORPORATE MATTERS

History and Business of the Company

Company is a Private Limited which was incorporated on April 09, 2013 under the Companies Act, 1956.

Share Capital	Amount
Authorized Share Capital	60,00,00,000 equity shares @Rs. 10 = Rs. 6,00,00,00,000
Issued, Subscribed and Paid-up Share Capital	50,47,51,179 equity shares @ Rs. 10 = Rs. 5,04,75,11,790

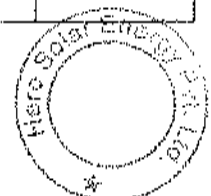
Shareholding Pattern of the Issuer as on Date

Sr. No.	Name of the shareholders	Total number of Equity Shares	Total number of shares held in demat form	Total shareholding as % of total no of equity shares	No of Shares Pledged	% of shares pledged with respect to shares owned
A.	Individuals/ Hindu Undivided Family					
1	Mr. Rahul Munjal*	1*	-	-	-	-
2	Mr. Rajesh Puri*	1*	-	-	-	-
3	Mrs. Bhawna Kirpal Mital*	1*	-	-	-	-
4	Mr. Mayur Maheshwari*	1*	-	-	-	-
B.	Bodies Corporate					
1.	Hero Future Energies Private Limited	50,47,51,175	50,47,51,173	100%	24,73,28,078	49%
	Total	50,47,51,179	50,47,51,173	100%	24,73,28,078	49%

**Nominee Shareholders on behalf of Hero Future Energies Private Limited*

Pre-issue and post-issue shareholding pattern of the Issuer

Sr. No.	Category	Pre-issue		Post-issue	
		No. of shares held	% of share holding	No. of shares held	% of share holding
A	Promoters' holding				
1	Indian				
	Individual				
	Mr. Rahul Munjal*	1*	-	1*	-
	Mr. Rajesh Puri*	1*	-	1*	-
	Mrs. Bhawna Kirpal Mital*	1*	-	1*	-
	Mr. Mayur Maheshwari*	1*	-	1*	-



2	Bodies Corporate				
	Hero Future Energies Private Limited	50,47,51,175	100	50,47,51,175	100
	Sub-total (1)	50,47,51,179	100	50,47,51,179	100
3	Foreign promoters				
	Sub-total (2)				
	Sub-total (A)	50,47,51,179	100	50,47,51,179	100
B					
1	Institutional investors				
2	Non-institutional investors	-	-	-	-
3	Private corporate bodies	-	-	-	-
4	Directors and relatives	-	-	-	-
5	Indian public	-	-	-	-
6	Others including Nonresident Indians (NRIs)	-	-	-	-
	Sub-total (B)	-	-	-	-
	GRAND TOTAL	504,75,11,79	100	504,75,11,79	100

* Nominee Shareholders of Hero Future Energies Private Limited

Details of the current directors of the Company:

Name, Designation and DIN	Age	Address	Date of appointment	Details of other directorship	Whether willful defaulter (Yes/No)
Mr. Rahul Munjal, Director DIN: 00118339	45	B-109, Greater Kailash - I, New Delhi-110048	09/04/2013	Annexure-IX	No
Mr. Ujjwal Munjal, Director DIN:- 01051972	43	K-5, Lane, W-12, Western Avenue, Sainik Farms, New Delhi-110062	09/04/2013	Annexure-IX	No
Mr. Rajesh Puri, Director DIN: 06838940	58	B-70, SFS Flats, Sheikh Sarai, Phase-I New Delhi 110017	25/01/2021	Annexure-IX	No
Mr. Mayur Gupta, Director DIN:- 09035301	39	G-5 Naveen Shahdara Delhi-110032	25/01/2021	Annexure-IX	No



Details of change in directors since last three years:-

Name, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
Mr. Sunil Jain, Director, DIN:- 02967042	09/04/2013	25/01/2021	25/01/2021	-
Mr. Rajesh Puri, Director DIN: 06838940	25/01/2021	-	-	-
Mr. Mayur Gupta, Director DIN:- 09035301	25/01/2021	-	-	-

Change in Registered Office of our Company

There have been following changes in the registered office of our Company since the date of its incorporation:

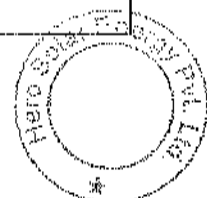
Sl. No	Address	Period
1	51, Okhla Industrial Estate, Phase-III New Delhi - 110020	09 th April, 2013 to 15 th August, 2013
2	Unit No. 89/1101A, Hemkunt Chambers, Nehru Place, New Delhi-110019	16 th August, 2013 to 18 th March 2016
3	212, Ground floor, Okhla Industrial Estate, Phase-III, New Delhi-110020	19 th March 2016 to 31 st August 2017
4	Plot No. 201, First Floor, Okhla Industrial Estate, Phase- III, New Delhi -110020	1 st September 2017 to present

Business carried on by the company and its subsidiaries: The Company and its subsidiaries is engaged in the development and construction of Solar power generation projects. Company strongly believes in Clean & Green Power and our Projects shall be using the best technologies with a minimum impact on environment

Subsidiaries, Branches or Units

The Subsidiaries of the Company as on date are as follows:-

S. No.	Name of the Company	CIN
1.	Clean Solar Power (Dhar) Private Limited	U40300DL2013PTC261133
2.	Rajkot (Gujarat) Solar Energy Private Limited	U40101DL2013PTC261607
3.	Clean Solar Power (Chitradurga) Private Limited	U40106DL2013PTC255428
4.	Clean Solar Power (Tumkur) Private Limited	U40101DL2016PTC298461



5.	Clean Solar Power (Bhadla) Private Limited	U40106DL2016PTC298528
6.	Clean Solar Power (Jaipur) Private Limited	U40106DL2016PTC298661
7.	Clean Solar Power (Gulbarga) Private Limited	U40100DL2016PTC303003
8.	Clean Solar Power (Bellary) Private Limited	U40108DL2016PTC304768
9.	Clean Solar Power (Jodhpur) Private Limited	U40108DL2018PTC337663
10.	Clean Solar Power (Kadapa) Private Limited	U40106DL2018PTC338457
11.	Clean Solar Power (Konch) Private Limited	U40106DL2018PTC337704
12.	Clean Solar Power (Sirsa) Private Limited	U40300DL2018PTC337846
13.	Waaneep Solar Private Limited	U40300DL2014PTC341389
14.	Clean Solar Power (Baniyana) Private Limited	U40106DL2019PTC356876
15.	Clean Solar Power (Bhainsada) Private Limited	U40106DL2019PTC356876
16.	Clean Solar Power (Amarsar) Private Limited	U40106DL2020PTC371697
17.	Clean Renewable Energy (Barmer) Private Limited	U40106DL2021PTC383523
18.	Clean Renewable Energy (Bikaner) Private Limited	U40100DL2021PTC383175

Details of any acquisition or amalgamation in the last one year

There has been no instance of acquisition or amalgamation in the last one year.

Details of any reorganization or reconstruction in the last one year

Nil

Material events, developments or changes that may have implications on the financials or credit quality at the time of Issue which may affect the Issue or the Investor's decision to invest or continue to invest in the Debentures

There is no Material events, developments or changes that may have implications on the financials or credit quality at the time of the Issue Which may affect the Issue or the Investor's decision to invest or continue to invest in the Debentures.

Project Cost and Means of Financing, in case off Funding of new projects

Not Applicable

Material Contracts

Not Applicable

Details of Corporate Guarantor of the Issue.

Hero Future Energies Private Limited (Holding Company)



GENERAL INFORMATION

The company is Hero Solar Energy Pvt Ltd. For further details, please see the section entitled "History and Certain Corporate Matters" on page 27

A. Registered Office and Corporate Office of our Company

Date of incorporation	09/04/2013
Registered Office	Plot No. 201 First Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020
Corporate Office	202 Third Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020
Telephone No.	011-49598000
Contact Person	Ms. Neha Sethi
Email	secretarial@herofutureenergies.com
Corporate Identity Number:	U40106DL2013PTC250501

B. Address of the RoC

Our Company is registered with the Registrar of Companies, Delhi which is situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019

C. Company Secretary and Compliance Officer

Ms. Neha Sethi is the Company Secretary & Compliance Officer of our Company. Her contact details are as follows:

Ms Neha Sethi
Ph-91+7290031535
Email id: secretarial@herofutureenergies.com

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as nonreceipt of letters of allotment, credit of debentures, interest on application money etc. in the respective beneficiary account or refund orders, etc.

D. Chief Financial Officer- NA- There is no Chief Financial Officer in the Company.

E. Debenture Trustee

Catalyst Trusteeship Limited is the Debenture Trustee for this Issue. Their contact details are as follows:

Catalyst Trusteeship Limited
Mr. Mr. Umesh Salvi, Business Head
Ph: 022-4922055
Email id: umesh.salvi@ctltrustee.com

The Debenture Trustee has consented to act as the Debenture Trustee for the Issue by way of its letter dated September 17, 2021, as annexed in Annexure VI.

F. Registrar to the Issue

Link Intime India Private Limited is the Registrar to the Issue. Their contact details are as follows:

Contact Person	:	Mr. Amit Dabhade
Address	:	247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W), Mumbai – 400 083
Phone No.	:	+91 22-24918600
Fax No.	:	+91 22-24916000
Email	:	amit.dabhade@linkintime.co.in



G. Credit Rating Agency

CRISIL is the Credit Rating Agency for this Issue. The contact details are as follows:

Address : Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076.
Contact Person : Mr. Varun Marwaha
Telephone No : +91-98211 39172
Fax : -
Email : Varun.marwaha@crisil.com

H. Statutory Auditors of the Company

M/s S.R. Batliboi & Co. LLP, Chartered Accountants are the Statutory Auditors of the Company. Their contact details are as follows:

Name	Address	Auditor since
S.R. Batliboi & Co. LLP Chartered Accountants	2nd & 3rd Floor Golf View Corporate Tower - B Sector - 42, Sector Road Gurugram - 122 002, Haryana, India	Since 1 st April, 2017

Tel: Ph- +91 124 681 6000
Email Id- pravin.tulsyan@srb.in
Contact Person: Mr. Pravin Tulsian

I. Details of change in auditor since last three years

There has been no change in our auditors in the three years preceding the date of this Placement Memorandum.

J. Arranger to the Issue

Name: Trust Investment Advisors Private Limited
Corporate office Address: 1101, Naman Centre, BKC, Bandra (E) Mumbai – 400 051
Website: www.trustgroup.in
Contact Person: Ms. Hani Jalan
Email address: mbd.trust@trustgroup.in
Telephone number: 022-40845000



CAPITAL STRUCTURE

A. Authorized, Issued, Subscribed and Paid-up Capital

Particulars /No. of Shares (Face value of Rs. 10 each)	As at June 30, 2021
A AUTHORIZED SHARE CAPITAL	
Equity Shares	60,00,00,000
B ISSUED SHARE CAPITAL	
Equity Shares	50,47,51,179
C SUBSCRIBED AND PAID-UP SHARE CAPITAL	
Equity Shares	50,47,51,179

The share premium account, before and after the Issue is Nil.

The size of the present offer is- The present issues is for 750 Secured, Rated, Listed, Redeemable Non-Convertible Debentures at a face value of Rs. 10,00,000 each aggregating to Rs. 75 crores.

Paid up capital of the Company:

- (i) After the Offer: No Change
- (ii) After conversion of convertible instruments, if applicable: Not Applicable

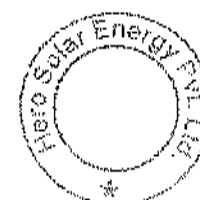
B. Changes in the capital structure as on last quarter end, for the last 3 (three) years:

Date of change (AGM/ EGM)	Particulars
26/10/2019	Increased Authorised Share Capital from Rs. 500,000,000 to Rs. 6,000,000,000

C. Changes in the Equity Share Capital

Set out below are the amendments to the equity share capital of our Company as on 30th June 2021 for the last five years:

Date of allotment	No. of equity shares	Face value	Issue Price	Nature of allotment	Cumulative			Remarks
					No. of equity shares	Equity share capital	Equity share premium	
10/01/2020	33,70,00,000	Rs.10	Rs.10	Right Issue	33,70,00,000	3,37,00,00,000	-	-
25/02/2020	11,79,41,179	Rs.10	Rs.10	Right Issue	11,79,41,179	1,17,94,11,790	-	-



D. Allotments made for consideration other than cash in the last one year preceding the date of the Placement Memorandum

Nil

E. Preference Share Capital History of the Company

Not Applicable

F. Shareholding Pattern of the Company as on 30th June 2021

Category	No. of Shareholders	No. of Equity Shares	No. of shares in dematerialized form	Total shareholding as a % of total no. of equity shares
Promoter and Promoter Group	5	50,47,51,179	50,47,51,173	100
Public				
Mutual Fund				
Alternate Investment Funds				
Foreign Portfolio Investor				
Financial Institutions and Banks				
Insurance Companies				
Foreign Bank				
UTI				
Central Government / State Government(s)				
Individual Shareholders				
NBFCs registered with RBI				
Trusts				
Foreign Nationals				
Hindu Undivided Family				
Non Resident Indians (Non Repat)				
Other Directors				
Non Resident Indians (Repat)				
Office Bearers				
Clearing Member				
Bodies Corporate				
Total	5	50,47,51,179	50,47,51,173	100

G. Top 10 Shareholders as on date September 24, 2021

The top 10 shareholders of our Company as on date are as follows:

Sr. No.	Name of the Shareholder	Total Number of Equity Shares	Number of Equity Shares held in dematerialized form	Total Shareholding as percentage of total number of Equity shares
1.	Hero Future Energies Private Limited*	50,47,51,179	50,47,51,173	100

*Includes shares held in representative capacity



*

OUR MANAGEMENT

In terms of the Articles of Association, our Company is required to have not less than Two Directors. As on the date of this Placement Memorandum, our Board comprises of four Directors.

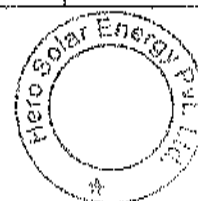
The following table sets forth details regarding our Board of Directors:

Name, Designation and DIN	Age (in years)	Occupation	Address	Director of the Company since	Details of other Directorships	Whether Wilful Defaulter (Yes / No)
Mr. Rahul Munjal, Director DIN: 00118339	45	Business	B-109, Greater Kailash - I, New Delhi- 110048	09/04/2013	Annexure-IX	No
Mr. Ujjwal Munjal, Director DIN:- 01051972	43	Business	K-5, Lane, W-12, Western Avenue, Sainik Farms, New Delhi- 110062	09/04/2013	Annexure-IX	No
Mr. Rajesh Puri, Director DIN: 06838940	58	Service	B-70, SFS Flats, Sheikh Sarai, Phase-1 New Delhi 110017	25/01/2021	Annexure-IX	No
Mr. Mayur Gupta, Director DIN:- 09035301	39	Service	G-5 Naveen Shahdara Delhi- 110032	25/01/2021	Annexure-IX	No

The Issuer declares and confirms that, at the time of filing this Placement Memorandum, the Permanent Account Numbers of the directors have been submitted to NATIONAL STOCK EXCHANGE OF INDIA LIMITED, where the Debentures are proposed to be listed.

Details of change in directors since last three financial years:

Name, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
Mr. Sunil Jain, Director DIN:- 02967042	09/04/2013	25/01/2021	25/01/2021	-
Mr. Rajesh Puri, Director DIN: 06838940	25/01/2021	-	-	-
Mr. Mayur Gupta, Director DIN:- 09035301	25/01/2021	-	-	-



Brief Biographies of Directors

Mr. Rahul Munjal

He represents third generation in the Munjal family founded by Late Shri Brijmohan Lal Munjal. Rahul Munjal is a dynamic leader who firmly believes in the Group's philosophy of doing businesses that have high moral value and are good for mankind at large. With a degree in Economics from the University of Rochester, USA, he has done stints in Manufacturing and Sales & Marketing at the Honda Motorcycles, USA and Hindustan Levers Ltd, India.

Mr. Ujjwal Munjal

He has done graduation in International Management from Pepperdine University, California. He has started his career with KPMG Consulting and Hero MotoCorp. He bagged the prestigious "BW 40 under 40" award from Business World.

Mr. Rajesh Puri

He has Rich experience of 30 years in Financing Strategy, Fund Raising, fund negotiations, system and process development and organization capacity building of over twenty-eight years with companies in diverse sectors like Power, finance, travel & tourism, textiles, manufacturing and consulting. Expertise in strategy planning, costing and introducing systems to effectively manage costs and contribution, corporate governance / effective operations management in all assignments. Thoroughly experienced in accounting functions of PLA, Balance Sheet, Annual Reports and Taxation. Prior to HFE, he has been with Azure Power, HFE, Moserbaer India, Malana Power, Escorts Finance, K&Co. and AF Ferguson & Co. He has completed his B. Com (H) from St. Xavier's College, Kolkata; CA from ICAI and CS (Inter) from ICSI.

Mr. Mayur Gupta

He has rich experience of 15+ years in Finance and Accounting. He has completed his Bachelors of Commerce (Honours) from University of Delhi and Chartered Accountancy from ICAI. Thoroughly experienced in accounting functions, he has worked with Haribhakti CO LLP as Director and KPMG as Associate Director.

Remuneration of Directors

The aggregate value of the remuneration paid to the Directors is as follows:

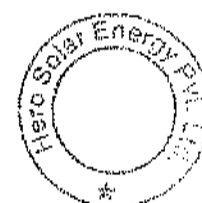
(in lakhs)

Directors	Upto August 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Not Applicable	-	-	-	-	-

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons

None of Directors, Promoters or Key Managerial Personnel of the Company are interested in the proposed offer.

The Issuer declares and confirms that, at the time of filing this Placement Memorandum, the Permanent Account Number, Aadhaar Number, Driving License Number, Passport Number and bank account numbers of the Promoters have been submitted to NATIONAL STOCK EXCHANGE OF INDIA LIMITED, where the Debentures are proposed to be listed.



FINANCIAL INDEBTEDNESS

The details of other indebtedness of our Company as on September 01, 2021 is set out below:

A. Details of Secured Borrowings of the Company

The company has availed below facilities from the lender for the project construction and development

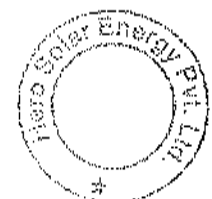
S. no	Name of the lender	Nature of Facility	Amount Sanctioned (in Crores)	Amount O/s as on 1st September, 2021	Repayment Date / Schedule		Security
					Repayment Amt. (Rs. in crores)	Repayment Date	
	Indusind Bank	Term Loan	220	220	10.00	29-Sep-21	Pledge of shares, hypothecation of shareholder loan and pledge of shares/Cumulative convertible Debentures and shareholder loan of SPVs.
					17.50	29-Dec-21	
					17.50	29-Mar-22	
					17.50	29-Jun-22	
					17.50	29-Sep-22	
					17.50	29-Dec-22	
					17.50	29-Mar-23	
					17.50	29-Jun-23	
					17.50	29-Sep-23	
					17.50	29-Dec-23	
					17.50	29-Mar-24	
					17.50	29-Jun-24	
17.50	29-Sep-24						
2	Indusind Bank	Term Loan	200	140	20.00	21-Sep-21	shares /shareholder loan of specific SPVs and shares of Hold co.
					60.00	21-Dec-21	
					60.00	21-Mar-22	
3	ARKA Fincap	Term Loan	50	50	12.50	31-Mar-22	Shareholder loan and CCD of SPVs
					12.50	30-Sep-22	
					12.50	31-Mar-23	
					12.50	30-Sep-23	



4	L&T Infrastructure finance	Term loan	160	154.37	Repayment Amt. (Rs. in crores)	Repayment Date	Project assets and Shares of SPVs.
					2.80	30-Sep-21	
					151.57	31-Dec-21	
5	Kotak Bank	Term loan	16.00	16.00	Repayable on Demand		Fixed deposit of SPV
6	HSBC	Term loan	33.10	33.10	3rd December, 2021		SBLC of Holding Company
Total			679.10	613.70			

B. Details of Unsecured Borrowings of the Company

The company has availed below facilities from the lender for the project construction and development S. no.	Name of the lender	Nature of Facility	Amount Sanctioned (in Crores)	Amount O/s as on September 1, 2021	Repayment Date / Schedule	
					Repayment Amt. (Rs. in crores)	Repayment Date
1	Federal Bank	Working capital Term Loan	50.00	37.50		
					11.25	18-Sep-21
					26.25	21-Sep-21
2	Axis Bank	Overdraft	15.00	15.00	Repayable on Demand	
3	Hero Fincorp	Term Loan	25.00	25.00	31st March, 2022	
Total			90.00	77.5		



C. Details of Non-Convertible Debentures

Series of NCS	Tenor / Period of Maturity	Coupon	Amount (in Crores)	Date of Allotment	Redemption Date/ Schedule		Credit Rating	Secured / unsecured	Security
					Repayment Amt. (Rs. in crores)	Repayment Date			
N.A	July 15, 2025	The sum of (i) the Rupee Fixed Base Rate (i.e. a rate reflecting the cost at which the debentureholders can provide Rupee funding at a fixed interest rate); and (ii) the spread (NCDs is proposed to be 500 bps for first 3 years, 525 bps for 4th year and 550 bps for 5th year)	225	18 th June 2020			N.A	Secured	Pledge of shares, hypothecation of shareholder loan and pledge of shares/Cumulative convertible Debentures and shareholder loan of SPVs
					22.50	15-Jul-23			
					33.75	15-Jan-24			
					56.25	15-Jul-24			
					56.25	15-Jan-25			
					11.75	15-Jul-25			

D. List of top 10 holders of non-convertible securities in terms of value (in cumulative basis)

S. No.	Name of Debenture Holders	Nature of Debentures	Total No. of Debentures	Face Value Per Debenture (in Rs.)	Total Value of Debentures (In Rs.)
1.	International Finance Corporation	Non convertible Debentures	2250	8,02,222.22	180,50,00,000



E. Corporate guarantees issued by our Company

Sr. No.	Company for which CG is given	Amount (Rs. In Cr.)
1	Clean Solar Power (Chitradurga) Private Limited	212.70
2	Hero Future Energies Private Limited	250.00
3	Hero Wind Energy Private Limited	150.00
	Total	612.70

F. Commercial Papers Outstanding

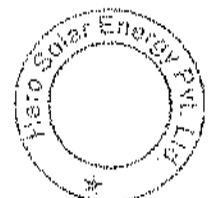
Nil

G. Details of the rest of the borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares.

Name of Party (in case of facility)/ Name of Instrument	Type of facility/ Instrument	Amount sanctioned/ issued	Principal Amount outstanding	Date of Repayment / Schedule	Credit Rating	Secured / unsecured	Security
O2 Power SG Pte. Ltd.	Optionally Convertible Debentures	121,913,200	121,913,200	any date following the Call-Put Trigger Date (being such date as agreed to amongst the Company and the OCD holder separately in writing);	NA	Unsecured	NA
Hero Future Energies Private Limited	Unrated, Unlisted, Unsecured, Compulsorily Convertible Debentures	83,50,00,000	83,50,00,000 0	19 th July 2038	NA	Unsecured	NA

H. Details of Promoter holding in the Company as on the latest quarter end i.e., June 30th, 2021:-

Sr. No.	Name of the Shareholders	Total no. of Equity Shares	No. of Shares in demat form	Total shareholding as % of total nos. if equity shares.	No. of shares pledged	% of shares pledged with respect to shares owned



<i>I</i>	Hero Future Energies Private Limited	50,47,51,179	50,47,51,173	100	24,73,28,078	49
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I. Details of all defaults and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past five years.

Nil

J. Details of defaults, if any, in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon or loan from any bank or financial institution by the Company

Nil

K. Details of any outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option

Nil

L. Disclosures pertaining to wilful default

(a) Name of the bank declaring the entity as a wilful defaulter

No such default

(b) The year in which the entity is declared as a wilful defaulter

Not Applicable

(c) Outstanding amount when the entity is declared as a wilful defaulter

Not Applicable

(d) Name of the entity declared as a wilful defaulter

No such default

(e) Steps taken, if any, for the removal from the list of wilful defaulters

Not Applicable

(f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions

Not Applicable

(g) Any other disclosure as specified by the Board

Not Applicable



SUMMARY OF KEY FINANCIAL INFORMATION

A. Financial Position of the Company for the last three Financial Years

Please refer Schedule I for the financial position of the Company for the last three Financial Years.

B. Key Operational and Financial Parameters for the last three audited financial years - Standalone

For Non-Financial Sector Entities

(Amount in INR lakhs)

Balance Sheet	FY 2020-2021	FY 2019-2020	FY 2018-2019
Net Fixed assets	1157.63	1199.23	1046.38
Current assets	10,365.83	7,504.19	4,766.77
Non-current assets	18090.32	17693.37	15190.57
Total assets	29,613.78	26,396.79	21,003.72
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities)	10,908.51	6,795.52	7,105.92
Provisions Deferred tax liabilities (net) Other non-current liabilities			
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities)	9,705.46	9,680.76	12,838.02
Provisions Current tax liabilities (net) Other current liabilities			
Total liabilities	20613.97	16476.28	19943.94
Equity (equity and other equity)	8,999.81	9,920.51	1,059.78
Total equity and liabilities	29,613.78	26,396.79	21,003.72
Profit and Loss			
Total revenue from operations	1,819.69	1,854.73	1,695.00
Other income			
Total Expenses	2,939.57	2,535.45	1,799.75
Total comprehensive income			
Profit /loss	0.07	(0.68)	(1.90)
Other comprehensive income			
Profit / loss after tax	(920.70)	(703.99)	(58.43)
Earnings per equity share: (a) basic; and (b) diluted			
Continuing operations	(1.47)	(2.94)	(0.20)
Discontinued operations			
Continuing and discontinued operations			



Cash Flow	FY 2020-21	FY 2019-20	FY 2018-2019
Net cash generated from operating activities	(333.14)	739.71	(4,274.30)
Net cash used in / generated from investing activities	(1,512.47)	(5,731.68)	(4,022.82)
Net cash used in financing activities	1,279.06	4,988.50	8,304.09
Cash and cash equivalents	721.11	30.11	33.58
Balance as per statement of cash flows	(536.44)	30.11	33.58
Additional information			
Net worth	8,999.81	9,920.51	1,059.78
Cash and Cash Equivalents	721.11	30.11	33.58
Current Investments	0	0	0
Net Sales	563.17	964.53	385.07
EBIDTA	541.55	633.71	1,315.01
EBIT	475.65	565.62	1,254.00
Dividend amounts	0	0	0
Long term debt to working capital	16.15	-2.95	-86
Current Liability ratio – Current liabilities / Non-current liabilities	0.89	1.42	1.81
Total Debts to Total assets	0.48	0.51	.84
Debt Service Coverage Ratios	1.06	1.67	5.74
Interest service coverage ratio	.30	.45	.92

x

C. Debt: Equity ratio of the Company

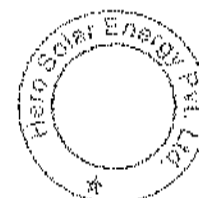
Particulars	Debt Equity Ratio
Prior to the current issue as on 31 st March, 2021	2.69
Post the current Issue	2.88

D. Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amounts and nature of liability.

Please refer note no-39 in financial Statement of Mar'21

E. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.

Sr. No.	Remarks, Qualifications or Adverse Remarks	Impact on the Financial Statements and Financial Position of the Company	Steps taken or proposed to be taken by the Company
No Remarks, Qualifications or Adverse Remark by Auditors			



E. Changes in Accounting Policies

Not Applicable

F. Related Party Transactions

Please refer to Note No. 31 for FY 2018-19, Note No. 31 for FY 2019-20 and Note No. 31 for FY 2020-21 attached as Schedule I.

G. Profits/Loss of the Company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of the Placement Memorandum

The details of profit/loss of the Company, before and after making provision for tax, for the immediately preceding three financial years are provided below:

(Amounts in INR Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Profit Before Tax	(1,119.88)	(680.72)	(104.75)
Provision for Tax	(199.11)	22.59	(48.22)
Profit After Tax	(920.77)	(703.31)	(56.53)

H. Dividends declared by the Company in respect of the said three financial years

Nil

I. Interest Coverage Ratio for the three financial years immediately preceding the date of circulation of the Placement Memorandum

Year	FY 2020-21	FY 2019-20	FY 2018-19
Interest Coverage Ratio	.30	.45	.92

J. Default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder

No

K. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of issue of private placement offer cum application letter

The Audited Financial Statements of the Company for FY 2018-19, 2019-20 and 2020-21 are set out in Schedule-I hereto.

L. Audited Cash Flow Statement for the three years immediately preceding the date of circulation of issue of private placement offer cum application letter

The Audited Financial Statements of the Company for FY 2018-19, 2019-20 and 2020-21 are set out in Schedule-I hereto.

M. Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any

The Audited Standalone Financial Statements of the Company for FY 2018-19, 2019-20 and 2020-21 are set out in Schedule-I hereto and the Company is not required to prepare Consolidated Financial Statements as per the exemption provided under the Companies Act, 2013.

N. Abridged version of Latest Audited / Limited Review Half Yearly consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditors' qualifications, if any:- Not Applicable



LEGAL PROCEEDINGS

The details of the certain outstanding litigation or proceedings involving our Company and our Promoter are described below.

Due to the nature and extent of operations of our Company, our Company is involved in a few number of cases with respect to legal metrology and consumer disputes. Such matters involving our Company which have a similar cause of action have been disclosed on a consolidated basis.

Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last three years immediately preceding the year of this Placement Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action

Nil

Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of this Placement Memorandum in the case of Company and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the issue of private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries.

Nil

Details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations.

Nil

Details of prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Memorandum against the Company

Nil

Details of acts of material frauds committed against the Company in the last three years, if any, and the action taken by the Company

Nil

Details of any material event/development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/Promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the Investor's decision to invest/continue to invest in the non-convertible securities.

Nil

Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

Nil

Details of pending proceedings initiated against the Issuer for economic offences.

Nil



ISSUE PROCEDURE

The Issuer proposes to issue each Debenture on the terms set out in this Placement Memorandum. All Debentures being offered are subject to the provisions of the Companies Act, the SEBI NCS Regulations, the Memorandum of Association, Articles of Association, the Placement Memorandum, Application Form, and other terms and conditions as may be incorporated in the Debenture Trust Deed. This section applies to all Applicants. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form.

Application Size

Applications for the Debentures are required to be for a minimum of 1 (one) Debenture and multiples of 1 (one) Debenture thereafter.

Who can Apply

Nothing in this Placement Memorandum shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the public or any section thereof through this Placement Memorandum and its contents should not be construed to be a prospectus under the Companies Act, as amended or the rules made thereunder. In order to subscribe to the Debentures a person must belong to one of the categories mentioned below and from whom monies borrowed even under an unsecured debenture would not constitute a 'deposit' within the meaning of the term as defined under Rule 2(c) of the Companies (Acceptance of Deposits) Rules, 2014. This Issue is a domestic issue and is being made in India only.

This Placement Memorandum and the contents hereof or thereof are restricted for only the intended recipients who have been addressed directly through a communication by the Issuer and only such recipients are eligible to apply for the Debentures.

The following categories of Investors together constitute "Eligible Investors":

Companies incorporated in India;
Scheduled Commercial Banks;
Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;
Non-Banking Financial companies incorporated in India;
Insurance Companies incorporated in India;
Financial Companies incorporated in India in the form of companies;
Mutual Funds;
Pension Funds;
Foreign Portfolio Investors;
Any other entity authorised by Applicable Law to invest in these Debentures]
Only Eligible Investors, when permitted under their constitutional documents and specifically approached, are eligible to apply for the Debentures.

All potential Eligible Investors are required to comply with the relevant regulations or guidelines applicable to them for investing in these Debentures.

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form at the address mentioned therein.

Depository Arrangements

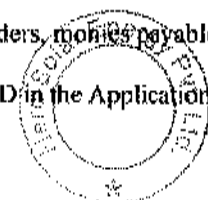
The Issuer shall make necessary depository arrangements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for issue and holding of Debentures in dematerialised form.

Other than as stated above, applications cannot be made by person(s) or entity(ies) resident outside India, including but not limited to NRIs and OCBs

All Eligible Investors and subsequent Debenture Holders (who may purchase the Debentures in the secondary market) are required to consult their own advisors prior to investing in the Debentures and comply with the relevant rules, regulations, guidelines or notifications applicable to them for investing in the Debentures.

Instructions for Application

- a) Minimum application shall be for 1 (one) Debentures and in multiples of 1 (one) Debenture(s) thereafter.
- b) The Debentures are being issued at par on the face value, i.e., INR 10,00,000 (Rupees Ten Lakhs only) per Debenture
- c) Full subscription amount has to be paid at the time of application, for all the Debenture applied for by the Eligible Investors. Applications for incorrect amounts are liable to be rejected.
- d) Payment shall be made from the bank account of the person subscribing. In case of joint holders, monies payable shall be paid from the bank account of the person whose name appears first in the application.
- e) Applicants should mention their PAN, Depository Participant's name, DP ID and the Client ID in the Application Form



- and ensure that these details are correct and the Applicant's depository account is active.
- f) The Applicant must also ensure that the details mentioned in the Application Form match the details available in the Depository database.
 - g) The applications should be submitted during normal banking hours at the office of the Issuer.

Note: The Application Forms which do not have the details of the Investor's depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Participation by potential Investors in the Issue of the Debentures proposed to be issued under this Placement Memorandum and may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

Joint-Holders

Where 2 or more persons (not exceeding three) are holders of any Debentures, they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to other provisions contained in the Articles of Association of the Issuer.

Submission of completed Application Form

All applications duly completed accompanied by transfer instructions from the respective Eligible Investor's account to the account of the Issuer, shall be submitted at the registered office of the Issuer.

Issue procedure

Only Eligible Investors may apply for the Debentures by completing the Application Form in the prescribed format in English as per the instructions contained therein. No application can be made for a fraction of a Debenture. Application forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant.

Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the issue. Prior to making any investment in these Debentures, each investor should satisfy and assure herself/himself/itself that it is authorized and eligible to invest in these Debentures. The Issuer shall be under no obligation to verify the eligibility/authority of the investor to invest in these Debentures.

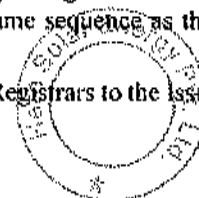
SUBMISSION OF DOCUMENTS

Investors need to submit the certified true copies of the following documents, along-with the Application Form, as applicable:

- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- Government notification/ certificate of incorporation(in case of Primary Co-operative Bank and RRBs);
- SEBI registration certificate, if applicable;
- Board Resolution authorizing investment along with operating instructions;
- Power of Attorney/ relevant resolution/ authority to make application;
- Form 15AA granting exemption from TDS on interest, if any;
- Form 15G/ 15H for claiming exemption from TDS on interest on application money, if any;
- Order u/s197 of Income Tax Act, 1961;
- Order u/s10 of Income Tax Act, 1961;
- Copy of PAN card issued by the Income Tax Department;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority.

(R) PROCEDURE FOR APPLYING FOR DEMAT FACILITY

1. The Applicant must have at least one beneficiary account with any of the DPs of NSDL/ CDSL prior to making the application.
2. The Applicant must necessarily fill in the details (including the beneficiary account number and DPs ID appearing in the Application Form under the heading 'Details for Issue of debentures in Electronic/ Dematerialized Form'.)
3. Debentures allotted to an Applicant will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
4. For subscribing the Debentures names in the Application Form should be identical to those appearing in the account details in the depository. In case of joint holders the names should necessarily be in the same sequence as they appear in the account details in the depository.
5. Non-transferable allotment advice/refund orders will be directly sent to the Applicant by the Registrars to the Issue.



6. If incomplete/incorrect details are given under the heading 'Details for Issue of debentures in Electronic/ Dematerialized Form' in the Application Form it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
7. For allotment of Debentures the address, nomination details and other details of the Applicant as registered with his/her DP shall be used for all correspondence with the Applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient the Issuer would not be liable for losses, if any.
8. Payment of Interest or repayment of principal would be made to those Debenture Holders whose names appear on the list of Beneficial Owners given by the Depositories to the Issuer as on Record Date/ book closure date. In case of those Debenture for which the Beneficial Owner is not identified by the Depository as on the Record Date/ book closure date, the Issuer would keep in abeyance the payment of Interest or repayment of principal, till such time that the Beneficial Owner is identified by the Depository and conveyed to the Issuer, whereupon the Interest or principal would be paid to the beneficiaries, as identified, within a period of 30 (thirty) days.
9. The Debentures shall be directly credited to the beneficiary account as given in the Application Form and after due verification, allotment advice/ refund order, if any, would be sent directly to the Applicant by the Registrars to the Issue but the confirmation of the credit of the Debentures to the Applicants Depository account will be provided to the Applicant by the Depository Participant of the Applicant.

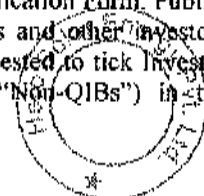
(S) HOW TO APPLY

This being a private placement offer, investors who are established/ resident in India and who have been addressed through this communication directly only are eligible to apply.

1. The remittance of application money is to be made through electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:

Name of the Bank	Yes Bank
Address of the Bank	Ground Floor G1, G2, G3 Chiranjiv Tower 43 Nehru Place New Delhi-110019
IFS Code	YESB0000235
Bank Account No.	023561000000094
Name of the Beneficiary	HERO SOLAR ENERGY PRIVATE LIMITED

2. Cash, money orders, and postal orders shall not be accepted. The Issuer assumes no responsibility for any applications lost in mail. The entire amount of Rs. 10 lakh per Debenture is payable on application.
3. All Application Forms duly completed (along with all necessary documents as detailed in this Information Memorandum) must be delivered before the closing of the Issue to the Arranger to the Issue. While forwarding the Application Form, Applicants must ensure that the relevant UTR number/ or any other evidence of having remitted the application money is obtained. Detailed instructions for filling up the Application Form are provided elsewhere in this Information Memorandum.
4. Applications for the Debentures must be in the prescribed form (enclosed) and completed in **BLOCK LETTERS** in English and as per the instructions contained therein. Applications should be for the number of Debentures applied by the Applicant. Applications not completed in the prescribed manner are liable to be rejected. The name of the Applicant's bank, type of account and account number must be filled in the Application Form. This is required for the Applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.
5. The Applicant or in the case of an application in joint names, each of the Applicant, should mention his/ her PAN allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the Investor should mention his PAN/GIR No. If the Investor does not submit Form 15G/15AA/other evidence, as the case may be for non-deduction of tax at source. In case neither the PAN nor the GIR Number has been allotted, the Applicant shall mention "Applied for" and in case the Applicant is not assessed to income tax, the Applicant shall mention 'Not Applicable' (stating reasons for non-applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.
6. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring "approved security" status for making investments. All Applicants are also requested to tick Investor type {Qualified Institutional Buyers ("QIBs")/ Non-Qualified Institutional Buyers ("Non-QIBs")} in the



Application Form. No separate receipts shall be issued for the application money. However, Arranger to the Issue at their designated branch(es) receiving the duly completed Application Form(s) will acknowledge the receipt of the applications by stamping and returning the acknowledgment slip to the Applicant. Applications shall be deemed to have been received by the Issuer only when submitted to Arranger to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.

7. As per the Rule 14 (1) (a) of Companies (Prospectus and Allotment of Securities) Rules, 2014, the payment to be made for subscription to securities shall be made from the bank account of the Applicant subscribing to such securities and the Issuer shall keep the record of the bank account from where such payments for subscriptions have been received. If the securities are to be held jointly, the payment is to be made from the account in the name of Applicant whose name appears first in the Application Form.
8. For further instructions about how to make an application for applying for the Debentures and procedure for remittance of application money, please refer to the Application Form carefully.

*INVESTOR GRIEVANCE AND REDRESSAL SYSTEMS

Arrangements have been made to redress investor grievances expeditiously as far as possible, the Issuer endeavors to resolve the investor's grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Bonds applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at registered office of the Issuer. All investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this INFORMATION MEMORANDUM.

Investor Relations Officer	Neha Sethi
Designation/ Dept	Company Secretary and Compliance Officer
Address	Plot no, 201, First Floor, Okhla industrial estate, Phase-III, New Delhi-110020
Ph No	+91-72900 31535
Fax	+91-011—49598000
Email	secretarial@herofutureenergies.com
Website	www.herofutureenergies.com/hsepl

Mode of Payment

Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

The Eligible Investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

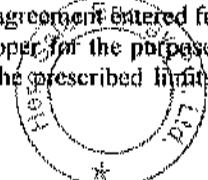
Basis of Allotment and Schedule for Allotment

The Issuer reserves the sole and absolute right to allot the Debentures to any Applicant. The issuer reserves the right to reject in full or partly any or all the offers received by them to invest in these Debentures without assigning any reason for such rejections. In case there is over subscription in the issue, priority will be given on the basis of the date of application. In the event of a tie with respect to the date of application, allocation will be done on a pro rata basis. The unutilised portion of the application money will be refunded to the Applicant by electronic transfer to the bank account from which the subscription amount was remitted. The Issuer will allot the Debenture to the Debenture Holders' dematerialised account.

Borrowing Powers

This private placement of Debentures is being made pursuant to a resolution of the Board of Directors passed at its meeting held on September 23 2021, under Sections 42, 71 and 179 (3) of the Companies Act, which has approved the issuance of Debentures and a special resolution of shareholders dated September 23 2021, under Section 42 & 71 of the Companies Act, authorizing the board to borrow monies by way of issue of non-convertible debentures up to an aggregate amount of Rs 75 Crore.

The present issue of the Debentures is within the general borrowing limits in terms of the resolution passed by the Board of Directors of the Issuer dated 31st January 2019 giving their consent to the borrowing by the Directors of the Issuer from time to time not exceeding Rs. 3500 Crores subject to any restrictions imposed by the terms of the agreement entered from time to time for grant of loans to the Issuer of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Issuer. The borrowings under these Debentures will be within the prescribed limits as aforesaid.



Right to Accept or Reject Applications

The Board of Directors, the committee of directors and/or any other authorised officials of the Issuer reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof. Application Forms that are not complete in all respects may be rejected in sole discretion of the Issuer and will not be paid any interest on the application money.

Application may be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of Debentures applied for is less than the minimum application size;
- b. Bank account details not given;
- c. Details for issue of Debentures in electronic or dematerialised form not given;
- d. PAN;
- e. In the event of applications under power of attorney by limited companies, corporate bodies, etc. if the relevant documents are not submitted;
- f. In the event, if any Debentures applied for is or are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

Force Majeure

The Issuer reserves the right to withdraw the issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Issuer reserves the right to change the issue schedule.

Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within seven days from the Deemed Date of Allotment of the Debentures.

In the event the Issuer has received money from Applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar and Transfer Agent shall upon receiving instructions from the Issuer repay the moneys to the extent of such excess, if any and no interest shall be paid on such refund amount.

Issue of Debentures in Dematerialised Form

The Issuer has made arrangements with the Depositories for the Issue of Debentures in dematerialised form. Debenture Holders will hold the Debentures in dematerialised form in accordance with the provisions of Depositories Act. The Depository participant's name, DP ID and beneficiary account number must be stated at the appropriate place in the Application Form. The Issuer shall take necessary steps to credit the Debentures allotted to the Depository account of the Eligible Investor. All provisions relating to issue, allotment, transfer, transmission etc. in respect of the Debentures as prescribed under the Depositories Act will be applicable to the Debentures issued in dematerialised form.

Deemed Date of Allotment

All benefits relating to the Debentures will be available to the Debenture Holders from the relevant Deemed Date of Allotment.

Currency of Payment

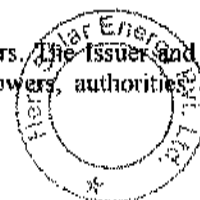
All obligations under the Debentures are payable in Indian Rupees only.

Transfers/ Transmission of Debentures

The Debentures shall be transferable freely to all classes of Eligible Investors. The Debentures shall be transferred and/or transmitted in accordance with the applicable provisions of the Companies Act, other applicable laws and the Articles of Association (to the extent applicable to the debenture). The Debentures held in dematerialised form shall be transferred in accordance with the rules and procedures of NSDL/CDSL, the relevant depository participants of the transferor or transferee and any other applicable laws and rules notified. The seller should give delivery instructions containing details of the buyer's Depository Participant's account to his Depository Participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date, failing which, any payments will be paid to the person, whose name appears in the register of Beneficial Owners maintained by the Depository in the case of dematerialised Debentures. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. Eligible Investors may note that subject to applicable law, the Debentures of the Issuer will be issued and traded in dematerialised form only. The transferor of any Debentures should give delivery instructions containing details of the transferee's dematerialized account to its Depository Participant.

Trustee for the Debenture Holders

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holders. The Issuer and the Debenture Trustee intend to enter into the Debenture Trust Deed *inter alia*, specifying the powers, authorities, and



obligations of the Debenture Trustee and the Issuer. The Debenture Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holders. Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holders shall discharge the Issuer *pro tanto* to the Debenture Holders. The Debenture Trustee will protect the interest of the Debenture Holders in regard to timely payment of coupon and repayment of principal and they will take necessary action, subject to and in accordance with the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trust Deed shall more specifically set out rights and remedies of the Debenture Holders and the manner of enforcement thereof. The Debenture Trustee shall carry out its duties and shall perform its functions in accordance with all applicable laws and regulations including without limitation the SEBI NCS Regulations, SEBI Listing Regulations and Debenture Trustee Regulations as well as the Debenture Trust Deed and this Placement Memorandum. Resignation or retirement of the Debenture Trustee shall be in accordance with the terms of the Debenture Trust Deed entered into between the Issuer and the Debenture Trustee and a notice in writing to the Debenture Holders shall be provided for the same. The Debenture Trustee shall ensure disclosure of all material events on an ongoing basis.

The Debenture Trustee has agreed for a lump sum fee amounting to INR 1,00,000 (Rupees One lakh only) as acceptance fees and annual charges of INR 1,50,000 (Rupees One lakh Fifty Thousand only) (plus the applicable taxes) for the services as agreed in terms of the offer letter dated 17th September, 2021 bearing reference no CL/MUM/21-22/DEB/465

Market Lot

The market lot will be one Debenture ("Market Lot"). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of Debentures.

Title

In the event of Debentures held in dematerialised form, the person for the time being appearing in the register of Beneficial Owners maintained by the Depository shall be treated as the owner of the Debentures for all purposes by the Issuer. The Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in the Debenture and no person will be liable for so treating the Debenture Holders.

List of Beneficial Owners

The Issuer shall request the Depositories to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of yield or repayment of principal amount, as the case may be.

Applications under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorised signatories and the tax exemption certificate or document, if any, must be lodged along with the submission of the completed Application Form. Further modifications or additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In the event of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application.

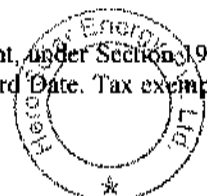
Letters of Allotment

The Debentures will be credited in dematerialised form within the time period specified in the SEBI NCS Regulations and the listing agreement entered into between the NSE and the Issuer.

Tax Deduction at Source

Debenture Holders should consult their own independent tax advisors to understand their tax positions. In addition, Debenture Holders should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Therefore, Debenture Holders are advised to consider the tax implications in respect of subscription to the Debentures in consultation with their tax advisors.

Tax as applicable under the IT Act will be deducted at source. Tax exemption certificate/document, under Section 195(3) or Section 197(1) of the IT Act, if any, must be lodged at the office of the Issuer before the Record Date. Tax exemption



certificate for interest on application money, if any, should be lodged along with the Application Form.

Right of the Issuer to Purchase and Re-sell Debentures

The Issuer may, subject to applicable laws, at any time and from time to time, purchase Debentures issued under this Placement Memorandum at discount, at par or premium in the open market. Such Debentures, at the option of the Issuer, be cancelled, held or resold at such a price and on such terms and conditions as the Issuer may deem fit and as permitted by applicable laws. The Issuer and any of its affiliates may also at their absolute discretion, purchase Debentures in the secondary market, subject to such entity being an Eligible Investor and in compliance with applicable laws.

Redemption Payment Process

The Issuer shall on any Redemption Date, as the case may be, fund the designated account (being a current account of the Issuer opened with a scheduled commercial bank) with the coupon, or Redemption Amount due. In the event the Issuer is unable to fund the designated account 1 (one) day prior to the Redemption Date, as the case may be, or anticipates that it will be unable to do so due to any reason, the Issuer will on the Redemption Date, as the case may be, inform the Debenture Trustee in writing expressing its inability to fund the designated account.

The payment of the Redemption Amount on the Debentures shall be made by the Issuer to those persons whose names appear in the beneficiary list provided by the Depositories as the Debenture Holders. All payments shall be made by the Issuer in the form of fund transfers or RTGS or NEFT as the Issuer may deem fit.

In respect of the Debentures held in dematerialised form, payment of the Redemption Amount will be made by the Issuer to the beneficiaries in accordance with the beneficiary list provided by the Depositories as on the Record Date, respectively. The Debentures shall be taken as discharged on payment of the Redemption Amount in full, respectively by the Issuer to the beneficiaries in accordance with the beneficiary list by making payment electronically to the bank account notified by the beneficiary. Such payment will be a legal discharge of the liability of the Issuer towards the Debenture Holders. On such payment being made, the Issuer will inform the Depositories and accordingly the account of the Debenture Holders with Depositories will be adjusted.

Upon the payment towards the redemption amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished. Payments of any amounts in relation to the Debentures, in the form of principal or otherwise by the Issuer to the Debenture Trustee on behalf of the Debenture Holders shall be deemed to be *pro tanto* payment and satisfaction to the Debenture Holders.

Debenture Holder not a Shareholder

The Debenture Holders will not be entitled to any of the rights and privileges available to the shareholders other than those available to them under the Companies Act in accordance with the terms hereof.

Register of Debenture Holder(s)

A register of all Debenture Holders shall be maintained in accordance with law.

Provisions for Meeting of Debenture Holders

The terms set out in the relevant provisions of the Debenture Trust Deed shall apply to the meetings of the Debenture Holders.

Succession

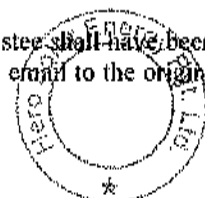
In the event of, however, a deceased Debenture Holder having nominated any person entitled to be registered as the Debenture Holder in the event of his death, such nominee shall be registered as the Debenture Holder in place of the deceased Debenture Holder, notwithstanding anything contained in any other law for the time being in force.

Effect of Holidays

Should any of the dates defined above or elsewhere in this Placement Memorandum other than the Deemed Date of Allotment, fall on a Sunday or a public holiday or a day not a Working Day, the following Working Day shall be considered as the effective date. In respect of any payment of principal, where the Redemption Date of the Debentures falls on a Sunday or a holiday or a day which is not a Working Day, the Redemption Amount payment shall be made on the immediately previous Working Day. In respect if any Record Date falls on a Sunday or a holiday or a day which is not a Working Day, the Record Date shall be the immediately previous Working Day. In accordance with applicable law, payment of Redemption Amount will only be made on the days when the money markets are functioning in Mumbai.

Notices

All notices to the Debenture Holders required to be given by the Issuer or the Debenture Trustee shall have been given if sent either by registered post, by facsimile, registered post, courier or by hand delivery or by email to the original or first allottees of the Debentures, or as may be prescribed by applicable law.



All notices to be given by the Debenture Holders shall be sent by registered post, courier or by hand delivery or email to the Issuer or to such persons at such address as may be notified by the Issuer from time to time through suitable communication.

Notices shall be deemed to be effective in the manner to be set out in the Debenture Trust Deed.

Payment of outstanding amounts on the Debentures

The Issuer shall ensure that services of NECS, direct credit, RTGS or NEFT are used for payment of all outstanding amounts on the Debentures, including the principal and interest accrued thereon.

Rights of Debenture Holders

The Debenture Holders shall not be entitled to any right and privileges of shareholders other than those available to them under the Companies Act. The Debentures shall not confer upon the holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debenture Holders for their consideration.

The Debenture Holders or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her on every resolution placed before such meeting of the Debenture Holders.

The Debentures are subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association the Issuer, the terms of this Placement Memorandum and the Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Debenture Trust Deed, SEBI regulations (including SEBI NCS Regulations), guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.

A register of Debenture Holders will be maintained in accordance with Applicable Laws, and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture Holders.

The Debenture Holders will be entitled to their Debentures free from equities and/or cross claims by the Issuer against the original or any intermediate holders thereof.

Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holders available with the Issuer, with its subsidiaries and affiliates and banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the relevant information.

Modification of Debenture Holder(s) rights and modification of Debentures

The rights, privileges and conditions attached to the Debentures may be varied, modified or abrogated in accordance with the Articles of Association of the Issuer and the Companies Act and with the consent of the Majority Debenture Holders, except in circumstances where the Debenture Trustee is specifically authorized under the Transaction Documents.

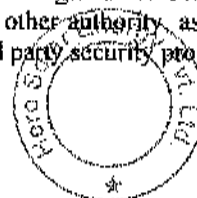
Compliance with laws

The Issue is being made in accordance with Section 42 and 71 of the Companies Act, the Companies (Shares Capital and Debentures) Rules, 2014, the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended, the SEBI NCS Regulations and other applicable laws in this regard. The Issuer, the Debentures and Issuer's obligations under the Debentures shall, at all times, be subject to the directions of the RBI and the SEBI.

Due Diligence by the Debenture Trustee

The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Placement Memorandum and the Applicable Laws, has been obtained.

The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority as may be relevant, where the assets and/or encumbrances in relation to the assets of the Issuer or any third party security provider are registered / disclosed.



The Debenture Trustee shall have the power to either independently appoint, or direct the Issuer to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of Security are sufficient to discharge the outstanding amounts on the Debentures at all times. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer.

The Issuer has undertaken to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the Applicable Laws and the Debenture Trust Deed on a regular basis.

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020.

OTHER DETAILS:

- i. **Debenture Redemption Reserve (DRR) CREATION** –As on date there is no applicability of DRR on the Company due to accumulated losses. However, in case of any change in applicable laws during the tenor of the Debentures or owing to profits, making it mandatory for the Company to comply with the provisions relating to Debenture Redemption Reserve.
The Company undertakes to comply with provisions relating to investment or deposit in terms of Companies Act, 2013, as applicable.
- ii. **ISSUE/INSTRUMENT SPECIFIC REGULATIONS - RELEVANT DETAILS (COMPANIES ACT, RBI GUIDELINES, ETC).** Sections 42, 71 and 179 (3) of the Companies Act, the SEBI NCS Regulations, the SEBI listing Regulations.

iii. DEFAULT IN PAYMENT

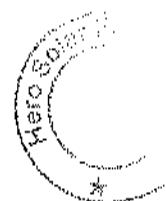
In case of default in payment of any monies accruing due on the respective due dates, the defaulted amount thereof shall carry additional interest, which shall be a rate of 2.0% per annum over and above the Coupon Rate in respect of any amounts which have not been paid on the respective due dates for the period of default or delay.

iv. DELAY IN LISTING

In case of delay in listing beyond 4 (four) Working Days from the Issue Closing Date, the Company will pay additional interest of 1% p.a. over the Coupon Rate to the Debenture Holders from the deemed date of allotment till the listing of the Debentures. Further, the Company shall be permitted to utilise issue proceeds of its subsequent two privately placed issues only after receiving final listing approval from the Stock Exchange.

v. **DELAY IN ALLOTMENT OF SECURITIES** – In case Issuer fails to allot the Debentures within 2 trading days from the Issue Closing Date, it shall refund of application monies in the manner prescribed elsewhere in this Placement Memorandum.

Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project;- **Not Applicable**



UNDERTAKING BY THE ISSUER:

- i) Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 23 under the section 'Management's Perception of Risk Factors'.
- ii) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
- iii) The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.
- iv) Assets on which charge or security has been created meet the hundred percent security cover is free from any encumbrances.

The Directors of the Issuer hereby attest that:

- a) The Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;
- b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debt securities/non-convertible redeemable preference shares, is guaranteed by the Central Government the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Memorandum;
- c) Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.
- d) Following clause on "General Risks" has been incorporated in box format in the Placement Memorandum:
"Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section Management's perception of Risk Factor of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities."



DECLARATION

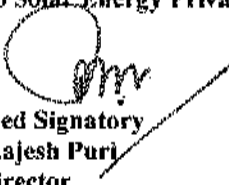
The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Placement Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Placement Memorandum is as applicable to privately placed debt securities and subject to information available with the issuer. The extent of disclosures made in the Placement Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

- a. the Company has complied with the provisions of the Companies Act, 2013 and the rules made there under;
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Memorandum;

I am authorized by the Board of Directors of the Company vide resolution dated September 23, 2021 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For Hero Solar Energy Private Limited

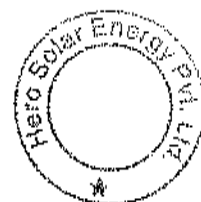


Authorised Signatory

Name: Rajesh Puri

Title: Director

Date: 30/09/2021



ANNEXURE-I

SUMMARY TERM SHEET FOR THE DEBENTURES

Term Sheet

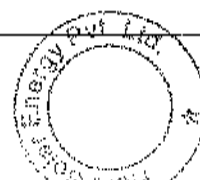
Issuer / Company	Hero Solar Energy Private Limited ("Issuer" or the "Company")
Holding Company(ies) / Holdco(s)	<ul style="list-style-type: none"> • Hero Solar Energy Private Limited • Hero Wind Energy Private Limited • Hero Future Energies Private Limited
Hero Group	Hero Group promoted by Munjal Family i.e. Bahadur Chand Investments Private Ltd (CIN U65921DL1979PTC331322) and Brijmohan Lal Om Prakash partnership firm (PAN: AABFB0636L).
Sponsor	Means holding companies of Hero Future Energies Private Limited, Masdar, IFC, Munjal family and any future beneficial equity shareholder of Hero Future Energies Private Limited.
Security Name	750 (Seven Hundred and Fifty) Secured, Rated, Listed, Redeemable Non-Convertible Debentures of face value of Rs. 10,00,000 (Rupees Ten Lakh only) ("Debentures") each for an aggregate amount of up to Rs. 75,00,00,000/- (Rupees Seventy-Five Crore only)
Type of Instrument	Secured, Rated Listed, Redeemable Non-Convertible Debentures
Nature of Instrument	Secured
Seniority	Senior
Eligible Investors	<p>The following categories of investors shall together constitute "Eligible Investors":</p> <ol style="list-style-type: none"> i. Scheduled commercial banks in India; ii. NBFCs and RNBCs registered with RBI; iii. Indian companies; iv. Mutual Funds; v. Rural regional banks in India; vi. Insurance companies registered with IRDA; vii. Financial institutions, including All India Financial Institutions; viii. Housing finance companies registered with the National Housing Board; and ix. Other eligible investors as per the concerned guidelines and regulations"
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	<p>The NCDs shall be listed on Wholesale debt market segment of National Stock Exchange of India Limited (NSE).</p> <p>Listing approval shall be obtained within 4 trading days from the closure of the issue</p>
Rating of the Instrument	"A+/Stable" CRISIL
Issue Size	Rs. 75 Crore
Minimum subscription	Not applicable
Option to retain oversubscription (Amount)	Nil
Objects of the Issue / Purpose for which there is requirement of funds	<p>The subscription amounts of the Debentures shall be utilized by the Company towards</p> <ol style="list-style-type: none"> 1. Towards funding the capital expenditure ; 2. towards refinancing of the existing debts of the Company; 3. towards working capital requirement of the Company; 4. towards the creation and establishment of the DSRA; 5. Towards payment of any incidental expenses in relation to the Debentures; <p>No other purpose other than the defined object of issue.</p>
Details of the utilization of the Proceeds	As per objects of the Issue



Coupon / Dividend Rate	11.50% p.a payable quarterly
Debt Service Reserve Account (DSRA)	Issuer to maintain DSRA equivalent to debt service obligation falling due in the next 3 months at all times during the tenor of the instrument in cash or Bank Guarantee (BG from banks rated AAA, to be replaced within 30 days in case of downgrade of bank)
Step Up/Step Down Coupon Rate	<p>If the rating of the Debentures and/or the Company is downgraded from A+ at any point of time during the life of the Debentures, the Coupon Rate for the balance period would increase by 0.5% p.a. for each notch downgrade in the rating.</p> <p>Such stepped up coupon will be applicable starting from the date of such downgrade and will be taken into account in calculating the Coupon payable on the immediately succeeding Coupon Payment Date.</p> <p>In case of subsequent upgrade in the rating, the coupon shall be reduced by 0.5% p.a. per notch of upgrade, but will in no event be lower than the initial coupon</p>
Downgrade Event	<p>Proposed A+/Stable Outlook by CRISIL</p> <p>In case of rating downgrade of the Issuer/debenture to "BBB+" or below or issuer is termed as "Issuer not cooperating" or any similar status as per the rating agency, during the tenure of the NCDs or in case any new rating is assigned by any accredited rating agency to the Issuer/debentures which is "BBB+" or below, the investor shall have an option to ask for mandatory prepayment in full/part of the outstanding NCDs together with accrued interest till the date of such prepayment. In case of mandatory prepayment, the borrower will have to repay back full or any amount as decided by the Investor within 60 days from date of issue of notice to Issuer after downgrade in the ratings.</p> <p>Failure to make the mandatory prepayment as per the above timelines, will result in an Event of Default.</p>
Principal Repayment	Equal Quarterly amortization structure. From the 12 th month from deemed date of allotment
Coupon Payment Frequency	Quarterly
Coupon payment dates	31st March, 30th June, 30th September, 31st December every year and final maturity date.
Coupon Type	Fixed
Coupon Reset Process	As per Step Up/Step Down Coupon Rate defined above
Day Count Basis	Actual/ Actual
Interest on Application Money	Nil
Default Interest Rate	<p>In case of default in payment of any monies accruing due on the respective due dates, the defaulted amount thereof shall carry Additional Interest, which shall be a rate of 2.0% per annum over and above the Coupon Rate in respect of any amounts which have not been paid on the respective due dates for the period of default or delay.</p> <p>In case of delay in listing beyond 4 (four) Business Days from the Issue Closing Date, the Company will pay additional interest of 1% p.a. over the Coupon Rate to the Debenture Holders from the deemed date of allotment till the listing of Debt Securities. Further, the Company shall be permitted to utilise issue proceeds of its subsequent two privately placed issues only after receiving final listing approval from the Stock Exchange.</p> <p>In the event the security stipulated is not created and perfected within the timelines as stipulated in the column titled 'Security', additional interest of 1% (one percent) per annum or such higher rate as may be prescribed by law, shall be payable on the principal amount of the Debt Securities till the date of creation and perfection of the security interest</p>
Tenor	30 months



Redemption Date	1. 30-09-22 2. 31-12-22 3. 31-03-23 4. 30-06-23 5. 30-09-23 6. 31-12-23 7. 31.03.24																
Redemption Amount	<table border="1"> <thead> <tr> <th>Face Value to Be Redeemed Per Debenture</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>142,857.14</td> <td>30-09-22</td> </tr> <tr> <td>142,857.14</td> <td>31-12-22</td> </tr> <tr> <td>142,857.14</td> <td>31-03-23</td> </tr> <tr> <td>142,857.14</td> <td>30-06-23</td> </tr> <tr> <td>142,857.14</td> <td>30-09-23</td> </tr> <tr> <td>142,857.14</td> <td>31-12-23</td> </tr> <tr> <td>142,857.16</td> <td>31-03-24</td> </tr> </tbody> </table>	Face Value to Be Redeemed Per Debenture	Date	142,857.14	30-09-22	142,857.14	31-12-22	142,857.14	31-03-23	142,857.14	30-06-23	142,857.14	30-09-23	142,857.14	31-12-23	142,857.16	31-03-24
Face Value to Be Redeemed Per Debenture	Date																
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Redemption Premium /Discount	Not applicable																
Issue Price	750 (Seven Hundred and Fifty) Secured, Rated, Listed, Redeemable Non-Convertible Debentures of face value of Rs. 10,00,000 (Rupees Ten Lakh only) ("Debentures") each for an aggregate amount of up to Rs. 75,00,00,000/- (Rupees Seventy-Five Crore only)																
Discount at which security is issued and the effective yield as a result of such discount.	Not applicable																
Put Date	Not applicable																
Put Price	Not applicable																
Call date	At the end of the 12 months from the date of allotment and every 6 months thereafter.																
Call Price	At Par																
Put Notification Time	Not applicable																
Call Notification Time	The issuer/Company will give 30 days notice prior to call date for exercising call option at par for the NCD plus the accrued interest.																
Face Value	Rs. 10,00,000 (Ten Lakh Only)																
Minimum Application and in multiples of thereafter	One debenture and in multiple of one NCD thereafter																
Issue Timing	-																
Issue Opening Date	30 th September 2021																
Issue Closing date	30 th September 2021																
Date of earliest closing of the issue, if any	Not applicable																
Pay-in Date	30 th September 2021																
Deemed Date of Allotment	30 th September 2021																
Settlement mode of the Instrument	Demat mode																



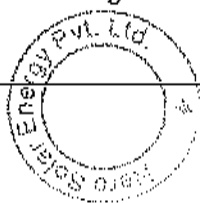
Depository	National Securities Depository Limited and Central Depository Services (India) Limited					
Disclosure of Interest/ redemption dates	Cash Flow Event(Interest/ Redemption)	Date of Payment	Amount Payable (per Unit) (in Rs.)	Repayment (in Rs.)	Interest Amt. (in Rs.)	Total Amt. (in Rs.)
	Interest	31-12-2021	28,986.30	-	28,986.30	28,986.30
	Interest	31-03-2022	28,356.16	-	28,356.16	28,356.16
	Interest	30-06-2022	28,671.23	-	28,671.23	28,671.23
	Interest+ Redemption	30-09-2022	1,71,843.44	1,42,857.14	28,986.30	1,71,843.44
	Interest+ Redemption	31-12-2022	1,67,702.54	1,42,857.14	24,845.40	1,67,702.54
	Interest+ Redemption	31-03-2023	1,63,111.55	1,42,857.14	20,254.40	1,63,111.55
	Interest+ Redemption	30-06-2023	1,59,240.70	1,42,857.14	16,383.56	1,59,240.70
	Interest+ Redemption	30-09-2023	1,55,279.84	1,42,857.14	12,422.70	1,55,279.84
	Interest+ Redemption	31-12-2023	1,51,138.94	1,42,857.14	8,281.80	1,51,138.94
	Interest+ Redemption	31-03-2024	1,46,953.03	1,42,857.16	4,095.89	1,46,953.03
Record Date	15 days prior to each Interest Payment Date or Redemption Date. In the event the Record Date falls on a day which is not a Working Day, the immediately succeeding Working Day will be considered as the Record Date					
All covenants of the issue (including side letters, accelerated payment clause, etc.)	Financial Covenants	<p>Borrowing Cap shall mean the maximum level of borrowing without requiring the specific approval of Trustee (acting upon the instructions of Investor). Borrowing cap shall be:</p> <ul style="list-style-type: none"> On HFEPL, Hero Wind Energy Private Limited ("HWEPL") and HSEPL Standalone combined debt (after netting off intercompany investments) – not more than 1.5x of funded equity/quasi equity On HSEPL standalone debt – not more than 1.5x of funded equity/ quasi equity <p>At all times during the tenor of the instrument, HSEPL shall ensure that the aggregate value of all the Borrowings availed by the company shall not exceed the Borrowing Cap</p> <p>Covenant testing to be done on semi-annually basis starting March 31, 2022</p>				
	Other Covenants	<p>a) The Company shall not incur any financial indebtedness such that it leads to a breach of the financial covenants</p> <p>b) Management control and single largest shareholding of Hero Group to be maintained throughout in HSEPL/HFEPL/HWEPL.</p>				



	<ul style="list-style-type: none"> c) HFE/HSEPL/HWE to ensure that 'Hero' group name will be a part of Company and Holdco names during the tenor of NCD. d) The ability of the Hero Group to appoint majority of the directors of the Board of Directors of the Issuer and Holdcos during the tenor of the instrument e) The ability of the Hero Group to control and direct the business, operations and functioning of the Issuer f) Any debt support from the Sponsor and its group entities to be subordinated to external debt and such debt shall have no rights of calling EOD. g) No dividend payments to Sponsor if an EOD has occurred or is subsisting h) There should not be any change in the business profile of the Issuer and Holdcos. i) No restructuring/ amalgamation/ demerger/ merger/ corporate reconstruction/ change in capital structure/ sale or transfer of any operational assets (including investments) of the Issuer and Holdcos without consent j) The Issuer and Holdcos will not, enter into a transaction, whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of assets forming part of the Security without consent. 	
Information Covenants	<p>Issuer (HSEPL), HFEPL, and HWEPL shall provide following information on period</p> <ul style="list-style-type: none"> (a) Audited financials of the Issuer within 180 days from the end of each financial year (b) Operational and financial details on quarterly basis <p>The Investor will have the right to examine at all times the Issuer's books of accounts and to have the Issuer's factory(s)/branches inspected from time to time by officer(s) of the Investor and/or technical experts and/or management consultants of the Investor's choice. The cost of such inspections will be borne by the Issuer when event of default is continuing and subsisting.</p>	
Affirmative Covenants	<ul style="list-style-type: none"> (a) The Issuer shall pay all legal expenses and charges in connection with and arising out of this NCD issue and/or its recovery (b) The Issuer shall maintain adequate books and records which should correctly reflect their financial position and operations and it should be submitted to the Investor/Debenture Trustee at regular intervals such statements as may be prescribed by the Investor in terms of the RBI / Investor's instructions issued from time to time (c) The Issuer will keep the Investor/Debenture Trustee informed of the happening of any event which is likely to have a material impact on their profit or business and more particularly the Issuer will inform accordingly with reasons and the remedial steps proposed to be taken. (d) The Issuer shall pay from time to time all its statutory dues. In case of any failure in this regard, such default shall be reported to the Investor/Debenture Trustee with reasons thereof and corrective measures/ steps taken/ proposed (e) Issuer shall not be a core investment company(CIC) 	



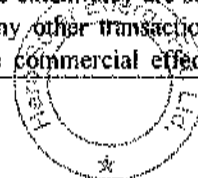
<p>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum</p>	<p>Issue size together with all interest, liquidated damages, fees, costs, charges, expenses and other monies and all other amounts stipulated and payable to be secured by:</p> <ul style="list-style-type: none"> ▪ Exclusive charge of DSRA to be created upfront and maintained throughout the tenor ▪ Exclusive charge by way of Hypothecation over Shareholder Loan given by HFEPL to HSEPL to provide a security cover of 1.1x of the Outstanding Amounts. ▪ Unconditional and Irrevocable Corporate Guarantee from HFEPL. <p>The Security specified in 2 and 3 above shall be replaced by the following within 3 months of the Deemed Date of Allotment.</p> <p>Exclusive charge by way of:</p> <ol style="list-style-type: none"> 1. Pledge of 49% Equity shares held by HSEPL in Waaneep Solar to provide a security cover of 1.1x of the Outstanding Amounts. For the purpose of valuation of the equity shares and determining the security cover, the book value of the equity shares of Waaneep Solar as per its latest audited financial statements will be considered. 2. In the event the above security is insufficient to meet the required security cover of 1.1x, additional security by way of Hypothecation of Shareholder Loan given by HSEPL to Waaneep Solar will provided to meet the Required Security Cover. <p>During the tenor of these NCDs; Waaneep Solar shall</p> <ol style="list-style-type: none"> 1) Not avail external debt in excess of Rs. 500 cr. 2) Not create any charge on any Holdco equity/CCPS/loans/CCDs/etc in favour of any other lender other than charge given to the Project lenders (51% pledge of equity share in favour of Project Lenders is permitted) 3) Not provide any corporate guarantee/undertakings/etc. in favour of any entity 4) Not create charge on its cash flows through restricted group structure or any other mechanism in favour of any lender (except for securing debt as per point 1 above). <p>Security shall be created upfront. Perfection of Security by way of filing of charge with RoC, CERSAI and Sub- Registrar shall be completed within a period of 30 days from the date of creation of charge</p> <p>Issuer shall have the right to substitute the security/ instrument with any other instrument based on mutual agreement within the pre-defined SPV pool, subject to security cover, at any point of time during the Instrument.</p>
<p>Transaction Documents</p>	<p>“Transaction Documents” shall mean:</p> <ol style="list-style-type: none"> (p) The Debenture Trust Deed (“DTD”); (q) the Debenture Trustee Agreement; (r) the Security Documents, as may be defined under the Transaction Documents; (s) Placement Memorandum/ Private Placement Offer Letter(s); (t) Consent Letter from Trustees; (u) Rating letter including rating rationale; (v) Letter appointing registrar to the issue; (w) Tripartite agreements between the Company, registrar and both depositories; (x) Certified true copy(ies) of the Board Resolution, shareholders’ resolution for issue of non-convertible debentures and any other corporate authorizations from the Issuer as may be applicable as per the provisions of the Companies Act, 2013 (y) Letter appointing Debenture Trustee to the Debenture Holders (z) Rating letter and rating rationale (aa) Letter appointing the Registrar (bb) Application made to NSE for seeking their in-principle approval for listing of Debentures (cc) In Principal Approval



	<p>(dd) any other document that may be designated as a transaction document by the Debenture Trustee in accordance with the Debenture Trust Deed and any other agreements, deeds, letters, or documents entered into between the Parties in relation to the transactions being contemplated under this Deed and/or designated as such by the Parties</p>
Conditions Precedent to Disbursement	<p>The Issuer:</p> <ol style="list-style-type: none"> Shall have obtained all necessary board /shareholder resolution under the provisions of the Companies Act, 2013 as are required in relation to the borrowing powers, issue of the NCDs and the execution of necessary documents in connection therewith. Signed copy of Private Placement Offer Letter (placement memorandum) Rating Letter and rationale from CRISIL. Consent letter from Debenture Trustee No event of Default by Issuer shall have obtained NOCs from existing investors/lenders for the NCD issue and creating the Security, if required. creation of pledge over CCDs given by HSEPL to pre identified SPV shall have filed the application under Section 281 Execution of Placement Memorandum, Debenture Trustee Agreement Any other documents required as per SEBI's Regulations and other applicable laws <p>Any other condition as the debenture holder (s) and /or the Debenture Trustee may require</p>
Condition Subsequent to Disbursement	<ol style="list-style-type: none"> Perfection of Security to be done within a period of 30 (thirty) days from the Issuance Date with the Registrar of Companies (ROC) and the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) Credit of demat account(s) of the allottee(s) by number of Debt Securities/letter(s) of allotment allotted within 2 business days from the Deemed Date of Allotment; Execution of Debenture Documents (save and except Debenture Documents to be executed prior to Deemed Date of Allotment) to be completed before making the listing application End use certificate to be provided within 30 days of the Deemed Date of Allotment; Legal opinion of the LLC (including opinion confirming enforceability of the Transaction Documents); Listing of Debt Securities on Wholesale Debt Market Segment of the NSE within 04 (Four) Business days from the issue closing date; Compliance with SEBI regulations / SEBI Guidelines for issuance of Debt Securities; Obtaining consent/no-objection certificate from existing lenders/Present Lenders wherever applicable before execution of security documents. Payment of all fees due under the Transaction Documents; <p>All other activities whether mandatory or mutually agreed between issuer and debenture holder (s)</p>
Event of Default	<p>Events of default include, inter alia:</p> <ol style="list-style-type: none"> Non-payment of the scheduled debt obligations on the scheduled date or accelerated date or mandatory prepayment date Failure to comply with Financial and other Covenants related to these NCDs Failure to comply with other Obligations Misrepresentation Cross default in the Issuer/Holdcos/any SPVs of the Holdcos Bankruptcy/Insolvency and Insolvency Proceedings against the Issuer/Holdcos/any SPVs of the Holdcos Judgments, creditors' process

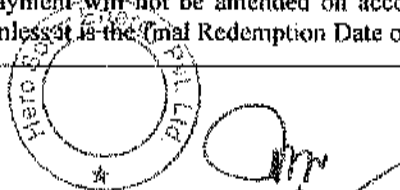


	<p>8. Moratorium and expropriation</p> <p>9. Cessation of business</p> <p>10. Unlawfulness and repudiation</p> <p>11. Non-maintenance of the Security Cover</p> <p>12. Material Adverse Effect</p> <p>13. Material Litigation against the Issuer/Holdcos/any SPVs of the Holdcos</p> <p>14. Security is in jeopardy</p> <p>15. Failure to create or perfect security</p> <p>16. Default in honouring its financing obligations under any other instrument granted by Investor/Lender or by any other financial institution</p> <p>Any other Events set out as Events of Default in the DTD</p>
<p>Consequences of Event of default</p>	<p>Rights upon occurrence of an Event of Default, without requiring to give any notice:</p> <ol style="list-style-type: none"> 1. To accelerate the payments under and in relation to the Debentures and make them immediately due and payable; 2. to appoint nominee director /or an observer on the board of issuer; 3. Enforce the Security 4. Stipulate any other condition from time to time to be observed and complied with by the Issuer and/or any other obligor. 5. Take any other recourse available to the investor/Debenture Trustee under law and/or in equity 6. Any other consequence as may be customary to transactions of such nature and/or as advised by the consultants of the Issuer <p>In the above mentioned cases, in case of non-receipt of monies from Issuer, which is adequate to make payment of outstanding amount, the Debenture Trustee will enforce the security (unless instructed otherwise by the Investors in writing) and the proceeds from enforcement of such Security will be appropriated by the Debenture Trustee towards the payment of outstanding amount to the Investors, in terms of the Transaction Documents and the balance if any shall be returned to Issuer</p>
<p>Early Event Acceleration</p>	<ul style="list-style-type: none"> • Hero group's shareholding on fully diluted basis drops to below 51% in any of HFEPL/HSEPL/HWEPL, except in case where the Hero group holding drops to 45% on a fully diluted basis through fresh equity issuance provided the proceeds are used to reduce the holdco debt to Rs. 1,200 cr. • Rahul Munjal ceases to be Director of Hero Future Energies Global Limited, MD of HFEPL and Director of HSEPL. • There occurs an event of default or acceleration of more than 5% of the Consolidated Gross Debt in aggregate by any lender/lenders in any given Financial Year in any entity which is consolidated into the consolidated financials of HFEPL prepared in accordance with the applicable Indian Accounting Standards • The Company is classified as a Core Investment Company in accordance with the requirements of any Applicable Laws • Consolidated Net Debt/ EBITDA of HFEPL to be less than 8.0x by March 2022, 7.5 x by March 2023 and beyond. • Holdco Debt in all three holdco will not be more than Rs. 1800 crores by March 2022 and Rs 1200 crore by September 2022 and beyond. <p>“Consolidated Net Debt” shall mean aggregate of (1) All long-term debt outstanding, whether secured or unsecured including current maturities of long term debt, plus (2) redeemable preference shares including premium if any, optionally convertible debentures including redemption premium thereon, if any, plus (3) Any short term debt outstanding, whether secured or unsecured, plus (4) Receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis), plus (5) Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, plus (6) Bank</p>

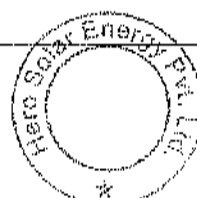


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	<p>guarantees (excluding operational performance bank guarantee) issued for DSRA, Disputed claims and other financial guarantees and Letter of Credits/LOUs/acceptances in any form, etc.; reduced by lien free cash & bank balances and deposits (Lien marked cash/bank balances pertaining to the debt mentioned above shall be considered lien free for this calculation); as appearing in the Consolidated balance sheet of Hero Future Energies.</p> <p>There shall be no double counting of the above amounts. Any unsecured and subordinated borrowings from any holding companies and/or Sponsors in any form will be excluded from the debt calculations. The existing OCCDs subscribed by O2 will also be excluded from the above.</p> <p>“EBITDA” shall mean the aggregate of: (a) profit after tax for that period; (b) amortization / depreciation for such period including other non-cash items; (c) deferred tax; (d) interest and other finance charges under the profit and loss account accrued/payable Less Notional Other Income. In case there are notional expenses booked against the notional income excluded, those notional expenses will be added for the above calculations.</p> <p>“Holdeo Debt” means the debt of all holding companies. This will also include corporate guarantees issued by any holdeo to an entity not consolidated into Hero Future Energies, Bank guarantees (excluding operational performance bank guarantee) issued for DSRA, Disputed claims and other financial guarantees and Letter of Credits/LOUs/acceptances in any form, etc and amount raised under any other transaction having the commercial effect of a borrowing (excluding amount received from holding companies/Sponsor)</p> <p>The above definitions shall be used for calculation of ratio and borrowing cap mentioned in the Early Acceleration clause</p> <p>The threshold defined in points 5 and 6 above will be tested on half yearly basis starting 31st March 2022 along with the financial covenants.</p> <p>In case of Early Acceleration Event, the borrower will have to repay back full or any amount as decided by investor within 30 days from date of issue of notice to Issuer after the relevant event.</p> <p>Failure to make the prepayment as per the above timelines, will result in an Event of Default.</p>
Creation of recovery expense fund	The Issuer shall create a recovery expense fund amounting to 0.01% of the issue size subject to a maximum of Rs. 25 lakhs across all listed issuances by the Issuer, in the manner and use it for the purpose as maybe specified by SEBI or designated Stock Exchange from time to time.
Conditions for breach of covenants	As may be specified under the Transaction Documents
Provisions related to Cross Default Clause	As may be specified under the Transaction Documents
Role and Responsibilities of Debenture Trustee	As specified under the Transaction Documents
Risk factors pertaining to the issue	As per Section ‘Management’s Perception of Risk Factors’ on Page No.23
Business Day Convention	<ul style="list-style-type: none"> In case any Interest Payment Date falls on a day which is not a Business Day, the payment to be made on such Interest Payment Date shall be made on the immediately succeeding Business Day. When the Redemption Date falls on a day which is not a Business Day, the payment to be made of such Redemption Date (including interest thereon) shall be made on the immediately preceding Business Day. <p>However, the schedule of interest payment will not be amended on account of change in payment date on account of holiday unless it is the final Redemption Date of the NCDs.</p>



Record Date	15 days prior to each Interest Payment Date or Redemption Date. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.
Governing Law and Jurisdiction	The instrument would be governed by and construed in accordance with Indian law. The courts at New Delhi shall have jurisdiction in respect of all matters related to the instrument. Debenture Holders can initiate proceedings in any court of competent jurisdiction
Representation & Warranties	<p>Including but not limited to (standard representations to be given by the Issuer):</p> <ul style="list-style-type: none"> (a) Full disclosure and no misleading information (b) Compliance with laws and regulations and there is no conflict with any other obligations. No material violation of law or material agreements by any of the parties related to the transaction (c) No defaults under other agreements by any of the parties related to the transaction <p>Solvency of all the parties related to the transaction</p> <ul style="list-style-type: none"> (d) Absence of a material adverse change in: <ul style="list-style-type: none"> (i) The business, operations, property, condition (financial or otherwise) or prospects of the Issuer; (ii) The ability of the Issuer to perform its obligations under the transaction documents, or (iii) Conditions in or prospects of the local, renewable energy sector or financial markets <p>Except as disclosed during the time of documentation absence of any pending or threatened litigation, investigation or proceeding that could adversely affect the business, condition (financial or otherwise), operations, performance or prospects of the Issuer including, without limitation or any of the transactions contemplated by the transaction documents.</p>
Special Conditions	<ul style="list-style-type: none"> (a) During the tenor of the NCDs, the Issuer will not without the investor's prior permission in writing: <ul style="list-style-type: none"> (i) Any material amendments to the Memorandum & Articles of Association of Issuer which will impact the interest of investor; (ii) formulate any scheme of merger, acquisition, amalgamation, de-merger, consolidation, reconstruction, wind-up or reorganization of the Issuer; (iii) undertake guarantee obligations on behalf of any other company or person except required for group companies in renewable business which are being consolidated in HFE Group; (b) invest by way of share capital in or lend or advance to or place deposits with any other concern other than group entities (normal trade credit or security deposit in the routine course of business or advances to employees can, however, be extended) outside renewable business of HFE (c) declare dividend for any year in case of default or breach of financial covenants is continuing <p>The Investor reserves the right to appoint qualified accountants / technical experts/management consultants of its choice to examine the books of accounts, facilities and operations of the Issuer or to carry out a full concurrent/audit on the event of Default. The cost of such inspection shall be borne by the Issuer</p>



* Under the SEBI Operation Circular bearing number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, Chapter III, if the Interest Payment Date falls on a holiday or Sunday, the payment may be made on the following working day without including the interest for holiday or Sunday and the dates of the future Interest payments would be in accordance with the schedule originally stipulated at the time of issuing the security.

** SEBI Operation Circular bearing number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, Chapter III if the redemption date falls on a holiday or Sunday, then such payment shall be made on the previous working date along with interest is required to be paid till the redemption date.

Note: While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained as per note no. c of Summary of terms of schedule II of NCS Regulations, 2021.



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**ANNEXURE II
APPLICATION FORM**

HERO SOLAR ENERGY PRIVATE LIMITED

CIN:U40106DL2013PTC250501

Registered Office: Plot No. 201, First Floor, Okhla Industrial Estate Phase- III, New Delhi- 110020 India

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

Telephone: +91-72900 31535 **E-mail:** secretarial@herofutureenergies.com, **web:** www.herofutureenergies.com/hsepl

Date: _____

Application No.	_____
------------------------	-------

Dear Sirs,

Sub. : Issue of 750 Listed, Rated, Secured ,Redeemable Non-Convertible Debentures of the face value of Rs.10 Lakh each, for cash at par, aggregating Rs.75 Crores on Private Placement basis.

Having read, understood and agreed to the contents and terms and conditions of Private Placement Offer Letter and Information Memorandum dated September 30, 2021, We hereby offer to invest in the above Debentures on Private Placement basis as per the terms and conditions agreed and accordingly apply for the number of Debentures as given below. The amount payable on application as shown below is remitted herewith.

(Please read carefully the instructions before filling this form)

No. of Debentures applied for :	No. in figures	No. in words
Amount (Rs.) in figures		
Amount (Rs.) in words		
Cheque / Demand Draft No.	Date	Cheque / Demand Draft drawn on

Applicant's Name & Address in full (Please use capital letters)

		Pin Code :
Tel :	Fax :	Email :

Category (Tick one)*

<input type="checkbox"/> Scheduled Commercial Bank	<input type="checkbox"/> Co-operative Bank
<input type="checkbox"/> Public Financial Institution	<input type="checkbox"/> Mutual Fund
<input type="checkbox"/> Insurance Company	<input type="checkbox"/> Company/ Body Corporate
<input type="checkbox"/> Primary/ State/ District/ Central Co-operative Bank	<input type="checkbox"/> Provident/ Pension /Gratuity/Superannuation Fund
<input type="checkbox"/> Regional Rural Bank	<input type="checkbox"/> Others (please specify)

Investor Type (tick whichever is applicable)*

Qualified Institutional Buyers ("QIBs")	Non-Qualified Institutional Buyers ("Non-QIBs")
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Name of the Authorised Signatory	Designation	Signature
1.		
2.		
3.		

Details of Bank Account through which the Investment is being done

Bank Name and Branch			
Nature of Account		Account No.	
IFSC No.		City	

We undertake that the remittance of application money against our subscription in the issue as per application form has been remitted from a Bank Account in my/ our own name.

Depository Details

DP Name		DP ID		Client ID	
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We understand that in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would be credited to the extent of Debentures allotted.

Taxpayer's PAN or GIR No.	IT Circle / Ward / District	<input type="checkbox"/> Not allotted
Tax Deduction status :	<input type="checkbox"/> Fully Exempt	<input type="checkbox"/> Tax to be deducted at source
	<input type="checkbox"/> Yes	<input type="checkbox"/> No

------(Tear here)-----

HERO SOLAR ENERGY PRIVATE LIMITED

CIN:U40106DL2013PTC250501

Registered Office: Plot No. 201, First Floor, Okhla Industrial Estate Phase- III, New Delhi- 110020 India

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

Telephone: +91-72900 31535 E-mail: secretarial@herofutureenergies.com, web: www.herofutureenergies.com/hsepi

ACKNOWLEDGEMENT SLIP

Application No. : _____

Date : _____

Received from _____

Rs. _____ /- thru RTGS No. _____ towards application for _____ Debentures.

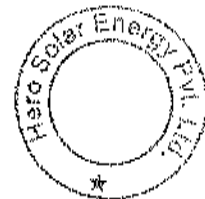


INSTRUCTIONS

1. Application Form must be completed in full in BLOCK LETTERS IN ENGLISH
2. Signatures should be made in English or in any of the Indian languages. Signature in a language other than English must be attested by an authorized official of a Bank or by a magistrate / notary public under his / her official seal.
3. The full amount of Debenture has to be paid along with the application form.
4. Application form duly completed in all respects, together with Cheque / Demand Draft / Pay Order drawn in favour of "HERO SOLAR ENERGY PVT. LTD." and crossed "A/c Payee" or thru RTGS payment must be lodged at Company's Corporate Office on before the closing date of the issue.
RTGS Details of the Company for application money payment.

Name of the Bank	Yes Bank
Address of the Bank	Ground Floor G1, G2, G3 Chiranjiv Tower 43 Nehru Place New Delhi-110019
IFS Code	YESB0000235
Bank Account No.	023561000000094
Name of the Beneficiary	HERO SOLAR ENERGY PRIVATE LIMITED

5. Application made by categories of investors other than individuals must be accompanied by certified copies of Memorandum and Articles of Association, Board Resolution / Power of Attorney for investment, authority to authorized signatories in case of limited companies or corporate bodies.
6. Minimum application shall be for One debenture and in multiple of one thereafter.
7. Please, mention your Permanent Account Number or the GIR number allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the application form in space provided.
8. Receipt of application will be acknowledged in the "Acknowledgement Slip" appearing below the Application Form. No separate receipt will be issued.
9. The application would be accepted as per the terms of the issue outlined in the Information Memorandum.
10. As per the Rule 14 (1) (a) of Companies (Prospectus and Allotment of Securities) Rules, 2014, the payment to be made for subscription to securities shall be made from the bank account of the applicant subscribing to such securities and HSEPL.(The "Issuer") shall keep the record of the Bank account from where such payments for subscriptions have been received. If the securities are to be held jointly, the payment is to be made from the account in the name of applicant whose name appears first in the application form.
11. Please send the application along with KYC at following address :
Name: Rajesh Puri Address Plot No. 201, First Floor, Okhla Industrial Estate Phase- III, New Delhi- 110020
India



ANNEXURE III

BOARD RESOLUTION DATED SEPTEMBER 23, 2021



CERTIFIED TO BE TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF BOARD OF DIRECTORS OF HERO SOLAR ENERGY PRIVATE LIMITED HELD ON THURSDAY, SEPTEMBER 23, 2021 AT NEW DELHI

“RESOLVED THAT pursuant to the requirements of Section 42, Section 71, Section 179 (3)(c), and Section 179 (3) (d) of the Companies Act, 2013 (the “Act”) and all other applicable provisions of the Act and rules and regulations made thereunder, (including any statutory modification or re - enactment thereof for the time being in force) if any, pursuant to the Memorandum of Association and Articles of Association of the Company, subject to applicable provisions of Securities and Exchange Board of India (Issue & Listing of Non-Convertible Securities) Regulations 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or other applicable laws and subject to the borrowing powers of the Company and subject to the approval of the members of the Company in the general meeting, consent of the Board, be and is hereby accorded to issue upto 750 (Seven Hundred and Fifty) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of Rs. 10,00,000 (Rupees Ten Lakh only) (“**Debentures**”) each for an aggregate amount of up to Rs. 75,00,00,000/- (Rupees Seventy Five Crore only), to the investors as identified by the Company in consultation with the Authorised Signatories(“**Investor**”), on private placement basis and execute the documents as mentioned below along with such other documents, undertakings, declarations, agreements, deeds, evidences, writings and other papers which may be required to be executed in connection with the Debentures (“**Transaction Documents**”):

- (i) the Debenture Trust Deed;
- (ii) the Debenture Trustee Agreement;
- (iii) the Pledge Agreement(s);
- (iv) Placement Memorandum; and
- (v) any other agreements, undertakings, deeds or documents entered into in relation to the transactions being contemplated under the Debenture Trust Deed.”

RESOLVED FURTHER THAT the consent of the Board be and is hereby accorded for signing, stamping, execution and issuance of the Transaction Documents by the Company in such form and format as may be finalised, by any Director or Mr. Jitendra Kumar, Authorised Person (“**Authorised Signatories**”).

RESOLVED FURTHER THAT the consent of the Board be and is hereby accorded to sign, execute and/or issue such other documents, undertakings, declarations, agreements, deeds, evidences, writings and other papers which may be required in connection with the issuance of the Debentures and/or under/pursuant to the Transaction Documents as may be deemed fit by the Authorised Signatories.”

RESOLVED FURTHER THAT subject to the provisions of Sections 179 and other applicable provisions of the Act rules and regulations made thereunder including any statutory modification or re-enactment thereof for the time being in force), if any and other applicable laws, and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, and subject to all such other approvals, permissions, consents and sanctions of any lender(s), persons or any other authorities, as may be necessary, and all other relevant third party consents and approvals as may be

**HERO SOLAR ENERGY PRIVATE LIMITED
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required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, consent of the Board of Directors of the Company be and is hereby accorded to create, offer, and perfect the security as mentioned below and execute security documents, to secure the repayment of the Outstanding Amounts (as defined in the Debenture Trust Deed) and discharge of the all the Secured Obligations by the Company in respect thereof, *inter-alia* including:

- (i) First and exclusive charge by way of hypothecation on all present and future rights, title, interest, benefits, claims and demands whatsoever in relation to all monies / amounts received and, or, to be received, whether directly or indirectly from any source in any form, including cash, cheques, demand drafts, pay order, electronic transfer or in any other form, whether evidenced as book debts or otherwise, due and to become due at any time under contracts, deeds or documents or under applicable law, as the case may be, of whatsoever nature and wherever arising from in relation to loan upto Rs. 82,50,00,000 (Rupees Eighty Two Crores and Fifty Lakh only) availed by the Company from Hero Future Energies Private Limited (“HFEPL”) and all other rights of the Company with respect the loan availed by the Company from HFEPL under the loan documents executed between the Company and HFEPL (“**Hypothecated Asset 1**”);
- (ii) First and exclusive charge by way of hypothecation on all present and future rights, title, interest, benefits, claims and demands whatsoever in relation to all monies / amounts received and, or, to be received, whether directly or indirectly from any source in any form, including cash, cheques, demand drafts, pay order, electronic transfer or in any other form, whether evidenced as book debts or otherwise, due and to become due at any time under contracts, deeds or documents or under applicable law, as the case may be, of whatsoever nature and wherever arising from in relation to the loan availed by Waaneep Solar Private Limited (“SPV”) from the Company and all other rights of the Company with respect the loans availed by the SPV under the loan documents executed between the Company and the SPV. (“**Hypothecated Asset 2**”);
- (iii) First and exclusive charge by way of hypothecation on all the present and future rights, title, interest, benefit, claims and all the monies, securities, instruments, investments, and other properties deposited in, credited to or required to be deposited in or credited to or lying to the credit of the debt service reserve account (“DSRA”) of the Company created / to be created by the Company at the an amount equivalent to at least the Interest payment for 3 (three) months, which shall be maintained at all times till the Settlement Date and shall be charged in favour of the Debenture Trustee and which may be maintained in the form of cash or bank guarantee (“**Hypothecated Asset 3**”);
- (iv) First and exclusive charge by way of pledge over up to 49% of equity shares/CCPS/ compulsorily convertible debentures (if any) issued to the Company by Waaneep Solar Private Limited;
- (v) Unconditional and irrevocable Corporate Guarantee issued by HFEPL;
- (vi) Such other security as may be agreed between the Company and the Debenture Trustee (acting on behalf of Debenture Holders) from time to time.

(collectively referred to as “**Security**”)

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RESOLVED FURTHER THAT the Board hereby approves doing all such acts, deeds and things as are necessary for giving effect to the above resolutions and also for registering any of the documents, being executed by the Company including filing the requisite particulars of charge or modification of charge or any other returns with the concerned Registrar of Companies, Central Registry of Securitisation Asset Reconstruction and Security Interest or any other authority in respect of the Security created for the Debentures.

RESOLVED FURTHER THAT the consent of the Board be and hereby accorded for appointment of **CATALYST TRUSTEESHIP LIMITED**, a company within the meaning of the Companies Act, 2013, with Corporate Identification Number (C.I.N.) U74999PN1997PLC110262 and having its registered office at GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud Pune 411038 and having its branch office at Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098 , as the debenture trustee ("**Debenture Trustee**"), in connection with the issue of the Debentures and enter into / issue necessary documents/letters with the same from time to time in connection therewith.

RESOLVED FURTHER THAT the Debenture Trustee shall do all such acts, deeds, matters and things in accordance with the terms and conditions of the Transaction Documents.

RESOLVED FURTHER THAT the consent of the Board be and hereby accorded for filing necessary applications, documents and papers in connection with the appointment of the Debenture Trustee and also incur costs and / or expenses and pay fees etc. to the said Debenture Trustee and do all the acts, deeds, matters and things therefor and which are expedient to complete the issuance of the Debentures and listing of the Debentures.

RESOLVED FURTHER THAT any of the Authorised Signatories or the Company Secretary of the Company be and are hereby severally authorised for filing necessary applications, documents and papers in connection with the appointment of the Debenture Trustee and also incur costs and / or expenses and pay fees etc. to the said Debenture Trustee and do all the acts, deeds, matters and things therefor and which are expedient to complete the issuance of the Debentures.

RESOLVED FURTHER THAT and subject to the provisions of the memorandum of association and articles of association, the Debenture Holders shall have the right to appoint a nominee director / an observer to the Board of the Company, upon occurrence of an Event of Default as per the terms and conditions as detailed in the Transaction Documents.

RESOLVED FURTHER THAT the Board shall carry out necessary amendments to the Articles of Association of the Company as and when required for giving effect to the above resolutions."

RESOLVED FURTHER THAT the consent of the Board be and is hereby accorded for appointment of Linkintime India Pvt. Ltd as registrar and transfer agent, Trust Investment Advisors Private Limited as arranger for the proposed Issue and for the appointment of the credit rating agency, the empanelment

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with stock exchanges, depositories(NSDL and CDSL) and other relevant intermediaries counsels and other parties appointment of which many be required in connection with the proposed Issue, the names of which as may be finalised by the Authorised Signatories and enter into / issue necessary documents (including amendments or modifications thereto) with the same from time to time in connection therewith.

RESOLVED FURTHER THAT the consent of the Board be and is hereby accorded for filing necessary applications, documents and papers in connection with the appointment of the intermediaries and also incur costs and / or expenses and pay fees etc. to such intermediaries and do all the acts, deeds, matters and things therefor and which are expedient to complete the issuance of the Debentures and listing of the Debentures.

RESOLVED FURTHER THAT the consent of the Board be and is hereby accorded for listing of the Debentures on the wholesale debt platform of the National Stock Exchange of India Limited ("NSE") and for entering into and execution of the Listing Agreement with the NSE and such other documents as may be necessary in connection with the listing of the Debentures.

RESOLVED FURTHER THAT any of the Authorised Signatories (the "Authorised Signatories"), be and are hereby jointly or severally authorized to:

- (a) negotiate and finalise the timing, terms and conditions of the issuance of the Debentures, to eligible investors;
- (b) negotiate, finalise the terms and conditions of, accept and execute/issue the Transaction Documents and negotiate and agree/accept any changes and modifications (including fundamental changes or modifications) or to the terms and conditions contained in the Transaction Documents (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the "Ancillary Documents") as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Transaction Documents, the Ancillary Documents and other deeds, documents and other writings as and when necessary and to take all such further steps as may be required to give effect to the aforesaid resolutions;
- (c) negotiate, finalise and execute the documents for and on behalf of the Company relating to the terms of appointment and the fees / remuneration payable to the Debenture Trustee, the registrar and transfer agent, the credit ratings agency, the depository, the Stock Exchanges and other arrangers, intermediaries and consultants of the said issuance of the Debentures and all other persons providing services or otherwise associated with the said issue of Debentures and prepare, finalise and execute such appointment letters, documents as may be required;
- (d) make the necessary applications to the Debenture Trustee, the registrar and transfer agent, the credit ratings agency, the depository, the NSE, arrangers and other intermediaries, consultants and

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- other parties and/ or authorities as may be necessitated from time to time for purpose of issuance of the Debentures;
- (e) negotiate, finalise and execute the tripartite agreement, the listing agreement, etc. to be executed by the Company in relation to the Debentures and prepare, finalise and execute such other deeds, documents, agreements and writings as may be required;
 - (f) establish, maintain and operate the DSRA in relation to the Debentures, as required by the Debenture Trustee, on such terms and conditions as acceptable to the Debenture Trustee and in this regard and give instructions to the DSRA Bank to take all actions required under the Transaction Documents.
 - (g) arrange for payment of the applicable stamp duty in respect of the Debentures, the Transaction Documents and all other documents / agreements as may be required to be executed by the Company;
 - (h) do filing of necessary E-forms including PAS 3, PAS 4, PAS 5, charge forms etc. with the Registrar of Companies.”

RESOLVED FURTHER THAT the Common Seal of the Company, if required, may be affixed to the duly stamped Transaction Documents and such other deeds, documents, agreements, writings, undertakings, certificates as may be required to be executed under the Common Seal of the Company in the presence of any one of the Authorised Signatories of the Company who shall sign the same in token thereof.

RESOLVED FURTHER THAT any of the Authorised Signatories or Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds, matters and things necessary or desirable in connection with or incidental to giving effect to the above resolutions.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company be and are hereby severally authorised to issue certified copy of resolution to the Arranger/Lender/ Debenture Trustee/RTA/Depositories/Stock Exchange or any other authority as may be required from time to time.”

For and on behalf of Board

Hero Solar Energy Private Limited

RAJES Digitally signed
by RAJESH PURI
Date: 2021.09.27
12:54:14 +05'30'

H PURI
Rajesh Puri

Director

DIN: 06838940

**Address B-70, SFS Flats, Sheikh Sarai, Phase-1,
New Delhi 110017**



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ANNEXURE IV

SHAREHOLDERS RESOLUTION DATED SEPTEMBER 23, 2021



CERTIFIED TO BE TRUE COPY OF THE RESOLUTION PASSED AT THE EXTRA ORDINARY GENERAL MEETING OF HERO SOLAR ENERGY PRIVATE LIMITED HELD ON THURSDAY, SEPTEMBER 23, 2021 AT NEW DELHI

ITEM NO. 1

TO CREATE, OFFER AND ISSUE UPTO 750 SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES NOT EXCEEDING RS. 75,00,00,000/- ON PRIVATE PLACEMENT BASIS

“RESOLVED THAT pursuant to the requirements of Section 42 and Section 71 of the Companies Act, 2013 (the “Act”) and all other applicable provisions of the Act and rules and regulations made thereunder, (including any statutory modification or re - enactment thereof for the time being in force), if any, pursuant to the Memorandum of Association and Articles of Association of the Company, and subject to applicable provisions if any of Securities and Exchange Board of India (Issue & Listing of Non-Convertible Securities) Regulations 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or other applicable laws, consent of the members of the Company, be and is hereby accorded to the Board, to issue upto 750 (Seven Hundred and Fifty) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of Rs. 10,00,000 (Rupees Ten Lakh only) (“Debentures”) each for an aggregate amount of up to Rs. 75,00,00,000/- (Rupees Seventy Five Crore only) to the investors as identified by the Company in consultation with the Authorised Signatories (“Investor”), on private placement basis and execute including but not limited to the documents as mentioned below along with such other documents, undertakings, declarations, agreements, deeds, evidences, writings and other papers which may be required to be executed in connection with the Debentures (“Transaction Documents”):

- (i) the Debenture Trust Deed;
- (ii) the Debenture Trustee Agreement;
- (iii) the Pledge Agreement(s);
- (iv) Placement Memorandum; and
- (v) any other agreements, undertakings, deeds or documents entered into in relation to the transactions being contemplated under the Debenture Trust Deed.”

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to the Board for signing, stamping, execution and issuance of necessary Transaction Documents by the Company in such form and format as may be finalised by by any Director or Mr. Jitendra Kumar, Authorised Person (“Authorised Signatories”) in connection with issuance of the Debentures, creation of the Security thereto, etc.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including but not limited to issuing the necessary Placement Memorandum and the application form attached therewith, execution of various deeds, documents, writings, agreements, and also to modify, accept and give effect to any

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modifications therein and the terms and conditions of the issue, as may be required by the statutory, regulatory and other appropriate authorities and to settle all queries or doubts that may arise in the proposed issue, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company be and are hereby severally authorised to issue certified copy of this resolution to the Arranger/Lender/ Debenture Trustee/RTA/Depositories/Stock Exchange or any other authority as may be required from time to time.”

For and on behalf of Board
Hero Solar Energy Private Limited

RAJES Digitally signed
by RAJESH PURI
H PURI Date: 2021.09.27
14:05:57 +05'30'



Rajesh Puri

Director

DIN: 06838940

**Address B-70, SFS Flats, Sheikh Sarai, Phase-1,
New Delhi 110017**

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EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1

The Company proposes to borrow an amount not exceeding INR 75,00,00,000 (Indian Rupees Seventy-Five Crores) by way of offer and issuance of up to 750 (Seven Hundred and Fifty) Secured, Rated, Listed, Redeemable Non-Convertible Debentures of face value of Rs. 10,00,000 (Rupees Ten Lakh only) ("Debentures") each for an aggregate amount of up to Rs. 75,00,00,000/- (Rupees Seventy-Five Crore only) to the investors as identified by the Company in consultation with the Authorised Signatories ("Investor"), on private placement basis in dematerialized form. The particulars of such issuance are set out below:

Sr. No.	Description	Particulars
1.	Particulars of the offer including date of passing of board resolution	Offer and issuance of up to 750 (Seven Hundred and Fifty) Secured, Rated, Listed, Redeemable Non-Convertible Debentures of face value of Rs. 10,00,000 (Rupees Ten Lakh only) ("Debentures") each for an aggregate amount of up to Rs. 75,00,00,000/- (Rupees Seventy-Five Crore only) to the investors as identified by the Company in consultation with the Authorised Signatories ("Investor"). The offer was approved by the Board at its meeting held on September 23, 2021
2.	Kinds of securities offered and the price at which security is being offered	750 (Seven Hundred and Fifty) Secured, Rated, Listed, Redeemable Non-Convertible Debentures of face value of Rs. 10,00,000 (Rupees Ten Lakh only) ("Debentures") each. The Debentures will be issued at par.
3.	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Face value of Rs. 10,00,000 (Rupees Ten Lakh only) each
4.	Name and address of valuer who performed valuation	Not applicable
5.	Amount which the company intends to raise by way of such securities	Rs. 75,00,00,000/- (Rupees Seventy Five Crore only)
6.	Material terms of raising such securities	Coupon Rate: 11.50 per Annum Tenor: 30 Months Redemption (at par): Equal Quarterly amortization structure. From the 12 th month from deemed date of allotment
7.	Proposed time schedule for the issue	Issue Opening Date: September 30, 2021

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		Issue Closing Date: September 30, 2021 Pay-in Date: September 30, 2021 Deemed Date of Allotment: September 30, 2021
8.	Purposes or objects of offer	<ul style="list-style-type: none"> • funding the capital expenditure of SPVs or • working capital requirement, creation of DSRA; • refinancing its existing debts, • any incidental expenses in relation to this transaction • No other purpose other than the defined object of issue
9.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects	Not applicable
10.	Principle terms of assets charged as securities	<p>(i) First and exclusive charge by way of hypothecation on all present and future rights, title, interest, benefits, claims and demands whatsoever in relation to all monies / amounts received and, or, to be received, whether directly or indirectly from any source in any form, including cash, cheques, demand drafts, pay order, electronic transfer or in any other form, whether evidenced as book debts or otherwise, due and to become due at any time under contracts, deeds or documents or under applicable law, as the case may be, of whatsoever nature and wherever arising from in relation to loan upto Rs. 82,50,00,000 (Rupees Eighty Two Crores and Fifty Lakh only) availed by the Company from Hero Future Energies Private Limited ("HFEPL") and all other rights of the Company with respect the loan availed by the Company from HFEPL under the loan documents executed between the Company and HFEPL ("Hypothecated Asset 1");</p> <p>(ii) First and exclusive charge by way of hypothecation on all present and future rights, title, interest, benefits, claims and demands whatsoever in relation to all monies / amounts received and, or, to be received, whether</p>

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directly or indirectly from any source in any form, including cash, cheques, demand drafts, pay order, electronic transfer or in any other form, whether evidenced as book debts or otherwise, due and to become due at any time under contracts, deeds or documents or under applicable law, as the case may be, of whatsoever nature and wherever arising from in relation to the loan availed by Waaneep Solar Private Limited ("SPV") from the Company and all other rights of the Company with respect the loans availed by the SPV under the loan documents executed between the Company and the SPV. ("**Hypothecated Asset 2**");

- (iii) First and exclusive charge by way of hypothecation on all the present and future rights, title, interest, benefit, claims and all the monies, securities, instruments, investments, and other properties deposited in, credited to or required to be deposited in or credited to or lying to the credit of the debt service reserve account ("DSRA") of the Company created / to be created by the Company at the an amount equivalent to at least the Interest payment for 3 (three) months, which shall be maintained at all times till the Settlement Date and shall be charged in favour of the Debenture Trustee and which may be maintained in the form of cash or bank guarantee ("**Hypothecated Asset 3**");
- (iv) First and exclusive charge by way of pledge over up to 49% of equity shares/CCPS/ compulsorily convertible debentures (if any) issued to the Company by Waaneep Solar Private Limited;
- (v) Unconditional and irrevocable Corporate Guarantee issued by HFE;
- (vi) Such other security as may be agreed between the Company and the Debenture Trustee (acting on behalf of Debenture Holders) from time to time.

(collectively referred to as "**Security**")

HERO SOLAR ENERGY PRIVATE LIMITED

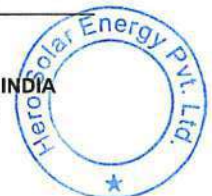
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In accordance with the provisions of Sections 42,71 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder, in case of an offer or invitation to subscribe for Non-Convertible Debentures (NCDs) on private placement basis, the Company needs to obtain prior approval of its shareholders by means of a special resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of their directorship in the Company.

The above resolution shall be valid for a period of 12 months from the date of passing.

The Board recommends this resolution for the approval of the members as Special Resolution.

**For and on behalf of the Board of
Hero Solar Energy Pvt. Ltd.**

RAJES Digitally signed
by RAJESH PURI
Date: 2021.09.27
14:06:36 +05'30'

H PURI
Rajesh Puri

Director

DIN-06838940

**Add.- B-70, SFS Flats, Sheikh Sarai,
Phase-1 New Delhi 110017**

Date: 23.09.2021

Place: New Delhi



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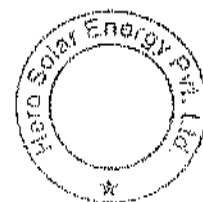
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ANNEXURE V
CREDIT RATING LETTER AND RATIONALE



RL/HRSLEPL/278673/NCD/0921/18324/88450887
September 24, 2021

Mr. Jitendra Kumar
Manager - Project Finance
Hero Solar Energy Private Limited
2nd Floor, Plot 202,
Okhla Industrial Estate,
Phase III, New Delhi
South Delhi - 110020
9810578189

Dear Mr. Jitendra Kumar,

Re: Review of CRISIL Rating on the Rs.100 Crore Non Convertible Debentures of Hero Solar Energy Private Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL A+/Stable (pronounced as CRISIL A plus rating with Stable outlook) rating on the captioned debt instrument. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



VARUN MARWAHA
Associate Director - CRISIL Ratings



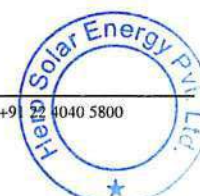
Nivedita Shibu
Associate Director - CRISIL Ratings



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CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67100MH2019PLC326247

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076. Phone: +91 22 3342 3000 | Fax: +91 22 3342 3000 | www.crisilratings.com



Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



Rating Rationale

September 24, 2021 | Mumbai

Hero Solar Energy Private Limited

Ratings Reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.880 Crore
Long Term Rating	CRISIL A+/Stable (Reaffirmed)
Short Term Rating	CRISIL A1 (Reaffirmed)

Rs.100 Crore Non Convertible Debentures	CRISIL A+/Stable (Reaffirmed)
---	-------------------------------

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has reaffirmed its ratings of 'CRISIL A+/Stable/CRISIL A1' on the bank facilities and proposed non-convertible debentures of Hero Solar Energy Private Limited (HSEPL; a part of the HFE Global group).

The ratings continue to factor in the resourcefulness and likely financial and managerial support of the Hero group, HFEPL's diversified renewable project portfolio and financial flexibility to successfully address refinancing requirements at renewable holding company levels. These strengths are partially offset by exposure to residual project execution risks and to inherent risks associated with renewable energy projects being executed by subsidiaries.

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of HFEPL, its wholly owned subsidiaries, Hero Wind Energy Pvt Ltd (HWEPL) and HSEPL. CRISIL Ratings has also moderately consolidated the risk profiles of all special purpose vehicles (SPVs) established as subsidiaries of HWEPL and HSEPL for undertaking wind and solar energy projects, respectively. The consolidated entity is referred to as the HFE Global group. All entities consolidated under the HFE Global group are given in Annexure 1.

CRISIL Ratings has used its parent notch-up framework to factor in the support to the group from the Hero promoter group entities, BCIPL and BMOP. These two companies indirectly hold the entire Hero group's stake in HFEPL.

In the assessment of BCIPL and BMOP, apart from the borrowings at BCIPL and BMOP, CRISIL Ratings has consolidated a portion of debt of HFE Global group and HFE's renewable SPVs to calculate the market cover. This debt consolidated is expected to remain supported by BCIPL and BMOP.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- Strong managerial and financial support from the Hero group**

The holding companies of the Hero Future Energies platform (HFEPL, HWEPL and HSEPL) are majorly owned, directly or indirectly, by the promoters of the Hero group, BCIPL and BMOP. These entities draw strength from their 20.00% and 13.99% stakes, respectively, in Hero MotoCorp ('CRISIL AAA/FAAA/Stable/CRISIL A1+'). Both BCIPL and BMOP have funded the initial equity requirement for the platform. Furthermore, the presence of Munjal family members on the board of group companies substantiates the importance of the venture to the Hero group and Munjal family.

Market cover for the consolidated debt (as per the analytical approach described above) stood at 5.2 times as of September 20, 2021.

CRISIL Ratings centrally factors in the expectation of continued financial and managerial support that Hero Future Energies platform receives from the Hero promoter group entities. Any change in this understanding shall be a rating sensitivity factor.

- Diverse operational portfolio**

The SPVs in the HFE Global group benefit from being a part of a diverse portfolio. The operational portfolio includes wind capacity of over 580 megawatt (MW) in Rajasthan, Maharashtra, Tamil Nadu, Karnataka, Madhya Pradesh, and Andhra Pradesh; and solar capacity of over 950 MW in Madhya Pradesh, Telangana, Andhra Pradesh, Karnataka, and Rajasthan as on August 31, 2021.

The operational portfolio has long-term power purchase agreements with the distribution companies of Rajasthan, Karnataka, Madhya Pradesh, Andhra Pradesh, Maharashtra, several private industrial and commercial customers and Solar Energy Corporation of India (SECI). Diversification of assets in terms of location and presence of stronger counterparties reduces associated credit risks.

With increase in scale in fiscals 2019 and 2020, counterparty profile has improved: the share (by capacity) of the key counterparty, SECI (has better payment track record), in the operational portfolio rose to 38% in September 2020 from 23% in March 2019.

Weaknesses:

- **Exposure to inherent risks associated with renewable energy generation**

The plant load factor (PLF) for wind and solar power projects is exposed to variability in climatic conditions, and equipment- and evacuation-related risks. Given that the sensitivity of cash flow of a wind or solar power project is the highest for the PLF, these risks could severely impair debt servicing and free cash flow. Hence, PLF, adequacy of cash accrual and the dividend-paying capability of the SPVs will continuously be monitored.

- **Exposure to project risks associated with large wind and solar power capacity additions planned over the medium term**

The renewable energy platform had about 500 MW of wind and solar power projects under various stages of implementation as of August 2021, out of a total portfolio of more than 2 gigawatt. CRISIL Ratings will continue to monitor the under-implementation projects that may be exposed to risks such as delays in land acquisition, financial closure and clearances, and power evacuation risks.

- **Moderate financial risk profile of the HFE Global group**

HFE Global group contracts short-term debt on holding companies to meet expenses of under-construction projects and provide need-based support to renewable special-purpose vehicles (SPVs). This short-term debt is deleveraged through regular equity raises and internal accrual. The entities have a policy of not leveraging beyond a total debt-equity ratio of 0.7-0.8 time on a combined basis (excluding the SPVs). Furthermore, the group is expected to refinance or roll over the upcoming debt, keeping the leverage within 0.7 time with current holding company debt of about Rs 1,450 crore. Though the group was able to successfully refinance its debt obligation due in the fourth quarter of fiscal 2021 and first quarter of fiscal 2022, the group remains exposed to a risk of refinancing.

Liquidity: Adequate

The HFE Global group is expected to have cash flow for debt servicing of over Rs 1,300 crore in fiscal 2022 which adequately covers its long-term debt obligation of around Rs 1,040 crore. In addition, group has cash and cash equivalent of more than Rs 480 crore on consolidated basis as on August 31, 2021 (including around Rs 240 crore unencumbered cash).

The holding companies have unencumbered cash of around Rs 36 crore as on August 31, 2021. HFEPL's holding companies are expected to be able to meet refinancing obligations over medium term given their financial flexibilities including established relationships in capital markets and support from parent entities (BCIPL and BMOP), if required.

Outlook: Stable

The ratings will continue to benefit from the parent support and the healthy financial flexibility driven by the Hero brand.

Rating Sensitivity factors

Upward factors

- Sustained material improvement in market cover from current levels of 5.2 times
- Significant improvement in cash generation/ operational performance of renewable portfolio and/ or reduction in leverage at Hero Future Energies platform holdcos

Downward factors

- Delay in improvement of the market cover of BCIPL or BMOP to required levels from current levels of around 5.2 times
- Delay in improvement of cash generation/ operational performance of renewable portfolio
- Lower control over the renewable portfolio or change in support articulation from BCIPL and BMOP

About the Company

HSEPL, a wholly-owned subsidiary of HFEPL (the green energy venture of the Hero group) is the solar project holding company of the group in India. HSEPL has commissioned/implemented solar capacity of around 900 MW in Rajasthan, Karnataka, Madhya Pradesh, Telangana and Andhra Pradesh.

Key Financial Indicators - HFEPL (Consolidated; CRISIL Ratings-adjusted numbers)

As on / for the period ended March 31		2021	2020
Revenue	Rs crore	1357	1225
Profit after tax (PAT)	Rs crore	-553	-465
PAT margin	%	-41	-37
Adjusted debt/adjusted networkth	Times	NM	NM
Interest coverage*	Times	1.0	1.0

*Adjusted for (FY20: Rs 150 crore; FY21: Rs 190 crore) non-cash finance expenses on compulsorily convertible preference shares

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity levels	Rating with outlook
NA	Non-convertible debentures*	NA	NA	NA	100	NA	CRISIL A+/Stable
NA	Rupee Term Loan	Mar-19	NA	Mar-22	200	NA	CRISIL A+/Stable
NA	Rupee Term Loan	Sep-20	NA	Sep-23	50	NA	CRISIL A+/Stable
NA	Rupee Term Loan	Mar-20	NA	Dec-21	160	NA	CRISIL A+/Stable
NA	Rupee Term Loan	Dec-20	NA	Dec-24	220	NA	CRISIL A+/Stable
NA	Overdraft Facility	NA	NA	NA	50	NA	CRISIL A1
NA	Non-Fund Based Limit	NA	NA	NA	200	NA	CRISIL A1

*Yet to be placed

Annexure – List of entities consolidated

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
Hero Future Energies Asia Pte Ltd	Full	Same business and common management and treasury
Hero Future Energies Global Plc.	Full	Same business and common management and treasury
Hero Future Energies Pvt Ltd	Full	Same business and common management and treasury
Hero Solar Energy Pvt Ltd	Full	Same business and common management and treasury
Hero Wind Energy Pvt Ltd	Full	Same business and common management and treasury
Hero Rooftop Energy Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Anantapur) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Pratapgarh) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Ratlam) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Satara) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Devgarh) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Manvi) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Jaisalmer) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Kurnool) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Bhavnagar) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Piploda) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Bableshtar) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Solar Power (Chitradurga) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Solar Power (Dhar) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Solar Power (Tumkur) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Solar Power (Ludhiana) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Solar Power (Bhadla) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Solar Power (Jaipur) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Wind Power (Tuticorin) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Solar Power (Gulbarga) Pvt Ltd	Moderate with BCIPL and BMOP	To the extent of support for cash flow mismatches during operations

Clean Solar Power (Bellary) Pvt Ltd	Moderate with BC IPL and BMOP	To the extent of support for cash flow mismatches during operations
Rajkot (Gujarat) Solar Energy Pvt Ltd	Moderate with BC IPL and BMOP	To the extent of support for cash flow mismatches during operations
Vayu Urja Bharat Pvt Ltd	Moderate with BC IPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Solar Power (Sirsa) Pvt Ltd	Moderate with BC IPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Solar Power (Kadappa) Pvt Ltd	Moderate with BC IPL and BMOP	To the extent of support for cash flow mismatches during operations
Clean Solar Power (Konch) Pvt Ltd	Moderate with BC IPL and BMOP	To the extent of support for cash flow mismatches during operations

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2021 (History)		2020		2019		2018		Start of 2018
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT/ST	680.0	CRISIL A+/Stable / CRISIL A1	26-03-21	CRISIL A+/Stable / CRISIL A1	17-11-20	CRISIL A+/Stable	--	--	--	--	--
						05-11-20	CRISIL A+/Stable	--	--	--	--	
						19-08-20	CRISIL A+/Stable	--	--	--	--	
Non-Fund Based Facilities	ST	200.0	CRISIL A1	26-03-21	CRISIL A1	--	--	--	--	--	--	
Non Convertible Debentures	LT	100.0	CRISIL A+/Stable	26-03-21	CRISIL A+/Stable	17-11-20	CRISIL A+/Stable	--	--	--	--	--
						05-11-20	CRISIL A+/Stable	--	--	--	--	
						19-08-20	CRISIL A+/Stable	--	--	--	--	
			--		--	26-05-20	CRISIL A+/Negative	--	--	--	--	

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Rating
Non-Fund Based Limit	200	CRISIL A1
Overdraft Facility	50	CRISIL A1
Rupee Term Loan	220	CRISIL A+/Stable
Rupee Term Loan	50	CRISIL A+/Stable
Rupee Term Loan	200	CRISIL A+/Stable
Rupee Term Loan	160	CRISIL A+/Stable

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
Rating Criteria for Power Generation Utilities
Criteria for rating solar power projects
Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support
Understanding CRISILs Ratings and Rating Scales
Criteria for rating entities belonging to homogenous groups

Media Relations	Analytical Contacts	Customer Service Helpdesk
Saman Khan Media Relations CRISIL Limited D: +91 22 3342 3895 B: +91 22 3342 3000 saman.khan@crisil.com	Manish Kumar Gupta Senior Director CRISIL Ratings Limited B: +91 124 672 2000 manish.gupta@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com
Naureen Ahmed Media Relations	Ankit Hakhu Director CRISIL Ratings Limited	For Analytical queries: ratingsinvestordesk@crisil.com

CRISIL Limited
D: +91 22 3342 1818
B: +91 22 3342 3000
naireen.ahmed@crsil.com

B:+91 124 672 2000
ankit.hakhu@crsil.com

Suhrit Sur
Rating Analyst
CRISIL Ratings Limited
B:+91 124 672 2000
Suhrit.Sur@crsil.com

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ANNEXURE VI
DEBENTURE TRUSTEE CONSENT



CL/MUM/21-22/DEB/465

17-Sep-2021

Hero Solar Energy Private Limited

Plot No 201, First Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020

Dear Sir,

**Consent to act as Trustee for Secured, Rated, Listed, Redeemable,
Non-Convertible Debentures aggregating to upto Rupees 75.0000 Crores
to be issued by your Company.**

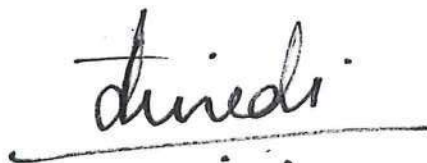
This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Rated, Listed, Redeemable non-convertible debentures aggregating upto 75.0000 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to create the security within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt securities) Regulations 2008, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

Yours faithfully,

For Catalyst Trusteeship Limited

For Hero Solar Energy Private Limited



Authorised Signatory

NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED)

An ISO:9001 Company

Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kallna, Santacruz (East), Mumbai 400 098 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 Tel +91 (020) 25280081 Fax +91 (020) 25280275
Delhi Office Office No. 810, 8th Floor, Kallash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 Tel 11 430 29101/02.
CIN No. U74999PN1997PLC110262 Email dt@ctltrustee.com Website www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai



**ANNEXURE-VII
CORPORATE GUARANTEE**





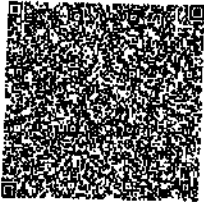
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Certificate No. : IN-DL27438858216619T
Certificate Issued Date : 22-Sep-2021 06:32 PM
Account Reference : IMPACC (IV)/dl857503/DELHI/ DL-DLH
Unique Doc. Reference : SUBIN-DL DL85750350784970052614T
Purchased by : HERO FUTURE ENERGIES PRIVATE LIMITED
Description of Document : Article 5 General Agreement
Property Description : Not Applicable
Consideration Price (Rs.) : 0
(Zero)
First Party : HERO FUTURE ENERGIES PRIVATE LIMITED
Second Party : CATALYST TRUSTEESHIP LTD
Stamp Duty Paid By : HERO FUTURE ENERGIES PRIVATE LIMITED
Stamp Duty Amount(Rs.) : 500
(Five Hundred only)



Please write or type below this line.

This Stamp paper forms an integral part of
Deed of corporate guarantee executed by Hero
Future Energies Private Ltd. in favour of Catalyst
Trusteeship Limited dated 8th Sept, 2021.



Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.



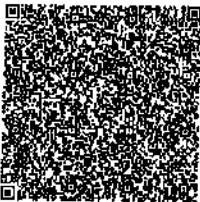
सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No. : IN-DL27497604613178T
Certificate Issued Date : 22-Sep-2021 06:31 PM
Account Reference : IMPACC (IV) / dl857503 / DELHI / DL-DLH
Unique Doc. Reference : SUBIN:DLDL85750350782394694023T
Purchased by : HERO FUTURE ENERGIES PRIVATE LIMITED
Description of Document : Article 5 General Agreement
Property Description : Not Applicable
Consideration Price (Rs.) : 0
(Zero)
First Party : HERO FUTURE ENERGIES PRIVATE LIMITED
Second Party : CATALYST TRUSTEESHIP LTD
Stamp Duty Paid By : HERO FUTURE ENERGIES PRIVATE LIMITED
Stamp Duty Amount(Rs.) : 500
(Five Hundred only)



Please write or type below this line

This stamp paper forms an integral part of deed of corporate guarantee executed by Hero Future Energies Private Ltd. in favour of Catalyst Trusteeship Limited dated 30th Sept, 2021.



Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

DEED OF CORPORATE GUARANTEE

ISSUED BY

HERO FUTURE ENERGIES PRIVATE LIMITED

IN FAVOUR OF

CATALYST TRUSTEESHIP LIMITED



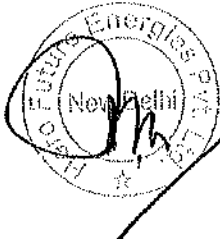
**HERO FUTURE ENERGIES PRIVATE
LIMITED**



CATALYST TRUSTEESHIP LIMITED

DEED OF CORPORATE GUARANTEE

THIS DEED OF CORPORATE GUARANTEE ("Deed" or "Guarantee") is made on this 30 day of Sept 2021 at New Delhi ("Execution Date");



ISSUED BY

HERO FUTURE ENERGIES PRIVATE LIMITED, a company within the meaning of the Companies Act, 2013, with Corporate Identification Number (C.I.N.) U40300DL2013PTC253648 and having its registered office at Plot no. 201, first floor, Okhla Industrial Estate Phase- III, New Delhi, South Delhi – 110020 (hereinafter referred to as the "Guarantor" which expression shall, unless excluded by or repugnant to the context thereof, include its successors, executors and administrators) of the **ONE PART**;



IN FAVOUR OF

CATALYST TRUSTEESHIP LIMITED, a company within the meaning of the Companies Act, 2013, with Corporate Identification Number (C.I.N.) U74999PN1997PLC110262 and having its registered office at GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud Pune 411038 and having its branch office at Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, acting in its capacity of debenture trustee in trust and for the benefit of Debenture Holders (*as hereinafter defined*) and their successors and assigns from time to time {hereinafter referred to as the "**Debenture Trustee**"; which expression shall, unless repugnant to the context or meaning thereof, mean and include its successors – in – office and permitted assigns, and such other Person as may be appointed as the Debenture Trustee (*as hereinafter defined*) in its place from time to time in accordance with the provisions of this Debenture Trust Deed (*as hereinafter defined*)} of the **OTHER PART**.

The Guarantor and the Debenture Trustee are hereinafter collectively referred to as "**Parties**" and each individually as a "**Party**".

WHEREAS:

- A. The Company (*as defined hereinafter*) proposes to issue and allot the Debentures (*as defined hereinafter*) to the Debenture Holders (*as defined hereinafter*) pursuant to the Debenture Trust Deed (*as defined hereinafter*).
- B. The Guarantor is a shareholder of the Company and as on date of this Deed, holds

HERO FUTURE ENERGIES PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

directly and through nominee, 100% (one hundred) percent of the entire issued and paid up share capital of the Company.

- C. In terms of the Debenture Trust Deed, the Guarantor has agreed to provide an absolute, unconditional and irrevocable continuing corporate guarantee in favour of the Debenture Trustee to secure the repayment of the Outstanding Amounts (*as defined hereinafter*), discharge the Secured Obligations (*as defined hereinafter*) and ensure the performance by the Company of all other present and future obligations and liabilities to the Debenture Holders under the Debenture Trust Deed.
- D. The Guarantor has represented that it has complied with all the legal requirements and has obtained all permissions, consents and approvals as required under the provisions of the Act for performance of its obligations under or pursuant to this Deed.

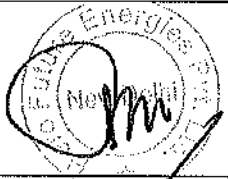
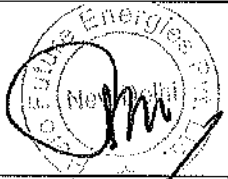
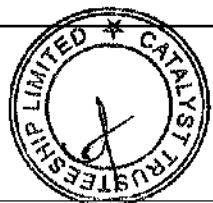
IT IS THEREFORE AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

Unless otherwise defined, capitalised terms in this Deed shall have the meanings given to them in the Debenture Trust Deed. In this Deed, the capitalised terms listed below shall have the following meanings:

- 1.1.1 "**Act**" shall mean the Companies Act, 2013, as amended from time to time.
- 1.1.2 "**Applicable Laws**" shall mean any statute, treaty, law, code, regulation, ordinance, rule, judgment, order, decree, bye-law, approval of any Governmental Authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law, of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the Execution Date or at any time thereafter.
- 1.1.3 "**Business Day**" shall mean a day on which the banks in New Delhi and Mumbai are open for regular working and which is not:

 	
HERO FUTURE ENERGIES PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

- (a) A public holiday under Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) as applicable at respective places; or
- (b) A Saturday or a Sunday; or
- (c) Any other day when the clearing facility offered by the Reserve Bank of India is unavailable.

1.1.4 **"Certificate"** shall have the meaning as ascribed to the term in Clause 2.2 of this Deed.

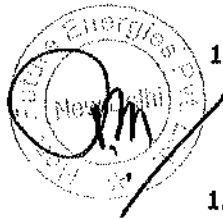
1.1.5 **"Company"** shall mean Hero Solar Energy Private Limited, a company within the meaning of the Companies Act, 2013, with Corporate Identification Number (C.I.N.) U40106DL2013PTC250501 and having its registered office at Plot No. 201, First Floor, Okhla Industrial Estate Phase- III, New Delhi South 110020.


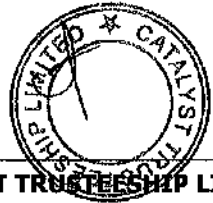
1.1.6 **"Debentures"** shall mean up to 750 (seven hundred and fifty only) secured, listed, rated, non – convertible, redeemable debentures of face value of Rs. 10,00,000 (Rupees ten lakh only) each for an aggregate amount up to Rs. 75,00,00,000 (Rupees seventy five crore only), to be issued in accordance with terms of the Debenture Trust Deed.

1.1.7 **"Debenture Holders"** shall mean the holders of the Debentures from time to time and includes their transferees or assigns or such other persons who are for the time being holders of the Debentures and whose names are entered in the register of debenture holders of the Company in accordance with the requirements of the Act.



1.1.8 **"Debenture Trust Deed"** shall mean the Debenture Trust Deed dated 30 Sept, 2021 entered into between the Company and the Debenture Trustee.

1.1.9 **"Encumbrance"** shall mean any right, title and/or interest or equity of any nature whatsoever (including any right to acquire, option or right of pre-emption) or any mortgage, pledge, deed of trust, hypothecation, right of others (including right of set-off or counterclaim), claim, security interest, burden, title defect, title retention agreement, lease, sublease, license, voting trust agreement, interest, option, proxy, lien, charge, covenant, condition, purchase agreement, actionable claim or any security agreement, security arrangement, other restriction/s, limitations or encumbrance of any nature whatsoever.



	
HERO FUTURE ENERGIES PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

- 1.1.10 **"Event of Default"** shall have the meaning as ascribed to the term under the Debenture Trust Deed.
- 1.1.11 **"Guarantee Amount"** shall have the meaning as ascribed to the term in Clause 2.1.1 of this Deed.
- 1.1.12 **"Governmental Authority"** means any national, supranational, regional or local government, or governmental, statutory, regulatory, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity, or central bank (or any Person whether or not government owned and howsoever constituted or called, that exercises the functions of the central bank).
- 1.1.13 **"Liquidated Damages"** shall have the meaning ascribed to the term in the Debenture Trust Deed.
- 1.1.14 **"Majority Debenture Holders"** shall have the meaning as ascribed to the term under the Debenture Trust Deed.
- 1.1.15 **"Notice of Demand"** shall have the meaning as ascribed to the term in Clause 2.1.1 of this Deed.
- 1.1.16 **"Outstanding Amounts"** shall mean at any time all amounts payable (whether due or not) by the Company to the Debenture Holder(s) pursuant to the terms of the Transaction Documents pertaining to the Debentures, including without limitation:
- (a) The Outstanding Principal Amount, Interest, and all other obligations and liabilities of the Company, including indemnities, Default Interest, fees (including Debenture Trustee's fee) arising out of or in connection with the Debentures or any other Transaction Documents;
 - (b) Any and all sums expended by the Debenture Holder(s) and / or the Debenture Trustee and / or any other third party in order to secure, maintain and / or preserve the Security;
 - (c) Any and all expenses incurred by the Debenture Holder(s) and / or the Debenture Trustee for enforcement and collection of its amounts payable under the Transaction Documents including expenses of enforcement and realization of the Security; and

	
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(d) Legal fees payable for this transaction, and all other costs, charges and expenses, redemption proceeds and other amounts payable by the Company in respect of the Debentures.

1.1.17 **"Person"** shall mean and include any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative.

1.1.18 **"Proceeding"** means any action, arbitration, audit, examination, investigation, hearing, litigation, claims or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, and whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Person, Governmental Authority or arbitrator.

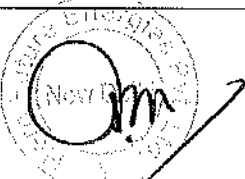

1.1.19 **"RBI"** shall mean the Reserve Bank of India.

1.1.20 **"Security"** shall have the meaning as ascribed to the term under the Debenture Trust Deed.

1.1.21 **"Security Providers"** shall have the meaning as ascribed to the term under the Debenture Trust Deed.

1.1.22 **"Secured Obligations"** shall mean all present and future obligations and liabilities (whether financial, performance or otherwise, whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Company to the Debenture Holders / Debenture Trustee including in connection with the issue and subscription of the Debentures, payment / repayment of its Outstanding Amounts (including Debenture Trustee's fees) and the creation, preservation and maintenance of Security and all costs and expenses incurred relation thereto under the Transaction Documents.

1.1.23 **"Settlement Date"** shall mean such date on which all Outstanding Amounts under the Transaction Documents have been paid and settled in accordance with the terms of the Transaction Documents and the Debenture Trustee (acting at the instructions of the Majority Debenture Holders) has provided a written confirmation of the same to the Company.

	
HERO FUTURE ENERGIES PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

1.1.24 "Transaction Documents" shall have the meaning as ascribed to the term under the Debenture Trust Deed.

1.2. **Interpretation**



In this Deed, unless the context otherwise requires:

- (a) The rules of construction and Interpretation contained in the Debenture Trust Deed shall *mutatis mutandis* apply to the construction of this Deed as if expressly set out herein, with each reference to the Debenture Trust Deed being deemed to be a reference to this Deed; or
- (b) a "Clause" is, unless otherwise stated, a reference to a Clause hereof;
- (c) any determination with respect to the materiality or reasonability of any matter including of any event, occurrence, circumstance, change, fact, information, document, authorisation, proceeding, act, omission, claims, breach, default or otherwise shall be made or given by the Debenture Trustee (as per the instructions of the Majority Debenture Holders), which decision / determination shall be final and binding on the Guarantor;
- (d) Wherever in this Deed, any determination of any event is required to be done by the Debenture Trustee and if the Guarantor does not agree with the final determination of the Debenture Trustee, the Guarantor shall have the right to raise a dispute on this as per the provisions of this Deed; and
- (e) all the rights of the Debenture Holders shall be exercised by the Debenture Trustee, who shall act under the instructions of the Majority Debenture Holders.



2. **GUARANTEE AND INDEMNITY**

2.1. **Guarantee and Indemnity**

For good and valuable consideration, being the subscription to the Debentures of the Company by the Debenture Holders, in terms of the Debenture Trust Deed (the receipt and sufficiency of which are duly acknowledged), the Guarantor hereby, irrevocably and unconditionally as the primary obligor for its own debt and not merely as sureties:

	
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- 2.1.1. guarantees to the Debenture Trustee (i) the due and punctual performance of all the obligations to be performed by the Company under the Debenture Trust Deed; and (ii) the due and punctual repayment by the Company of the Outstanding Amounts and the discharge of the Secured Obligations. The Debenture Trustee shall be entitled to call upon the Guarantor to make payments as stated in the notice ("**Notice of Demand**") substantially in the form and manner set out in the **Schedule – 1** hereto or such other format as it may deem fit. The Guarantor shall, on receipt of the Notice of Demand from the Debenture Trustee, without any demur, protest, contest or delay, immediately pay to the Debenture Trustee on the date of such Notice of Demand, the Outstanding Amounts as if it were the principal obligor to the Debenture Trustee for the benefit of the Debenture Holders ("**Guarantee Amount**");
- 2.1.2. on a full indemnity basis, undertake to indemnify the Debenture Trustee, the Debenture Holders and their respective affiliates, officers, directors, agents and employees immediately on demand against any cost, loss or liability suffered by the Debenture Trustee, the Debenture Holders and their respective affiliates, officers, directors, agents and employees if any obligation guaranteed by the Guarantor is or becomes unenforceable, invalid, ineffective or illegal. The amount of the cost, loss or liability shall be equal to the amount which the Debenture Trustee, the Debenture Holders and their respective affiliates, officers, directors, agents and employees would otherwise have been entitled to recover. It is hereby expressly clarified that the Guarantor shall not be liable to indemnify the Debenture Trustee for any loss/liability arising on account of fraud, gross negligence or willful default of the Debenture Trustee and/or that of its respective officers or employees as may be finally judicially determined by a court of competent jurisdiction; and
- 2.1.3. undertake and agree that any demand, made hereunder, given or made by the Debenture Trustee to the Guarantor shall be final, conclusive and binding evidence, that the Guarantor's liability hereunder has accrued, and that the extent of the Guarantor's liability is the amount shown therein. For avoidance of doubt, the demand made by the Debenture Trustee *vide* the Notice of Demand shall be final, binding and conclusive, notwithstanding any difference or any dispute between the Debenture Trustee and the Company that may have been raised or pending before the court, tribunal or arbitrator(s) and the Guarantor shall remain liable under these presents notwithstanding any orders passed therein. Such Notice of Demand shall be final, conclusive and binding evidence, against the Guarantor of the amount for the time being due from the Company in any action or proceeding brought under this Deed against the Guarantor.

	
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2.1.4. The obligations of the Guarantor hereunder are separate and distinct from any of its obligations under any other Transaction Document (to which the Guarantor is a party, if any), or any undertaking being provided by the Guarantor to the Debenture Trustee (for the benefit of the Debenture Holders) and this Guarantee is in addition to and is not in any way prejudiced by any other Security, guarantee or undertaking now or subsequently held by the Debenture Trustee and shall not be affected by, nor merge with, and may be enforced despite the existence, invalidity or unenforceability of, any other Security, guarantee or undertaking now or subsequently held by the Debenture Trustee.

2.1.5. To give effect to this Guarantee, the Debenture Trustee may act as though the Guarantor is a separate principal debtor independent of the Company.

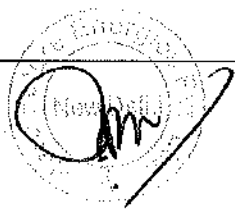
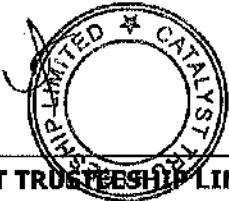
2.2. Continuing Guarantee

The Guarantor hereby undertakes that this Guarantee is an unconditional, irrevocable continuing guarantee and shall remain in full force and effect until full and final repayment of the Outstanding Amounts and the discharge of the Secured Obligations to the satisfaction of the Debenture Trustee/ Debenture Trustee. Upon the repayment of the Outstanding Amounts and discharge of the Secured Obligations by the Company to the satisfaction of the Debenture Trustee, the Debenture Trustee (on receipt of a no objection certificate from the Debenture Holder(s)) shall issue a satisfaction certificate to the Guarantor ("**Certificate**") within 3 (three) days from the repayment of the Outstanding Amounts. This Guarantee shall be continuing and shall not be terminated or revoked by the Guarantor prior to the receipt of the Certificate from the Debenture Trustee.

2.3. Reinstatement

If any payment by the Guarantor or the Company or any discharge given by the Debenture Trustee (whether in respect of the obligations of the Guarantor or the Company or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

2.3.1. the liability of the Guarantor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

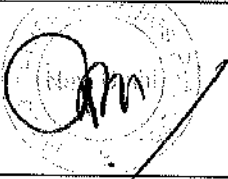

	
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2.3.2. the Debenture Trustee shall be entitled to recover the value or amount of that security or payment from the Guarantor, as if the payment, discharge, avoidance or reduction had not occurred.

2.4. **Waiver of Defenses**

The obligations of the Guarantor under this Deed shall not be affected by any act, omission, matter and / or thing which would reduce, release or prejudice any such obligations under this Deed (without limitations and whether or not known to it or the Debenture Trustee) including but not limited to:

- 2.4.1. any time, waiver or consent granted to, or composition with, the Company or other Person;
- 2.4.2. the release of the Company, the Security Providers or any other Person under the terms of any composition or arrangement with any creditor of any member of the Company;
- 2.4.3. the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Company, the Security Providers or other Person or any non – presentation or non – observance of any formality or other requirement in respect of any of the obligations or any failure to realize the full value of any security;
- 2.4.4. any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Company, the Security Providers or any other Person;
- 2.4.5. any amendment (however fundamental) or replacement of a Transaction Documents or any other document or security;
- 2.4.6. any unenforceability, illegality or invalidity of any obligation of the Guarantor and/or Company under any of the Transaction Documents;
- 2.4.7. any insolvency or similar proceedings;
- 2.4.8. any reduction or variation of the Debenture Holder's claims against the Company as part of a resolution plan approved in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 or other Applicable Laws.

	
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2.5. No Security taken by the Guarantor

2.5.1. The Guarantor has not taken nor will take from the Company, the Security Providers or any other Person, any security for the Guarantee Amount and, if they do so, the security and any proceeds from that security will be held in trust for the Debenture Trustee and delivered immediately to the Debenture Trustee.

2.5.2. If the Guarantor has taken or after the date of this Guarantee, takes any security from the Company in respect of its liability under this Guarantee, the security will rank subordinate to the Debenture Trustee's claims against the Company and, in the event of bankruptcy or insolvency or winding-up of the Company and / or any of the Security Providers, the Guarantor will not prove in competition to the Debenture Trustee and shall not prejudice the rights of the Debenture Trustee, and such security shall stand as a security for the Debenture Trustee and shall forthwith be deposited with the Debenture Trustee.

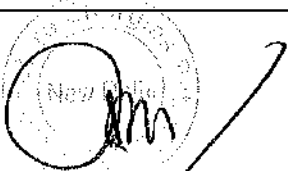
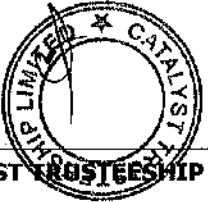
2.5.3. If the Guarantor receives any sums from the Company in respect of any payment by the Guarantor under this Guarantee, the Guarantor shall hold such monies in trust for the Debenture Trustee so long as any sums are due and payable under this Guarantee in relation to the Outstanding Amounts.

2.6. Immediate recourse

2.6.1. Prior to enforcing its rights and remedies or making any demand hereunder, the Debenture Trustee shall not be required to take any action (other than as set out in this Deed) or obtain any judgment against the Company, the Guarantor or any other person; or make or file any claim or proof in the dissolution or winding-up, bankruptcy, insolvency or insolvency resolution of the Company, the Guarantor or any other person, or enforce or seek to enforce any Security, undertaking or guarantee now or hereafter held by the Debenture Trustee in respect of the Secured Obligations.

2.6.2. The Guarantor hereby waives any right that it may have of first requiring the Debenture Trustee (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any Person before claiming from the Guarantor under this Deed.

2.7. Deferral of Guarantor's rights

 HERO FUTURE ENERGIES PRIVATE LIMITED	 CATALYST TRUSTEESHIP LIMITED
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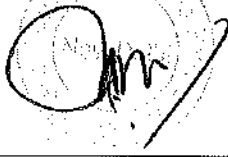

Until the receipt of the Certificate from the Debenture Trustee, the Guarantor hereby agrees that It will not exercise any rights or claims which the Guarantor may have:

- 2.7.1. to be Indemnified by or to receive any collateral from the Company and / or any of the Security Providers;
 - 2.7.2. to claim any contribution from any other guarantors, exercise any rights of subrogation, indemnity, set – off or counterclaim against the Company and / or any of the Security Providers or any other similar rights;
 - 2.7.3. to take benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Debenture Trustee under the Transaction Documents or of any other guarantee or security taken pursuant to, or in connection with, the Transaction Documents by the Debenture Trustee;
 - 2.7.4. to prove in the bankruptcy, liquidation, insolvency resolution, winding up or any similar proceedings of the Company/ Security Providers;
 - 2.7.5. claim, rank, prove or vote as a creditor of the Company in competition with any Debenture Holder or Debenture Trustee; and/or
 - 2.7.6. to be entitled to the rights conferred on sureties, notwithstanding anything contained in the Indian Contract Act, 1872.
- 2.8. **No action by the Debenture Trustee**

Prior to making any demand in accordance with Clause 2.1.1 above, the Debenture Trustee shall not be required to take any step, exercise any remedies or obtain any judgment against the Guarantor, give notice to the Guarantor or any other Person under the Transaction Documents or otherwise and howsoever arising, or make or file any claim or proof in the insolvency of the Company or enforce or seek to enforce any security now or hereafter held by the Debenture Trustee in respect of the Secured Obligations.

2.9. **Right of Lien and Set – Off**

The Debenture Trustee shall, upon occurrence of an Event of Default and until the satisfaction in full of the Secured Obligations, have the paramount right of set – off and lien, irrespective of any other lien or charge, present as well as future, on any monies, securities, bonds and all other assets, documents and properties held by/ under the

	
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control of the Debenture Trustee (whether by way of security or otherwise pursuant to any contract entered/ to be entered into by the Guarantor in any capacity), to the extent of all outstanding dues, whatsoever, arising as a result of any of the Debenture Trustee's services extended to and/or used by the Guarantor and/or as a result of any other debentures or facilities that may be issued/granted by the Debenture Trustee to the Guarantor. The Debenture Trustee's rights hereunder shall not be affected by the Guarantor's bankruptcy/insolvency/lunacy.

2.10. No set – off by the Guarantor

All payments which the Guarantor is required to make under this Deed shall be made without any set – off, counterclaim, deduction or condition (other than any withholding tax to be deducted at source under the Income Tax Act, 1961).

2.11. Additional security

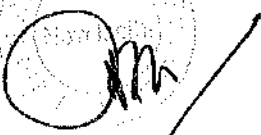
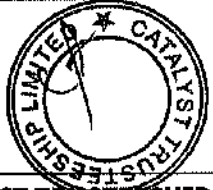
2.11.1. This Deed is in addition to and is not in any way prejudiced by, any collateral or other security, if any, now or hereafter held by the Debenture Trustee, for the Secured Obligations, nor shall such collateral or other security held by the Debenture Trustee, or the liability of any Person for all or any part of the Secured Obligations be in any manner prejudiced or affected by this Deed.

2.11.2. The Guarantor hereby agrees and acknowledges that this Deed shall be enforceable against the Guarantor, notwithstanding that any security or securities comprised in any instrument(s) executed or to be executed by the Company in favour of the Debenture Trustee, shall, at the time when the Proceedings are taken against the Guarantor under this Deed, be outstanding or unrealized or lost.

2.12. Taxes

2.12.1. The Guarantor shall pay or cause to be paid all present and future taxes, duties, fees and other charges of whatsoever nature, if any, now or in the future levied or imposed by any Governmental Authority or by any jurisdiction through or out of which a payment is made on or in connection with the payment of any and all amounts due under this Deed.

2.12.2. All payments due including the Outstanding Amounts payable under this Deed shall be made without deduction for or on account of any such taxes, duties, fees or other



	
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charges (other than any withholding tax to be deducted at source under the Income Tax Act, 1961).

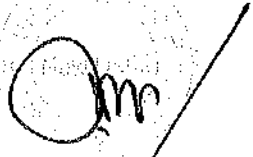

- 2.12.3. If the Guarantor is prevented by operation of law from making or causing to be made such payments without deduction (other than any withholding tax to be deducted at source under the Income Tax Act, 1961), all payments due including the Outstanding Amounts under this Deed shall be increased to such amount as may be necessary so that the Debenture Holders receive the full amount they would have received (taking into account any such taxes, duties, fees or other charges payable on amounts payable by the Guarantor under this Deed had such payments been made without such deduction).
- 2.12.4. If the Guarantor is required to pay taxes, duties, fees or other charges as aforesaid and the Debenture Trustee, acting on the instructions of the Debenture Holders, so requires, the Guarantor shall deliver to the Debenture Trustee an original receipt or a certified copy thereof issued by the relevant Governmental Authority evidencing payment to that Governmental Authority of all amounts required to be deducted in respect of payments due under this Deed.

3. GUARANTOR'S REPRESENTATIONS, COVENANTS AND UNDERTAKINGS

- 3.1. The Guarantor hereby represents, warrants, covenants and undertakes to the Debenture Trustee on a continuing basis which shall be deemed to be repeated on each day, during the subsistence of this Deed that:
- 3.1.1. the Guarantor is duly incorporated company validly existing under the laws of India;
- 3.1.2. the Guarantor has the necessary corporate power and authority to execute this Guarantee and any other documents required hereunder and to perform its obligations as Guarantor under this Deed and / or any other documents executed in favour of the Debenture Trustee;
- 3.1.3. the execution, delivery and performance of this Deed and the other agreements to which the Guarantor is a party will not conflict with (a) any agreement binding on it or any of its assets or (b) Applicable Laws (c) its constitutional documents;

	
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- 3.1.4. no authorisation from any Governmental Authority or any third party consent (including from any existing lender) is required by the Guarantor for its entry into, or performance of its obligations under this Guarantee or any other Transaction Document;
- 3.1.5. no amendments have been made in the constitutional documents of the Guarantor which in any manner adversely affects or limits obligations of the Guarantor contemplated to be undertaken under this Guarantee.
- 3.1.6. It is not necessary that this Guarantee be filed, recorded or enrolled with any court or other authority in India or that any stamp, registration or similar tax be paid on or in relation to this Guarantee or the transactions contemplated by this Guarantee other than stamp duty payable on this Guarantee in the state of execution or the state of receipt thereof.
- 3.1.7. No event has occurred and is continuing which constitutes or which the lapse of time or the giving of notice or both, would become an Event of Default relating to the Guarantor under the Transaction Documents or a default under any agreement, mortgage, indenture, note or other instrument to which the Guarantor is a party or by which the Guarantor or its assets are or may be bound.
- 3.1.8. the obligations liabilities of the Guarantor under this Guarantee are unconditional and will rank at least *pari-passu* with all other present or future unsecured and unsubordinated indebtedness (both actual and contingent) of the Guarantor
- 3.1.9. the Guarantor is solvent and:
- (i) has not received any notice of initiation of its insolvency resolution process
 - (ii) It is able to, and has not admitted its inability to, pay its debts (as disclosed in the financial statements of the Guarantor) as they mature and has not suspended making payment on any of its debts;
 - (iii) It, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
 - (iv) It continues to have a positive net worth;
 - (v) No moratorium has been declared or threatened in respect of any of its Financial Indebtedness;

	
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- (vi) No steps have been taken for its liquidation, winding-up or dissolution or restructuring or reorganization;
- (vii) No order is made or an effective resolution passed or analogous proceedings taken for the Guarantor's winding up, bankruptcy or dissolution or a petition is presented or analogous proceedings taken for the winding up or dissolution of the Guarantor
- (viii) none of the director or key managerial personnel of the Guarantor are in the wilful defaulter list of the Reserve Bank of India;

3.1.10. the Guarantor does not have any immunity and the waiver of immunity by the Guarantor herein is legal, valid, binding and enforceable, and the Guarantor is not entitled to claim for itself or any of its assets any right of immunity from suit, execution, attachment prior to judgment, attachment in aid of execution or any other legal process with respect to its obligations under the Guarantee in any jurisdiction.



3.1.11. all representations and warranties set forth under this Guarantee are true, complete, correct and not misleading in any way No event has occurred since the date of communication or supply of any information to the Debenture Trustee which renders such information untrue or misleading in any respect.

3.1.12. this Guarantee and all documents, hereunder as required, when executed by the Guarantor shall be valid and binding obligations of the Guarantor and enforceable in accordance with their respective terms and the Guarantor is duly and properly authorized to execute the same;



3.1.13. the Guarantor does not violate any of the covenants, conditions or stipulations under any existing agreements entered into by the Guarantor with any third party, by executing this Guarantee in favour of the Debenture Trustee for the benefit of the Debenture Holders, in the manner mentioned herein;

3.1.14. there are no actions, suits, proceedings or investigations pending or to the knowledge of the Guarantor threatened by or against the Guarantor or the properties of the Guarantor before any court or Government Authority or any other competent authority which might have a material effect on the validity, enforceability or performance of this Deed by the Guarantor;

3.1.15. the Guarantor has not received and shall not receive any security or commission from the Company for giving this Guarantee;

	
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- 3.1.16. the obligations expressed to be assumed in this Deed are and shall be legal, valid, binding and enforceable against the Guarantor, and its estate, effect, successor and permitted assigns;
- 3.1.17. the Guarantor shall supply to the Debenture Trustee, its financial statements, on the date of this Deed and as on March 31 of each Financial Year, within a period of 180 (one hundred and eighty) days from the end of such Financial Year, till the Settlement Date. Any financial statement / statement of assets delivered by the Guarantor under this clause shall include details of any existing guarantees and other contingent liabilities of the Guarantor. The Debenture Trustee shall not disclose such financial statements / statement of assets to any Person except the Debenture Holders without the written consent of the Guarantor unless such disclosure is to any affiliate / associate of the Debenture Trustee, as may be necessary, or to any Person to whom the Debenture Trustee may potentially assign or transfer its rights and obligations under the Transaction Documents or to the extent that such information is required to be disclosed by any Applicable Law or regulation;
- 3.1.18. the Guarantor shall supply to the Debenture Trustee's satisfaction, promptly within 3 (three) Business Days after he becomes aware of any litigation, arbitration, investigative or administrative proceedings which are current, threatened or pending against the Guarantor and / or of the Guarantor's assets/ properties and which might, if adversely determined, have a material adverse effect;
- 3.1.19. till the subsistence of this Deed, the Guarantor shall not enter into any agreement or obligation, the performance of which would result in a breach of any provision of this Deed and/ or which could reasonably be expected to have a material and /or adverse effect on the ability of the Guarantor to comply with his obligations pursuant to this Deed, without the prior written approval of the Debenture Trustee;
- 3.1.20. the Guarantor has received copies of the Transaction Documents and acknowledges and confirms the terms of the Transaction Documents;
- 3.1.21. the Guarantor shall:
 - (i) when requested by the Debenture Trustee, execute, acknowledge and deliver or cause to be delivered such further instruments, or otherwise do or cause to be done anything, in order to enable the Guarantor to comply with their obligations

	
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herein and to enable the Debenture Trustee to exercise any power, right or remedy of the Debenture Trustee under this Deed;



- (ii) obtain, maintain, comply with and renew when necessary all authorizations required:
 - (a) to enable them to perform their obligation under this Deed; or
 - (b) for the validity or enforceability of this Deed;
- (iii) comply with all Applicable Laws, statutes, regulations and orders of, and all applicable restrictions imposed by Governmental Authorities in respect of ownership of their properties / assets;

3.2. Notwithstanding any other remedies available to the Debenture Holders and / or Debenture Trustee under this Deed and/or other Transaction Documents, upon the occurrence of an Event of Default, the Debenture Holders and / or Debenture Trustee shall also be entitled to disclose the name of the Guarantor to the Reserve Bank of India (RBI), credit information companies, information utilities and / or any other statutory / regulatory authority in this behalf as defaulters and also have the right to publish the name(s) of the Guarantor as 'wilful defaulters' in such manner and through such medium as the Debenture Holders and / or Debenture Trustee in its absolute discretion may think fit and as may be available under Applicable Laws.

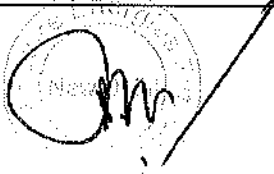
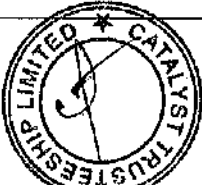
3.3. The Guarantor confirms that it has read and understood the terms of the Transaction Documents and hereby agree, undertake to comply with the duties, obligations, undertakings and / or covenants as set out the Transaction Documents which the Guarantor is required to comply with and/ or where the Company is required to ensure that the Guarantor complies with the applicable covenants in the Debenture Trust Deed and the other Transaction Documents. Such covenants and provisions of the Debenture Trust Deed shall be deemed to be incorporated in this Deed *mutatis mutandis* and shall form part of this Deed as if the same have been expressly incorporated herein.

3.4. The Guarantor shall disclose the liability under this Guarantee as "contingent liability" in the "notes to accounts" of financial statement of the Guarantor.

4. GUARANTOR'S OBLIGATIONS

	
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- 4.1. The Guarantor hereby undertakes to do, execute and perform on demand at its own cost all such acts, deeds and things as the Debenture Trustee may require as further security or for due discharge of the liability of the Guarantor hereunder. The obligations of the Guarantor shall not be discharged, impaired or otherwise affected by:
- 4.1.1. any winding – up, judicial management, administration or re –organization of or other change in the Company, the Security Providers (who are corporate entities), the Guarantor or any other issuer, corporation, partnership or other Person;
 - 4.1.2. acquisition or nationalization of the Company, the Security Providers (who are corporate entities), the Guarantor and/ or of any of its respective undertaking(s) pursuant to any Applicable Law;
 - 4.1.3. any of the obligations of any Person in respect of the Transaction Documents being at any time illegal, invalid, unenforceable or ineffective;
 - 4.1.4. any time or other indulgence being granted to the Guarantor, the Company, the Security Providers or any other issuer, corporation, partnership or other Person;
 - 4.1.5. any amendment, variation, waiver or release of any of the obligations of any Person in respect of the Transaction Documents;
 - 4.1.6. any other act, event or omission which but for this provision would or might operate to impair, discharge or otherwise affect the obligations of the Guarantor and / or the Security Providers under the Transaction Documents;
 - 4.1.7. any change in the composition or management of the Debenture Trustee;
 - 4.1.8. any bankruptcy or insolvency of the Guarantor or bankruptcy or insolvency of the Company and / or any of the Security Providers as the case may be;
 - 4.1.9. the absence or deficiency of powers on the part of the Guarantor to give the guarantees and/or indemnities or any irregularity in the exercise of such power;
 - 4.1.10. any revocation of this Deed by the Guarantor prior to the receipt of the Certificate;
 - 4.1.11. any change in the constitution, ownership or corporate existence of the Guarantor, the Company and / or the Security Providers or any absorption, merger or amalgamation of

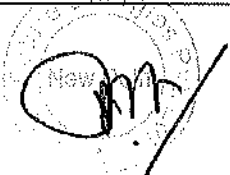
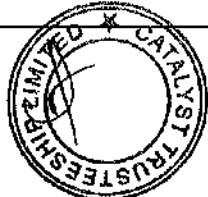
	
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the Guarantor, the Company and / or the Security Providers with any other company, corporation or concern;

- 4.1.12. any amendment (however fundamental) or replacement of a Transaction Documents or any other document or Security;
- 4.1.13. any unenforceability, illegality or invalidity of any obligation of the Company and/or Guarantor under any of the Transaction Documents;
- 4.1.14. any reduction or variation of the Debenture Holder's claims against the Company as part of a resolution plan approved in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 or other Applicable Laws; and
- 4.1.15. any intermediate payment or satisfaction of any part of the Secured Obligations, provided that the obligations of the Guarantor under this Guarantee shall be reduced to the extent of such payment of the Secured Obligations.



5. EFFECTIVENESS OF GUARANTEE

- 5.1. The rights and remedies of the Debenture Trustee under this Guarantee shall be cumulative, in addition to and independent of every other security which the Debenture Trustee may at any time hold for the due performance of the Secured Obligations of the Company and payment of the Outstanding Amounts as per the Transaction Documents or any rights, powers and remedies provided by Applicable Law.
- 5.2. This Deed shall remain in full force and effect as a continuing arrangement unless and until the Debenture Trustee issues the Certificate to the Guarantor and shall not cease by reason of any part payment or satisfaction of any of the obligations of the Company under the Transaction Documents or for any other reason.
- 5.3. The Debenture Trustee shall be entitled to make one or more demands on the Guarantor with respect to the guaranteed obligations under this Deed and any such partial or intermediate payment shall not reduce or absolve the Guarantor from the liability of guaranteed obligations under this Deed.
- 5.4. No failure on the part of the Debenture Trustee to exercise, or delay on its part in exercising, any of its rights shall operate as waiver thereof, nor shall any single or partial exercise of its rights preclude any further or other exercise of that or any other right.

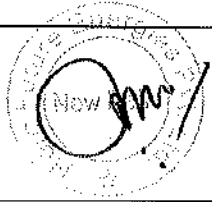
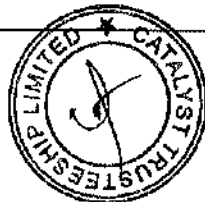
	
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The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by Applicable Law.

- 5.5. Any settlement or discharge given by the Debenture Trustee to the Guarantor in respect of the Guarantor's obligations under this Deed or any other agreement reached between the Debenture Trustee and the Guarantor in relation to it shall be, and be deemed always to have been, void if any act on the faith of which the Debenture Trustee gave the Guarantor that settlement or discharge or entered into that agreement is subsequently avoided by or in pursuance of any provisions of any Applicable Law.
- 5.6. The Guarantor hereby agrees that the liability under this Deed shall, in no manner be affected by any variations, alterations, modifications of the Debenture Trust Deed or other Transaction Documents or waiver, dispensation with or release of security, and that no consent of the Guarantor is required for giving effect to any such variation alteration, modification, waiver, dispensation with, or release of Security.
- 5.7. The Guarantor irrevocably and unconditionally waives any rights which a guarantor/surety may be entitled to under sections 133, 134, 135, 139 and 141 or any other sections of the Indian Contract Act, 1872.
- 5.8. The Guarantor hereby agrees that the Debenture Trustee shall have full liberty, without notice to the Guarantor and without in any way affecting this Guarantee, to exercise at any time and in any manner any power or powers reserved to the Debenture Trustee under the Transaction Documents, to enforce or forbear to enforce payment of the Issue or any part thereof, or interest or other moneys due to the Debenture Trustee from the Company or any of the remedies or securities available to the Debenture Trustee, to enter into any composition or compound with or to grant time or any other indulgence to the Company, and the Guarantor shall not be released by the exercise by the Debenture Trustee of their liberty in regard to the matters referred to above or by any act or omission on the part of the Debenture Trustee or by any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of so releasing the Guarantor and the Guarantor hereby waives in favour of the Debenture Trustee so far as may be necessary to give effect to any of the provisions of this Guarantee or the suretyship, any other rights which the Guarantor might otherwise be entitled to enforce. The Guarantor also agrees that they will not be entitled to the benefit of subrogation *vis-à-vis* securities or otherwise until all the monies due to the Debenture Trustee under the Transaction Documents are fully repaid/ paid.

	
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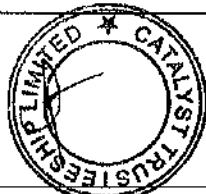
- 5.9. The Guarantee shall be enforceable against the Guarantor notwithstanding that any security or securities comprised in any instrument(s) executed or to be executed in favour of the Debenture Trustee shall, at the time when the proceedings are taken against the Guarantor on this Guarantee, be outstanding or unrealized or lost.
- 5.10. The rights of the Debenture Trustee against the Guarantor shall remain in full force and effect notwithstanding any arrangement which may be reached between the Debenture Trustee and the other guarantor(s), if any, and notwithstanding the release of that other or others from liability and notwithstanding that any time hereafter the other guarantor(s) may cease for any reason whatsoever to be liable to the Debenture Trustee, the Debenture Trustee shall be at liberty to require the performance by the Guarantor of its obligations hereunder to the same extent in all respects as if the Guarantor had at all times been solely liable to perform the said obligations.
- 5.11. To give effect to this Guarantee, the Debenture Trustee may act as though the Guarantor were the principal debtor to the Debenture Trustee. The Debenture Trustee, *ipso facto* does not have the obligations of a borrower or a principal debtor or a Guarantor as to the monies paid / invested by the Debenture Holders for the Debentures.
- 5.12. The Guarantor shall not in the event of the liquidation/insolvency of the Company, prove in competition with the Debenture Trustee in the liquidation/insolvency proceedings.
- 5.13. The Notice of Demand signed by a duly authorized official of the Debenture Trustee shall be conclusive evidence against the Guarantor of the amount for the time being due to the Debenture Trustee from the Company for the purposes of this Deed and / or in any action or proceeding brought with respect to this Deed, against the Guarantor.
- 5.14. The Guarantor undertakes and agrees that upon issuance of the Notice of Demand, the Debenture Trustee shall be entitled to attach the assets/ properties owned by the Guarantor and that the Guarantor may own or possess or become entitled to from time to time, to enforce the Debenture Trustee's under this Guarantee. The Guarantor hereby gives consent to the sale, mortgage or any disposal of any of the assets or such other properties or assets of the Guarantor that the Guarantor may own or possess or become entitled to from time to time, in any other manner on such terms and conditions as the Debenture Trustee may deem fit. All monies received by the Debenture Trustee as a result of enforcement by the Debenture Trustee of its rights under this Guarantee, shall be appropriated toward the Outstanding Amounts and the Secured Obligations and any remaining proceeds/ monies, if any, shall be paid to the Guarantor.

	
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- 5.15. This Guarantee shall not be wholly or partially satisfied or exhausted by any payments made to or settled with the Debenture Trustee by the Company and shall be valid and binding on the Guarantor and operative until repayment in full of all monies due to the Debenture Trustee under the Transaction Documents. However, this Guarantee shall be reduced to the extent of any amount actually paid by the Guarantor / Company to the Debenture Trustee.
- 5.16. This Guarantee shall be irrevocable and the obligations of the Guarantor hereunder shall not be conditional on the receipt of any prior notice by the Guarantor or by the Company and the demand or notice by the Debenture Trustee as provided herein below shall be sufficient notice to or demand on the Guarantor.
- 5.17. Until the obligations of the Company under the Transaction Documents have been discharged in full, any indebtedness of the Company now or hereafter due to the Guarantor shall be subordinated to the indebtedness or liabilities of the Company to the Debenture Trustee and such indebtedness of the Company to the Guarantor, if the Debenture Trustee so requires, shall be collected, enforced and received by the Guarantor as trustees for the Debenture Trustee and shall be paid over to the Debenture Trustee on account of the indebtedness or liabilities of the Company to the Debenture Trustee but without reducing or affecting in any manner the Guarantor's liabilities hereunder.

6. PAYMENTS

All payments to be made hereunder shall be in such form and manner and at such place as designated by the Debenture Trustee. If the Guarantor is required to make any payment hereunder to the Debenture Trustee subject to a deduction or withholding of an amount of any nature (including any tax other than any withholding tax to be deducted at source under the Income Tax Act, 1961), the sum payable by the Guarantor in respect of such deduction or withholding shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Debenture Trustee receive and retain (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which they would have received and so retained had no such deduction or withholding been made or required to be made. The Guarantor shall however have the right to make any deductions which may be required by Applicable Laws.

	
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7. NOTICES

- 7.1. Any notice or other communication required or permitted hereunder to any Party shall be in writing and shall be either personally delivered or sent by reputed overnight courier service or by email or sent by registered post acknowledgment due. Any notice or other communication shall be sent or delivered to the receiving Party at the address set forth herein, or at such other address as the Parties may from time to time designate by not less than 7 (seven) days' prior written notice to other Party:

In case of the **Guarantor:**



Attention: Mr. Jitendra Kumar
 Address: Plot No. 202, second Floor, Okhla Industrial Estate phase-III,
 New Delhi 110 020
 Phone: 011- 4959 8000
 E-mail: Jitendra.kumar@herofutureenergies.com

In the case of the **Debenture Trustee:**

Attention: Mr. Umesh Salvi
 Address: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kallna,
 Santacruz (East), Mumbai - 400098
 Phone: 022-4922055
 E-mail: umesh.salvi@ctltrustee.com

or any substitute address, facsimile number or department or officer as a Party may notify to the other Party.

- 7.2. Such notices and other communication duly given shall be deemed to be effective:
- 7.2.1 if sent by personal delivery, upon delivery at the address of the relevant Party;
- 7.2.2 if sent by registered post (with acknowledgment of receipt), 2 (two) Business Days after the date of posting;
- 7.2.3 if sent by reputed overnight courier service 2 (two) Business Days after the date of dispatch; and

	
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7.2.4 If sent by email, immediately upon successful transmission of the said email from the sender's system in case no delivery failure notification is received.

7.2.5 Any Party may, from time to time, change its address or representative for receipt of notices provided for in this Deed by giving to the other Party not less than 7 (seven) days' prior written notice

8. WAIVERS

No failure to exercise, nor any delay in exercising or non-exercise within prescribed timeliness or otherwise, on the part of the Debenture Trustee, any right or remedy under this Deed shall operate as a waiver or deemed acceptance, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. It is clarified that unless the Debenture Trustee has issued a waiver in writing for anything under the Transaction Documents, nothing shall be deemed/considered waived under the Transaction Documents and/or the Applicable Laws. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by Applicable Law.



9. SUCCESSORS

9.1. The Debenture Trustee shall, with a prior written intimation of at least 15 (fifteen) days to the Guarantor, be entitled to at any time assign all or any of its rights and benefits under this Deed to any Person and/or entity of good repute and on the same terms and conditions as applicable to the Debenture Trustee. However, it is clarified that such assignment will not require any approval from the Guarantor or any other Obligors under the Transaction Documents.

9.2. The Guarantor shall not be entitled to directly or indirectly assign its rights or obligations under this Guarantee in part or in whole to any Person.

10. PARTIAL INVALIDITY

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the Applicable Laws, rules and/or regulations the legality, validity or enforceability of (a) the remaining provisions of this Deed; and (b) such provisions under the Applicable Laws, rules and/or regulations shall not in any way be affected or impaired thereby.



	
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11. COSTS AND EXPENSES

All the Debenture Trustee's costs and expenses (including legal fees, stamp duties, registration fees and any value added tax and any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying any taxes) incurred in connection with the execution or enforcement of this Deed, shall be reimbursed by the Guarantor on demand on a full indemnity basis.

12. GOVERNING LAW AND JURISDICTION

- 12.1. This Deed and the rights and obligations of the Parties hereunder shall be construed in accordance with and be governed by the laws of India.
- 12.2. Each of the Parties agrees that the courts and tribunals New Delhi shall have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed and that accordingly any Proceedings arising out of or in connection with this Deed may be brought in such courts or the tribunals and the Parties irrevocably submit to and accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of those courts or tribunals.
- 12.3. The Parties irrevocably waive any objection now or in future, to decide of the venue of any Proceedings in the courts and tribunals at New Delhi, and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agree that a judgment in any Proceedings brought in the courts and tribunals at New Delhi shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction, (subject to the laws of such jurisdiction) by a suit upon such judgment, a certified copy of which shall be conclusive evidence of such judgment, or in any other manner provided by law.
- 12.4. Nothing contained in Clauses 12.2 and 12.3 above, shall limit any right of the Debenture Trustee to take Proceedings in any other court or tribunal of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other competent jurisdiction whether concurrently or not, and the Parties irrevocably submit to and accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Parties irrevocably waive any objection they may have now or in the future to the laying of the


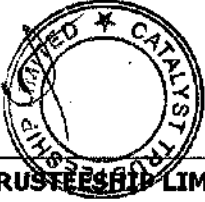
	
<p>HERO FUTURE ENERGIES PRIVATE LIMITED</p>	<p>CATALYST TRUSTEESHIP LIMITED</p>

venue of any Proceedings and any claim that any such Proceedings have been brought in an Inconvenient forum.

- 12.5. The Parties hereby consent generally in respect of any Proceedings arising out of or in connection with any Transaction Documents to the giving of any relief or the issue of any process in connection with such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in such Proceedings.
- 12.6. To the extent that the Parties may in any jurisdiction claim for themselves or their assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Parties hereby irrevocably agree not to claim and hereby irrevocably waive such immunity.

13. COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of such shall together constitute one and the same instrument. This Deed shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as signatories.

	
<p>HERO FUTURE ENERGIES PRIVATE LIMITED</p>	<p>CATALYST TRUSTEES (P) LIMITED</p>

SCHEDULE – 1

NOTICE OF DEMAND

To: Hero Future Energies Private Limited
From: _____

Date: _____

Dear Sir/Madam,

**Re: Deed of Corporate Guarantee dated _____ (the "Guarantee")
executed by Hero Future Energies Private Limited in favour of Catalyst
Trusteeship Limited _____.**

Hero Solar Energy Private Limited (CIN No. U40106DL2013PTC250501) ("**Company**") has not fulfilled their obligations under the Debenture Trust Deed dated _____, 2021 and an amount of Rs. _____ is due and payable by the Company. Accordingly, we hereby give you notice pursuant to Clause 2.1.1 of the Guarantee that we require you to pay an amount of Rs. _____ together with Interest, Default Interest and Liquidated Damages as set out in the Debenture Trust Deed. The Interest, Default Interest and Liquidated Damages shall be payable for the period commencing from _____ till the date of payment of all amount as per this letter.

The amounts should be paid to the following bank account:

[Insert details and the mode of payment]

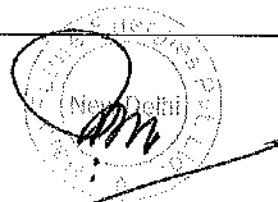

Capitalized terms used herein shall have the meaning given to them in the Guarantee.

Yours faithfully,

For [•]

Name:

Designation:

	
HERO FUTURE ENERGIES PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

IN WITNESS WHEREOF, the Parties hereto have caused this Deed to be executed and acknowledged by their respective officers or representatives hereunto duly authorized, as of the date first above written.

SIGNED AND DELIVERED by the within named HFEPL,
HERO FUTURE ENERGIES PRIVATE LIMITED, by
the hand

of Mr. Pooja Puri its

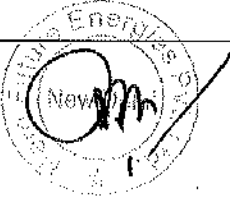

authorized signatory in whose presence the Common
Seal of **HERO FUTURE ENERGIES PRIVATE
LIMITED** has been affixed hereto pursuant to the
resolution passed by its ^{Board of Finance Committee} ~~board of directors~~ on
23rd September, 2021.



SIGNED AND DELIVERED BY THE DEBENTURE
TRUSTEE within named **CATALYST TRUSTEESHIP
LIMITED** by

Urvashi Arora the
authorized signatory.

For **CATALYST TRUSTEESHIP LIMITED**
Urvashi
Authorized Signatory

	
HERO FUTURE ENERGIES PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

**ANNEXURE-VIII
DUE DILIGENCE CERTIFICATE FROM DEBENTURE TRUSTEE**



CTL/21-22/2673

(Annexure A)

**DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM
(Applicable for Secured and Unsecured Issuances)**

To,

National Stock Exchange of India Limited.

Exchange Plaza, 5 Floor, Plot C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai 400 051.

Dear Sir / Madam,

SUB.: ISSUE OF 750 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF INR 10,00,000/- (INDIAN RUPEES TEN LAKHS ONLY) EACH (THE "DEBENTURES") AT PAR AGGREGATING TO INR 75,00,00,000/- (INDIAN RUPEES SEVENTY - FIVE CRORES ONLY) BY HERO SOLAR ENERGY PRIVATE LIMITED

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.
- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.



- e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.
- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.
- g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai

Date: September 25, 2021

For Catalyst Trusteeship Limited

For CATALYST TRUSTEESHIP LIMITED

ppaudyal
Authorized Signatory

Authorized Signatory



An ISO:9001 Company

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED)

Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 Tel +91 (020) 25280081 Fax +91 (020) 25280275
Delhi Office Office No. 810, 8th Floor, Kallash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 Tel 11 430 29101/02.
CIN No. U74999PN1997PLC110262 Email dt@ctltrustee.com Website www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai



**ANNEXURE IX
DETAILS OF OTHER DIRECTORSHIPS**

MR. RAHUL MUNJAL		
S. NO.	NAME OF THE COMPANY	DESIGNATION
1	Rockman Industries Limited	Director
2	Hero Solar Energy Private Limited	Director
3	Bm Munjal Energies Private Limited	Director
4	Hero Wind Energy Private Limited	Director
5	Hero Future Energies Private Limited	Chairman & Managing Director
6	Hero Housing Finance Limited	Director
7	Tessolve Semiconductor Private Limited	Director
8	PM Infosoft Private Limited	Director
9	RMFT Private Limited	Director
10	RKMFT Private Limited	Director
11	Chocolate Hospitality Ventures Pte. Ltd	Director
12	Margot Holdings Limited	Director
13	Hero Future Energies Global Ltd.	Director
14	Hero Future Energies Asia Pte. Ltd	Director
15	Clean Solar Power (Cambodia) CO. Ltd.	Director

MR. UJJWAL MUNJAL		
S. NO.	NAME OF THE COMPANY	DESIGNATION
1	HERO ELECTRONIX PRIVATE LIMITED	Director
2	QUEEN BUILDING SOLUTIONS PRIVATE LIMITED	Director
3	SURVAM CORPORATE SERVICES PRIVATE LIMITED	Director
4	ZENATIX SOLUTIONS PRIVATE LIMITED	Director
5	HALO GENERAL INSURANCE LIMITED	Director
6	HERO SOLAR ENERGY PRIVATE LIMITED	Director
7	HERO WIND ENERGY PRIVATE LIMITED	Director
8	MY BOX TECHNOLOGIES PRIVATE LIMITED	Director
9	ROCKMAN ADVANCED COMPOSITES PRIVATE LIMITED	Director
10	SURVAM INVESTMENTS PRIVATE LIMITED	Director
11	ROCKMAN INDUSTRIES LIMITED	Managing Director
12	TESSOLVE SEMICONDUCTOR PRIVATE LIMITED	Director

MR. RAJESH PURI		
S. NO.	NAME OF THE COMPANY	DESIGNATION
1	CLEAN SOLAR POWER (KADAPA) PRIVATE LIMITED	Director



2	CLEAN SOLAR POWER (BANIYANA) PRIVATE LIMITED	Director
3	CLEAN SOLAR ROOFTOP PRIVATE LIMITED	Director
4	HERO ROOFTOP ENERGY PRIVATE LIMITED	Director
5	CLEAN SOLAR POWER (GULBARGA) PRIVATE LIMITED	Director
6	CLEAN WIND POWER(BHAVNAGAR) PRIVATE LIMITED	Director
7	CLEAN SOLAR POWER (BHADLA) PRIVATE LIMITED	Director
8	CLEAN WIND POWER (DEVGARH) PRIVATE LIMITED	Director
9	WAANEER SOLAR PRIVATE LIMITED	Director
10	CLEAN SOLAR POWER (DHAR) PRIVATE LIMITED	Director
11	CLEAN WIND POWER (PRATAPGARH) PRIVATE LIMITED	Director
12	CLEAN WIND POWER (SATARA) PRIVATE LIMITED	Director
13	CLEAN WIND POWER (RATLAM) PRIVATE LIMITED	Director
14	HERO SOLAR ENERGY PRIVATE LIMITED	Director
15	HERO WIND ENERGY PRIVATE LIMITED	Director
16	BHILWARA GREEN ENERGY LIMITED	Director
17	LNJ POWER VENTURES LIMITED	Director

MR. MAYUR GUPTA		
S. NO.	NAME OF THE COMPANY	DESIGNATION
1	HERO SOLAR ENERGY PRIVATE LIMITED	DIRECTOR
2	RAJKOT (GUJARAT) SOLAR ENERGY PRIVATE LIMITED	DIRECTOR
3	CLEAN WIND POWER (PRATAPGARH) PRIVATE LIMITED	DIRECTOR
4	CLEAN SOLAR POWER (BELLARY) PRIVATE LIMITED	DIRECTOR
5	CLEAN SOLAR POWER (KADAPA) PRIVATE LIMITED	DIRECTOR
6	CLEAN SOLAR POWER (BANIYANA) PRIVATE LIMITED	DIRECTOR



**ANNEXURE X
IN-PRINCIPLE APPROVAL FROM NSE**





National Stock Exchange Of India Limited

Ref. No.: NSE/LIST/4126

September 29, 2021

The Company Secretary
Hero Solar Energy Private Limited
Plot No. 201, First Floor,
Okhla Industrial Estate Phase- III,
New Delhi -110020

Kind Attn.: Ms. Neha Sethi

Dear Madam,

Sub.: In-principle approval for listing of Non-Convertible Debentures on private placement basis

This is with reference to your application dated September 27, 2021 requesting for In-principle approval for listing of 750 Secured, Redeemable, Non-cumulative, Taxable, Non-convertible Debentures of face value of Rs. 1000000/- each, aggregating to Rs. 7500 lakhs, to be issued by Hero Solar Energy Private Limited on private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue, subject to adequate disclosures to be made in the Offer Document in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard and provided the Company prints the Disclaimer Clause as given below in the Offer Document after the SEBI disclaimer clause:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter Ref.: NSE/LIST/4126 dated September 29, 2021 or hosting the same on the website of NSE in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”



Please note that the approval given by us should not in any way be deemed or construed that the draft Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this draft Offer Document; nor does it warrant that the securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project.

Kindly also note that these debt instruments may be listed on the Exchange after the allotment process has been completed, provided the securities of the issuer are eligible for listing on the Exchange as per our listing criteria and the issuer fulfills the listing requirements of the Exchange. The issuer is responsible to ensure compliance with all the applicable guidelines issued by appropriate authorities from time to time including Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI & Exchange Circulars and other applicable laws in this regard.

Specific attention is drawn towards Para 1 of Chapter XV of SEBI Operational Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Accordingly, Issuers of privately placed debt securities in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of allotment of securities. The details can be uploaded using the following links:

<https://www.nse-ebp.com>

<https://www.nseebp.com/ebp/rest/reportingentity?new=true>

Further, the company shall ensure submission of financial results in accordance with Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if listed after the end of quarter but before due date for submission of said financial results.

Yours faithfully,

For National Stock Exchange of India Limited

Apurva Meghraj
Manager



This Document is Digitally Signed

Signer: Apurva Jawahir Meghraj
Date: Wed, Sep 29, 2021 18:01:00 IST
Location: NSE



**ANNEXURE XI
CONSENT FROM RTA**





Link Intime India Pvt. Ltd.

CIN : U67190MH1999PTC118368

C- 101, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai - 400 083.

Tel. : +91 22 4918 6000

Fax : +91 22 4918 6060

E-mail : mumbai@linkintime.co.in

Website : www.linkintime.co.in

Date : 21.09.2021

**To,
Hero Solar Energy Private Limited
Plot No. 201, First Floor, Okhla Industrial Estate
Ph-III, New Delhi-110020**

Dear Sir/Madam,

Sub.: Consent to act as Registrar to the Proposed issue of "SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES" Of Face Value Of Rs. 10,00,000/- (Ten Lakh) Each For Cash At Par Aggregating amount upto Rs. 75,00,00,000/- (Indian Rupees Seventy Five Crores) to be issued on private placement basis.

We refer to the subject issue and hereby accept our appointment as 'Registrar' for Electronic Connectivity Provider to issue of "SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES" Of Face Value Of Rs. **10,00,000/- (Ten Lakh)** Each For Cash At Par Aggregating amount upto **Rs. 75,00,00,000/- (Indian Rupees Seventy Five Crores)** and give our consent to incorporate our name as "Registrar to the Issue" in the offer documents.

Our Permanent SEBI Registration No.: INR000004058.

Thanking You.

Yours faithfully,

For Link Intime India Pvt Ltd.


Ganesh Jadhav

Asst. Vice President - Depository Operations



**ANNEXURE XII
NCD Cash Flows**

(In Rs)

Hero Solar Energy Private Ltd. (cashflow for face value)									
Quarter No.	NCD Amount	Disb.	Repayment	Loan O/s	From	To	Days	ROI	Interest
1	-	10,00,000	-	10,00,000.00	30-09-2021	31-12-2021	92	11.50%	28,986.30
2	10,00,000	-	-	10,00,000.00	31-12-2021	31-03-2022	90	11.50%	28,356.16
3	10,00,000	-	-	10,00,000.00	31-03-2022	30-06-2022	91	11.50%	28,671.23
4	10,00,000	-	1,42,857.14	8,57,142.86	30-06-2022	30-09-2022	92	11.50%	28,986.30
5	8,57,143	-	1,42,857.14	7,14,285.71	30-09-2022	31-12-2022	92	11.50%	24,845.40
6	7,14,286	-	1,42,857.14	5,71,428.57	31-12-2022	31-03-2023	90	11.50%	20,254.40
7	5,71,429	-	1,42,857.14	4,28,571.43	31-03-2023	30-06-2023	91	11.50%	16,383.56
8	4,28,571	-	1,42,857.14	2,85,714.29	30-06-2023	30-09-2023	92	11.50%	12,422.70
9	2,85,714	-	1,42,857.14	1,42,857.14	30-09-2023	31-12-2023	92	11.50%	8,281.80
10	1,42,857	-	1,42,857.14	-	31-12-2023	31-03-2024	91	11.50%	4,095.89
Illustration: if the call option is exercised after 12 months									
Quarter No.	NCD Amount	Disb.	Repayment	Loan O/s	From	To	Days	ROI	Interest
1	-	10,00,000	-	10,00,000.00	30-09-2021	31-12-2021	92	11.50%	28,986.30
2	10,00,000	-	-	10,00,000.00	31-12-2021	31-03-2022	90	11.50%	28,356.16
3	10,00,000	-	-	10,00,000.00	31-03-2022	30-06-2022	91	11.50%	28,671.23
4	10,00,000	-	10,00,000.00	-	30-06-2022	30-09-2022	92	11.50%	28,986.30
Illustration: if the call option is exercised after 18 months									
Quarter No.	NCD Amount	Disb.	Repayment	Loan O/s	From	To	Days	ROI	Interest
1	-	10,00,000	-	10,00,000.00	30-09-2021	31-12-2021	92	11.50%	28,986.30
2	10,00,000	-	-	10,00,000.00	31-12-2021	31-03-2022	90	11.50%	28,356.16
3	10,00,000	-	-	10,00,000.00	31-03-2022	30-06-2022	91	11.50%	28,671.23
4	10,00,000	-	1,42,857.14	8,57,142.86	30-06-2022	30-09-2022	92	11.50%	28,986.30
5	8,57,143	-	1,42,857.14	7,14,285.71	30-09-2022	31-12-2022	92	11.50%	24,845.40
6	7,14,286	-	7,14,285.71	-	31-12-2022	31-03-2023	90	11.50%	20,254.40
Illustration: if the call option is exercised after 24 months									
Quarter No.	NCD Amount	Disb.	Repayment	Loan O/s	From	To	Days	ROI	Interest
1	-	10,00,000	-	10,00,000.00	30-09-2021	31-12-2021	92	11.50%	28,986.30
2	10,00,000	-	-	10,00,000.00	31-12-2021	31-03-2022	90	11.50%	28,356.16
3	10,00,000	-	-	10,00,000.00	31-03-2022	30-06-2022	91	11.50%	28,671.23
4	10,00,000	-	1,42,857.14	8,57,142.86	30-06-2022	30-09-2022	92	11.50%	28,986.30
5	8,57,143	-	1,42,857.14	7,14,285.71	30-09-2022	31-12-2022	92	11.50%	24,845.40
6	7,14,286	-	1,42,857.14	5,71,428.57	31-12-2022	31-03-2023	90	11.50%	20,254.40
7	5,71,429	-	1,42,857.14	4,28,571.43	31-03-2023	30-06-2023	91	11.50%	16,383.56
8	4,28,571	-	4,28,571.43	-	30-06-2023	30-09-2023	92	11.50%	12,422.70



ANNEXURE-XIII
DEBENTURE TRUST DEED (DTD)



INDIA NON JUDICIAL

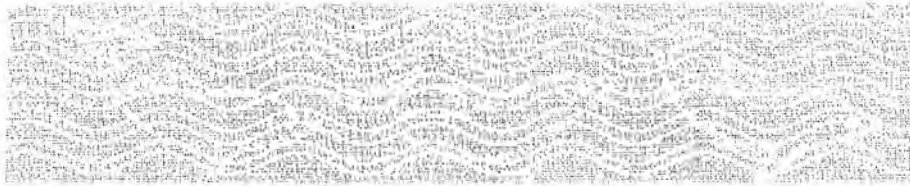
Government of National Capital Territory of Delhi



सत्यमेव जयते

e-Stamp

Certificate No. : IN-DL27439818260130T
Certificate Issued Date : 22-Sep-2021 06:33 PM
Account Reference : IMPACC (IV)/dl857503/ DELHI/ DL-DLH
Unique Doc. Reference : SUBIN-DL85750350787098152686T
Purchased by : HERO SOLAR ENERGY PRIVATE LIMITED
Description of Document : Article 5 General Agreement
Property Description : Not Applicable
Consideration Price (Rs.) : 0
(Zero)
First Party : HERO SOLAR ENERGY PRIVATE LIMITED
Second Party : CATALYST TRUSTEESHIP LTD
Stamp Duty Paid By : HERO SOLAR ENERGY PRIVATE LIMITED
Stamp Duty Amount(Rs.) : 500
(Five Hundred only)



Please write or type below this line

This stamp paper forms an integral part of
Debenture Trust Deed executed on 30th September, 2021
between Hero Solar Energy Private Ltd and Catalyst
Trusteeship Limited.



For CATALYST TRUSTEESHIP LIMITED

Gagan
Authorised Signatory

Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.



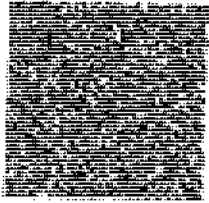
सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No. : IN-DL27437150244046T
Certificate Issued Date : 22-Sep-2021 06:30 PM
Account Reference : IMPACC (IV) / d1867503 / DELHI / DL-DLH
Unique Doc. Reference : SUBIN-DL DL85750350781248605808T
Purchased by : HERO SOLAR ENERGY PRIVATE LIMITED
Description of Document : Article 5 General Agreement
Property Description : Not Applicable
Consideration Price (Rs.) : 0
(Zero)
First Party : HERO SOLAR ENERGY PRIVATE LIMITED
Second Party : CATALYST TRUSTEESHIP LTD
Stamp Duty Paid By : HERO SOLAR ENERGY PRIVATE LIMITED
Stamp Duty Amount (Rs.) : 500
(Five Hundred only)



Please write or type below this line

This stamp paper forms an integral part of Debenture Trust Deed executed on 30th September, 2021 between Hero solar Energy Private Ltd. and Catalyst Trusteeship Ltd.



For CATALYST TRUSTEESHIP LIMITED

Gagan
Authorised Signatory

Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shohestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

DEBENTURE TRUST DEED

BY AND BETWEEN

HERO SOLAR ENERGY PRIVATE LIMITED

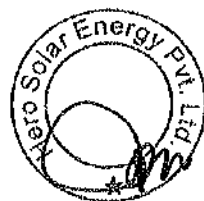
AND

CATALYST TRUSTEESHIP LIMITED

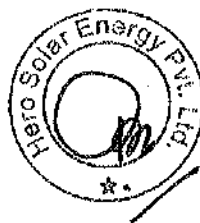


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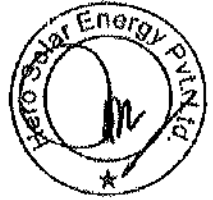


**DEBENTURE TRUST DEED**

This **DEBENTURE TRUST DEED** (this "Deed") made at Delhi on this 30th day of September, 2021:

BY AND BETWEEN:

HERO SOLAR ENERGY PRIVATE LIMITED, a company within the meaning of the Companies Act, 2013, with Corporate Identification Number (C.I.N.) U40106DL2013PTC250501 and having its registered office at Plot No. 201, First Floor, Okhla Industrial Estate Phase- III, New Delhi South Delhi 110020, India (hereinafter referred to as the "**Company**" which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors – in – interest and permitted assigns) of the **ONE PART**;



**AND**

CATALYST TRUSTEESHIP LIMITED, a company within the meaning of the Companies Act, 2013, with Corporate Identification Number (C.I.N.) U74999PN1997PLC110262 and having its registered office at GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud Pune, Maharashtra 411038, India and having its branch office at Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098 acting in its capacity of debenture trustee in trust and for the benefit of Debenture Holders (*as hereinafter defined*) and their successors and assigns from time to time (hereinafter referred to as the "**Debenture Trustee**", which expression shall, unless repugnant to the context or meaning thereof, mean and include its successors – in – office and permitted assigns, and such other Person as may be appointed as the Debenture Trustee (*as hereinafter defined*) in its place from time to time in accordance with the provisions of this Debenture Trust Deed (*as hereinafter defined*)) of the **OTHER PART**.

The Company and the Debenture Trustee are hereinafter collectively referred to as "**Parties**" and individually referred to as a "**Party**".

RECITALS**WHEREAS:**

- A. The Company is *inter alia* engaged in the business of generation, accumulation, transmission, distribution, purchase and sale of clean and green energy from non-conventional energy like bio-mass, waste, hydro, hydel, geo-hydel, wind, solar, tidal waves, oil and/or such other sources as available to construct, lay down, operate and maintain power energy generating stations ("**Business**").

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

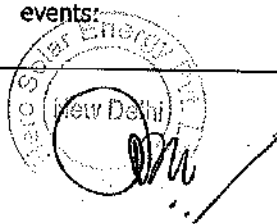

- B. The shareholders of the Company by their special resolutions passed at the meeting held on 23rd September, 2021, in accordance with the requirements of the Companies Act (*as defined hereinafter*) *inter alia* approved:
- (i) The issuance of the Debentures (*as defined hereinafter*) aggregating up to an amount of Rs. 75,00,00,000 (Rupees seventy five crore only) on a private placement basis; and
 - (ii) Creation of the Security (*as defined hereinafter*) to secure the Debentures.
- C. The Board of Directors of the Company in their meeting held on 23rd September, 2021 have resolved to issue the Debentures on a private placement basis as per the terms and conditions of this Deed.
- D. The Debenture Trustee is registered with the Securities Exchange Board of India as a debenture trustee under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. The Company has obtained the Debenture Trustee's consent to act as trustee for the Debenture Holder(s) (*as defined hereinafter*) *vide* letter bearing reference No. CL/MUM/21-22/DEB/465 dated September 17, 2021. In accordance with the terms of this Deed and the Debenture Trustee Agreement ("**Debenture Trustee Agreement**" or "**DTA**") and at the request of the Company, Catalyst Trusteeship Limited has agreed to act as the Debenture Trustee for the benefit of the Debenture Holders with respect to the Debentures on the terms and conditions agreed upon and hereinafter set out.
- E. This Deed is divided into the following sections: (i) Part A which sets out the terms of Debentures, which are standard in nature or are terms stipulated pursuant to statutory or regulatory requirements; and (ii) Part B which sets out the terms of the Debentures which are specific to this particular issuance.

NOW THEREFORE, IN VIEW OF THE FOREGOING AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS SET FORTH BELOW, THE PARTIES AGREE AS FOLLOWS:

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Unless otherwise defined in this Deed, the following capitalized terms shall have the following meaning:

1.1.1 "**Accelerated Redemption Events**" shall mean occurrence of any of the following events:

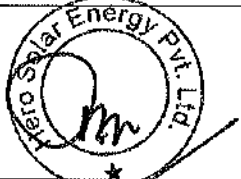

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

- (a) In the event, the shareholding of Hero Group as calculated on any day during the tenor of these Debentures, on a Fully Diluted Basis falls below 51% (fifty one percent) in the Company, HFEPL or HWEPL. However, in the event, there is a fresh issuance of equity shares for the purpose of utilising the proceeds towards reducing the Holdco Debt to below INR 1200,00,00,000/- (Indian Rupees twelve hundred crore only), the shareholding of Hero Group on a Fully Diluted Basis may reduce to 45%. In the Company, HFEPL or HWEPL on a Fully Diluted Basis and in such scenario, any fall below in shareholding of Hero Group to 45% (forty five percent) in the Company, HFEPL or HWEPL on a Fully Diluted Basis shall not be considered as an 'Accelerated Redemption Event'.
- (b) If Mr. Rahul Munjal (PAN number: AIZPM7525R), ceases to be appointed as a director of Hero Future Energies Global Limited and/ or managing director of HFEPL and/or Director of the Company.
- (c) There occurs an acceleration of more than 5% of the Consolidated Gross Debt in aggregate by any lender/lenders in any Financial Year in any entity which is consolidated into the consolidated financials of HFEPL prepared in accordance with the applicable Indian Accounting Standards.
- (d) The Company is classified as a core investment company in accordance with the requirements of any Applicable Laws.
- (e) In the event the Consolidated Net Debt to EBITDA Ratio of HFEPL is not less than the following maximum thresholds as of the following dates based on the relevant Audited Financial Statements of HFEPL for the relevant accounting periods:

Relevant date	Relevant threshold of Consolidated Net Debt to EBITDA Ratio
As of March 31, 2022	8 times
As of March 31, 2023 and beyond	7.5 times

- (f) In the event the Holdco Debt is more than the following thresholds as of the following dates based on the relevant Audited Financial Statements for the relevant accounting periods:

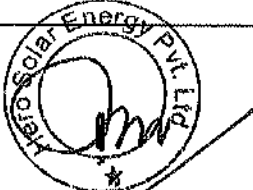
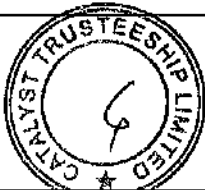
Relevant date	Relevant threshold of Holdco Debt (in INR)

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

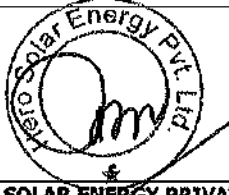

As of March 31, 2022	INR 1800,00,00,000/-
As of September 30, 2022 and beyond	INR 1200,00,00,000/-

The thresholds mentioned in point (e) and (f) above shall be calculated/tested semi-annually commencing from March 31, 2022.

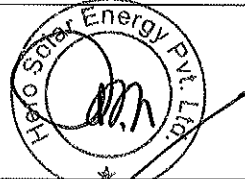

- 1.1.2 **"Accounting Standards"** shall mean the accounting principles, conventions, rules and estimation techniques according to Indian GAAP or Indian Accounting Standards (IndAS) as and when it becomes applicable.
- 1.1.3 **"Act" or "Companies Act"** shall mean the Companies Act, 2013, as amended from time to time.
- 1.1.4 **"Affiliate"** shall mean, in relation to any person and at a given time of determination, any person which is a holding company or subsidiary of such Person, or any Person which, directly or indirectly, (a) controls such Person, (b) is controlled by such Person, (c) is controlled by the same Person who, directly or indirectly, controls such Person, or (d) is a Subsidiary of the same Person of which the Person is a subsidiary, or (e) in relation to a natural Person, a relative of such Person. For the purposes of this definition, the term "control", "holding company", "subsidiary", "relative" shall have the meanings ascribed to them under the Act.
- 1.1.5 **"Alternative Security"** shall have the meaning ascribed to the term in ARTICLE 8.6.
- 1.1.6 **"Applicable Laws"** shall mean any statute, treaty, law, code, regulation, ordinance, rule, notification, judgment, order, decree, bye-law, approval of any Governmental Authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law, of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the Execution Date or at any time thereafter.
- 1.1.7 **"Audited Financial Statements"** shall mean the consolidated and standalone audited financial statements of the relevant Person, including the balance sheet, profit and loss account, cash flow statements, together with the auditor's report thereon, notes and statements to them and all such documents which are required to be annexed to such audited financial statements under Applicable Law and the Accounting Standards.
- 1.1.8 **"Board"** shall mean the board of directors of the Company.

	
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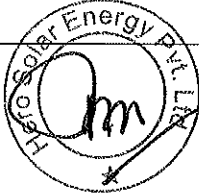
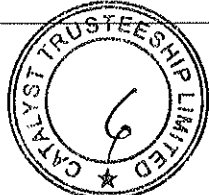
- 1.1.9 **"Borrowing Cap"** shall mean the maximum level of borrowing that can be availed by the Company without requiring the prior written consent of the Debenture Trustee and/ or the Debenture Holders.
- 1.1.10 **"Business Day"** shall mean a day on which the banks in New Delhi and Mumbai are open for regular working and which is not:
- (a) A public holiday under Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) as applicable at respective places; or
 - (b) A Saturday or a Sunday; or
 - (c) Any other day when the clearing facility offered by the Reserve Bank of India is unavailable.
- 1.1.11 **"Cheques"** shall mean the cheques drawn on any scheduled commercial bank by the Company in favour of the Debenture Holders for the purpose of repayment of the Principal Amount of the Debentures as well as the Interest payable in connection with the Debentures, that are payable commencing from the Deemed Date of Allotment till the Maturity Date, in accordance with the terms and conditions of this Deed.
- 1.1.12 **"Claim"** or **"Loss"** shall mean any and all costs, expenses, losses, claims, damage, fine, penalty, etc. including due to or towards any liability, obligations, deficiencies, injury, diminution of value, Taxes Proceedings (including the attorneys' or other professional fees and expenses, court costs), judgment, etc.
- 1.1.13 **"Clearances"** shall mean any consent, licence, approval, permit, ruling, exemption, no – objection certificate or other authorisation or permission of whatsoever nature which is required to be obtained from and / or granted by any Governmental Authority required from time to time.
- 1.1.14 **"Closing"** shall mean the subscription of the Debentures by the Debenture Holders on the Closing Date in accordance with the terms and conditions of this Deed.
- 1.1.15 **"Closing Date"** shall have the meaning as ascribed to it in **ARTICLE 5.1.1** hereto.
- 1.1.16 **"Conditions Precedent"** shall have the meaning ascribed to it in **ARTICLE 4.1** hereto.

	
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- 1.1.17 **"Conditions Subsequent"** shall have the meaning ascribed to it in **ARTICLE 5.2** hereto.
- 1.1.18 **"Constitutional Documents"** shall mean the memorandum of association and the articles of association of the relevant entity.
- 1.1.19 **"Consolidated Gross Debt"** with respect to any Person, shall mean the aggregate of each of the following items, based on the consolidated financial statements of HFEPL prepared as per Accounting Standards for the relevant period: (A) all long-term debt outstanding, whether secured or unsecured including current maturities of long term debt of such Person; (B) any redeemable preference shares including premium if any, optionally convertible debentures including redemption premium thereon, if any, of such Person; (C) any short term debt outstanding, whether secured or unsecured of such Person; (D) the receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (E) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (F) any bank guarantees availed by such Person (but excluding any performance-related bank guarantees and/or bank guarantees which have been provided for the purpose of any project and/or its business) issued for debt service reserve amounts, disputed claims and other financial guarantees; (G) any amounts and/or claims in relation to any indebtedness which have been disputed by such Person; (H) any financial guarantees and/or contingent liabilities of such Person; and (I) any letter of credit/letter of undertaking facility availed of by such Person and/or any amount raised by acceptance under any acceptance credit facility. For the avoidance of any doubt, it is hereby clarified that none of the items/amounts above are to be counted twice and any unsecured and subordinated borrowings from any holding companies and/or Sponsors shall not be considered in the above computation and all amounts shall be based on the consolidated financial statements of HFEPL prepared as per Accounting Standards for the relevant period. For the avoidance of any doubt, it is hereby clarified that the optionally convertible debentures subscribed by M/s O2 Power SG Pte Limited existing as of the Execution Date will also be excluded for the aforesaid computation.
- 1.1.20 **"Consolidated Net Debt"** with respect to any Person, shall mean the Consolidated Gross Debt less of, net of and/or reduced by lien free cash and bank balances and deposits of such Person (provided that any lien marked cash/bank balances pertaining to the Consolidated Gross Debt shall be considered lien free for the purposes of the calculation of Consolidated Net Debt, based on the consolidated financial statements of HFEPL prepared as per Accounting Standards for the relevant period.

	
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- 1.1.21 **"Credit Rating"** shall mean "CRISIL A+/ Stable" for the Debentures of the Company dated 24th September, 2021 or the Company and renewal of the same from time to time.
- 1.1.22 **"Debentures"** shall mean up to 600 (six hundred only) secured, listed, rated, non – convertible, redeemable debentures of face value of Rs. 10,00,000 (Rupees ten lakh only) each for an aggregate amount up to Rs. 60,00,00,000 (Rupees sixty crore only), to be issued in accordance with terms of this Deed.
- 1.1.23 **"Debenture Holders"** shall mean the holders of the Debentures from time to time and includes their transferees or assigns or such other Persons who are for the time being, holders of the Debentures and whose names are entered in the register of debenture holders of the Company in accordance with the requirements of the Act.
- 1.1.24 **"Debenture Trustee Agreement" / "DTA"** shall have the meaning ascribed to such term in Recital D of this Deed.
- 1.1.25 **"Deed(s) of Corporate Guarantee"** shall mean deed(s) of corporate guarantee executed / to be executed by HFEPL in favour of the Debenture Trustee in the form and manner acceptable to the Debenture Trustee to secure the Outstanding Amounts.
- 1.1.26 **"Deed(s) of Hypothecation"** shall mean the deed(s) of hypothecation or such other document executed / to be executed for creation of charge over the Hypothecated Assets in favour of the Debenture Trustee in the form and manner acceptable to the Debenture Trustee to secure the Secured Obligations.
- 1.1.27 **"Deemed Date of Allotment"** shall mean the date on which the Subscription Amount is received and the Debentures are allotted by the Company for the Debentures.
- 1.1.28 **"Default Interest"** shall mean the interest calculated at the Default Interest Rate, which shall be payable as set out in **Paragraph 9 of Annexure – 1** of this Deed.
- 1.1.29 **"Default Interest Rate"** shall mean the rate prescribed in **Paragraph 9 of Annexure – 1** of this Deed.
- 1.1.30 **"Demand Promissory Note"** shall mean the demand promissory note executed / to be executed by the Company in favour of the Debenture Trustee, in the form and manner acceptable to the Debenture Trustee, in accordance with the terms and conditions of this Deed.

	
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1.1.31 **"Debenture Delisting Event"** shall mean any corporate action, proceedings or other procedure or step being taken in relation to, or the occurrence of the following events:

- (a) the Debentures have ceased or (as at a stipulated date) will cease to be listed, traded or publicly quoted on the Stock Exchange for any reason other than any general suspension of trading on the Stock Exchange where the Debentures are listed; or
- (b) the trading in any Debenture has been suspended for any reason on the Stock Exchange for a consecutive period of 3 trading days for any reason other than any general suspension of trading on the Stock Exchange where the Debentures are listed.

1.1.32 **"Depository"** shall mean National Securities Depository Limited (NSDL) and / or Central Depository Services (India) Limited (CDSL), as the case may be.

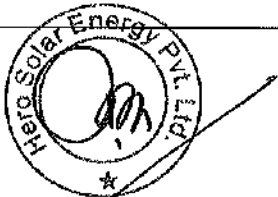

1.1.33 **"Depository Participant"** shall mean the relevant depository participant registered with the Depository, as per the requirements of the Depositories Act, 1996 and with whom the Pledgors hold / shall hold its account for holding of the Pledged Shares (as applicable).

1.1.34 **"Director(s)"** shall mean the director(s) of the Company.

1.1.35 **"Due Date"** shall mean:



- (a) in relation to the payment of Interest on the Debentures, the Interest Payment Dates;
- (b) in relation to Redemption, the Redemption Date;
- (c) in relation to any other Outstanding Amounts under the Transaction Documents, the date on which such amount falls due in terms of the Transaction Documents, as the case may be; and
- (d) with respect to fulfilment of any of the Conditions Subsequent, the expiry date of the relevant Conditions Subsequent as set out in this Deed.

1.1.36 **"DSRA"** shall mean the debt service reserve account of the Company created / to be created by the Company at the minimum DSRA Amount and shall be charged in favour of the Debenture Trustee and which may be maintained in the form of cash or bank guarantee, where in case of bank guarantee, the same shall be issued by a bank rated


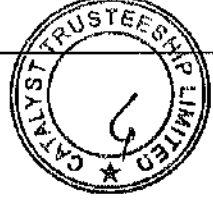
	
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AAA and shall be replaced within 30 (thirty) days in the event of downgrade of the bank. In the event, the bank guarantee is not renewed 15 (fifteen) days prior to the date of expiry of the bank guarantee, the Debenture Trustee shall have the right to Invoke such bank guarantee.

- 1.1.37 **"DSRA Amount"** shall mean an amount equivalent to at least the Outstanding Amounts (whether Interest and/or Principal Amount) which are due for immediately succeeding period of 3 (three) months to be maintained at all times till the Settlement Date as per the terms of this Deed/the Transaction Documents.
- 1.1.38 **"Early Redemption"** shall have the meaning as ascribed to it in **Paragraph 4.2 of Annexure – 1** hereto.
- 1.1.39 **"EBITDA"** shall mean the aggregate of: (a) profit after tax for that period; (b) amortization / depreciation for such period including other non-cash items; (c) deferred tax; (d) interest and other finance charges under the profit and loss account accrued/payable less notional other income. In case there are notional expenses booked against the notional income excluded, those notional expenses will be added for the above calculations.
- 1.1.40 **"Encumbrance"** shall mean any right, title and/or interest or equity of any nature whatsoever (including any right to acquire, option or right of pre-emption) or any mortgage, pledge, deed of trust, hypothecation, right of others (including right of set-off or counterclaim), claim, security interest, burden, title defect, title retention agreement, lease, sublease, license, voting trust agreement, interest, option, proxy, lien, charge, covenant, condition, purchase agreement, actionable claim or any security agreement, security arrangement, other restriction/s, limitations or encumbrance of any nature whatsoever.
- 1.1.41 **"Equity Share(s)"** shall mean fully issued and paid – up equity share(s) of the relevant entity.
- 1.1.42 **"Equity Share Capital"** shall mean the total issued, subscribed and paid-up equity share capital of the Company, on a Fully Diluted Basis, from time to time.
- 1.1.43 **"Event of Default"** shall have the meaning ascribed to it in **Paragraph 1 of Annexure – 3** hereto.
- 1.1.44 **"Execution Date"** shall mean the date of this Deed.

	
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- 1.1.45 **"Financial Covenants"** shall mean the covenants as set out in **ARTICLE 10.7** of this Deed.
- 1.1.46 **"Fiscal Quarter"** shall mean each calendar quarter commencing from April 1 to June 30, July 1 to September 30, October 1 to December 31 and January 1 to March 31 of each Fiscal Year.
- 1.1.47 **"Fiscal Year"** or **"Financial Year"** shall mean the accounting period commencing from April 1 of each year till March 31 of next year.
- 1.1.48 **"Fully Diluted Basis"** with respect to any Person, shall mean that the calculation should be made in relation to the equity share capital of such Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other Securities convertible into or exercisable or exchangeable for Equity Shares of such Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of Equity Shares possible under the terms thereof.
- 1.1.49 **"Governmental Authority"** means any national, supranational, regional or local government, or governmental, statutory, regulatory, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity, or central bank (or any Person whether or not government owned and howsoever constituted or called, that exercises the functions of the central bank).
- 1.1.50 **"Hero Group"** shall mean hero group promoted by Munjal Family i.e. Bahadur Chand Investments Private Ltd (CIN U65921DL1979PTC331322) and Brijmohan Lal Om Prakash partnership firm (PAN: AABFB0636L).
- 1.1.51 **"HFEPL"** shall mean Hero Future Energies Private Limited, a company within the meaning of the Companies Act, 2013, with Corporate Identification Number (C.I.N.) U40300DL2013PTC253648 and having its registered office at Plot no. 201, first floor, Okhla Industrial Estate Phase- III, New Delhi, South Delhi – 110020.
- 1.1.52 **"HFEPL Loans"** shall mean such loans availed by the Company from HFEPL required to maintain the Required Security Cover of 1.1 (one point one) times at all times till the Settlement Date, the details of which are set out in **Part A of Annexure – 12** of this Deed.
- 1.1.53 **"HFEPL Loan Documents"** shall mean the documents in relation to HFEPL Loans as set out in **Part B of Annexure – 12** of this Deed.



	
<p>HERO SOLAR ENERGY PRIVATE LIMITED</p>	<p>CATALYST TRUSTEESHIP LIMITED</p>

1.1.54 **"HFEPL Receivables"** shall mean any and all monies / amounts to be received, whether directly or indirectly from any source including cash, cheques, demand drafts, pay order, electronic transfer ..

1.1.55 **"Holdco Debt"** shall mean collectively, the HFEPL standalone Debt, the Company standalone Debt and the HWEPL standalone Debt, where:

(a) **"HFEPL Standalone Debt"** shall mean any Indebtedness availed of by HFEPL on standalone basis as of the relevant calculation date including without limitation: (A) All long-term debt outstanding, whether secured or unsecured including current maturities of long term debt; (B) any redeemable preference shares including premium if any, optionally convertible debentures including redemption premium thereon, if any; (C) any short term debt outstanding, whether secured or unsecured; (D) any Receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis) (E) any bank guarantees which are availed by HFEPL (but excluding any performance-related bank guarantees and/or bank guarantees which have been provided for the purpose of any project and/or its business) issued for maintenance of debt service reserve amounts, disputed claims and any other financial guarantees; (F) any amounts and/or claims in relation to any Indebtedness which have been disputed by HFEPL; (G) any financial guarantees and/or contingent liabilities of HFEPL given on behalf of any entity which is not being consolidated into the consolidated financials of HFEPL prepared in accordance with applicable Accounting Standards ; (H) any letter of credit facility/letter of undertaking availed of by HFEPL and/or any amount raised by acceptance under any acceptance credit facility; (I) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; but excluding amounts raised by HFEPL in the form of unsecured and subordinated borrowings from any of the holding companies and/or Sponsors.


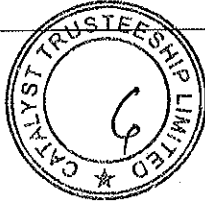
(b) **"Company Standalone Debt"** shall mean any Indebtedness availed of by the Company on standalone basis as of the relevant calculation date including without limitation: (A) All long-term debt outstanding, whether secured or unsecured including current maturities of long term debt; (B) any redeemable preference shares including premium if any, optionally convertible debentures including redemption premium thereon, if any; (C) any short term debt outstanding, whether secured or unsecured; (D) any Receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis) (E) any bank guarantees which are availed by the Company (but excluding any performance-related bank guarantees and/or bank

	
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guarantees which have been provided for the purpose of any project and/or its business) issued for maintenance of debt service reserve amounts, disputed claims and any other financial guarantees; (F) any amounts and/or claims in relation to any Indebtedness which have been disputed by the Company; (G) any financial guarantees and/or contingent liabilities of the Company given on behalf of any entity which is not being consolidated into the consolidated financials of HFEPL prepared in accordance with applicable Accounting Standards ; (H) any letter of credit facility/letter of undertaking availed of by the Company and/or any amount raised by acceptance under any acceptance credit facility; (I) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; but excluding amounts raised by HFEPL in the form of unsecured and subordinated borrowings from any of the holding companies and/or Sponsors.

- (c) **"HWEPL standalone Debt"** shall mean any Indebtedness availed of by HWEPL on standalone basis as of the relevant calculation date including without limitation: (A) All long-term debt outstanding, whether secured or unsecured including current maturities of long term debt; (B) any redeemable preference shares including premium if any, optionally convertible debentures including redemption premium thereon, if any; (C) any short term debt outstanding, whether secured or unsecured; (D) any Receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis) (E) any bank guarantees which are availed by HWEPL (but excluding any performance-related bank guarantees and/or bank guarantees which have been provided for the purpose of any project and/or its business) issued for maintenance of debt service reserve amounts, disputed claims and any other financial guarantees; (F) any amounts and/or claims in relation to any Indebtedness which have been disputed by HWEPL; (G) any financial guarantees and/or contingent liabilities of HWEPL given on behalf of any entity which is not being consolidated into the consolidated financials of HFEPL prepared in accordance with applicable Accounting Standards ; (H) any letter of credit facility/letter of undertaking availed of by HWEPL and/or any amount raised by acceptance under any acceptance credit facility; (I) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; but excluding amounts raised by HWEPL in the form of unsecured and subordinated borrowings from any of the holding companies and/or Sponsors.

1.1.56 **"Hypothecated Assets"** shall collectively mean, **"Hypothecated Assets 1"**, **"Hypothecated Assets 2"**, **"Hypothecated Assets 3"** over which charge by way of

	
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hypothecation is being created as per the terms and conditions of the Deed(s) of Hypothecation, and the term "**Hypothecated Asset**" shall refer to each of them,

Where:

"**Hypothecated Assets 1**" shall mean all present and future rights, title, interest, benefits, claims and demands whatsoever in relation to the HFEPL Receivables of the HFEPL Loans and all other rights of HFEPL with respect to the HFEPL Loans under the HFEPL Loan Documents.


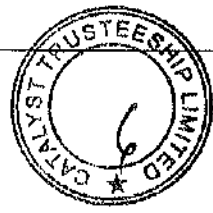
"**Hypothecated Assets 2**" shall mean all present and future rights, title, interest, benefits, claims and demands whatsoever in relation to the WSPL Receivables of the WSPL Loans and all other rights of the Company with respect to the WSPL Loans under the WSPL Loan Documents; and

"**Hypothecated Assets 3**" shall mean all the present and future rights, title, interest, benefit, claims and demands whatsoever in the DSRA opened by the Company, and including all other assets and securities which represent all amounts on the DSRA and all the monies, securities, instruments, investments, and other properties deposited in, credited to or required to be deposited in or credited to or lying to the credit of the DSRA or liable to be credited to the DSRA from time to time, as may be more particularly set out and detailed under the Deed(s) of Hypothecation.

1.1.57 "**HWEPL**" shall mean Hero Wind Energy Private Limited, a company within the meaning of the Companies Act, 1956, with Corporate Identification Number (C.I.N.) U40300DL2013PTC251839 and having its registered office at Plot no. 201, third floor, Okhla Industrial Estate Phase- III, New Delhi, South Delhi 110020.

1.1.58 "**Indebtedness**" shall mean any indebtedness for or in respect of the Company on a consolidated basis:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Indian Accounting Standards / GAAP, be treated as a finance or capital lease;
- (d) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

	
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- (e) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, whether called by that name or otherwise;
- (f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark – to – market value shall be taken into account);
- (g) the supply of any goods or services which is more than 30 (thirty) Business Days past the original due date for payment;
- (h) any counter – indemnity obligation in respect of the guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution or any other entity; and
- (l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

1.1.59 **“Insolvency Event”** with respect to a Person, means occurrence of any of the following events:



- (a) the Person is unable or admits inability to pay, repay, prepay as the case maybe, its debts as they fall due and is unable to cure such default under relevant arrangement or suspends making payments on any of its debts; or
- (b) the value of the assets of that Person in its latest financial statements is less than its liabilities (taking into account contingent liabilities); or
- (c) any Person files any application for commencement of any insolvency, bankruptcy, winding up or liquidation or any similar proceedings against such Person or such Person voluntarily files an application for the same itself; or
- (d) any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, a moratorium or waiver is declared in respect of any indebtedness, winding-up, dissolution, administration, judicial management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of that Person other than its solvent reorganisation and such proceedings / procedure / step is not dismissed or stayed by a court of competent jurisdiction; or

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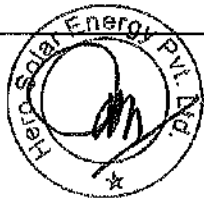
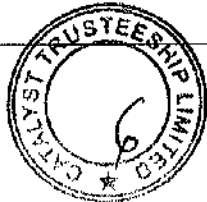
- (e) a composition or arrangement with a body of creditors of that Person, or an assignment for the benefit of its creditors generally or a class of such creditors; or
- (f) the appointment of a liquidator, receiver, trustee, judicial manager, administrator, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of that Person or any of its assets; or
- (g) enforcement of any mortgage, charge, pledge, lien or other security interest (or any other agreement or arrangement having a similar effect) over all or substantially all of the assets of that Person, or any analogous procedure or step is taken in any jurisdiction; or
- (h) sells or transfers, or commences any negotiation with any third party for sale or transfer, or attempts to sell or transfer or otherwise disposes of all or substantially all of its assets; or
- (i) that Person ceases or threatens to cease to carry on the whole or any substantial part of its core business.
- (j) that Person is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors.
- (k) any reference, enquiry or proceedings in respect of preparation of a resolution plan for such Person pursuant to RBI Circular bearing reference No. RBI/2018-19/ 203 DBR.No.BP.BC.45/21.04.048/2018-19 titled as 'Prudential Framework for Resolution of Stressed Assets' dated June 7, 2019 or any analogous procedure or step is taken in any jurisdiction.

1.1.60 "Interest" shall mean the interest calculated at the Interest Rate payable on the Outstanding Principal Amounts in accordance with the terms set out in this Deed.

1.1.61 "Interest Payment Date" shall mean the last Business Day of the applicable Fiscal Quarter, where the first 'Interest Payment Date' shall be the last Business Day of the Fiscal Quarter ending on December 31, 2021 and the last interest payment date shall be the Maturity Date.

	
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- 1.1.62 **"Initial Interest Rate"** shall mean a fixed rate of 11.5% (eleven point five percent) per annum payable quarterly on the Outstanding Principal Amounts in accordance with the terms set out in this Deed.
- 1.1.63 **"Interest Rate"** shall mean the Initial Interest Rate subject to Interest Reset as per the terms and conditions of this Deed from time to time, pursuant to any step up or step down of Interest Rate as determined in accordance with the requirements of **Paragraph 8.4 of Annexure 1** of this Deed.
- 1.1.64 **"Interest Reset"** shall mean a step up or step down in the Interest Rate, determined in accordance with the requirements of **Paragraph 8.4 of Annexure 1** of this Deed.
- 1.1.65 **"Letter of Continuity"** shall mean the letter of continuity executed / to be executed by the Company in favour of the Debenture Trustee, in the form and manner acceptable to the Debenture Trustee, in accordance with the terms and conditions of this Deed.
- 1.1.66 **"Lock-In Period"** shall mean the period of 12 (twelve) months commencing from the Deemed Date of Allotment, as per the terms and conditions of this Deed.
- 1.1.67 **"Majority Debenture Holders"** shall mean, the Debenture Holders of the Company holding an aggregate amount representing not less than 51% (fifty-one per cent) of the value of the nominal amount of the Debentures, outstanding at the relevant time.
- 1.1.68 **"Material Adverse Event"** means any event, occurrence, fact, conditions, change, development, effect or circumstance which in the sole opinion of the Debenture Trustee, is likely to have a material and/or adverse effect on or a material and/or adverse change in:
- (a) the business, operations, properties, results of operations, liabilities, condition (financial or otherwise) prospects, properties and assets (including intangible properties), or the carrying on the business or operations of the Company and/or any of the Security Providers or HFEPL and or WSPL; or
 - (b) the ability of the Company and/or any of the Security Providers and or WSPL to perform and comply with any of its obligations under the Transaction Documents or to consummate the transactions contemplated hereby.
 - (c) the validity, legality, priority, ranking or enforceability of, or the rights or remedies of any debenture holder under any Transaction Document.

	
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(d) any other effect or change which adversely affect the interest of the debenture holder(s) or the debenture trustee under any of the Transaction Documents.

1.1.69 **"Maturity Date"** shall mean the date of expiry of a period of 30 (thirty) months commencing from the Deemed Date of Allotment, as per the terms and conditions of this Deed.



1.1.70 **"Outstanding Amounts"** shall mean at any time, all amounts payable (whether due or not) by the Company to the Debenture Holder(s) pursuant to the terms of the Transaction Documents pertaining to the Debentures, including without limitation:

- (l) The Outstanding Principal Amount, Interest and all other obligations and liabilities of the Company, including indemnities, Default Interest, fees (including Debenture Trustee's fee) arising out of or in connection with the Debentures or any other Transaction Documents;
- (m) Any and all sums expended by the Debenture Holder(s) and / or the Debenture Trustee and / or any other third party in order to preserve the Security;
- (n) Any and all expenses incurred by the Debenture Holder(s) and / or the Debenture Trustee for enforcement and collection of its amounts payable under the Transaction Documents including expenses of enforcement and realization of the Security; and
- (o) Legal fees payable for this transaction, and all other costs, charges and expenses, redemption proceeds and other amounts payable to the Debenture Trustee/Debenture Holders under the Transaction Documents in respect of the Debentures.


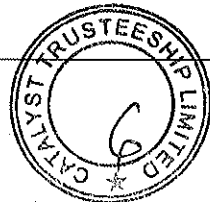
1.1.71 **"Outstanding Principal Amount"** shall mean, at any relevant time, the aggregate face value of the outstanding Debentures i.e. Rs. 10,00,000 (Rupees ten lakh only) and as reduced from time to time as per paragraph 4.14 of Annexure-1 per Debenture multiplied by number of the outstanding Debentures issued as per the terms and conditions of this Deed.

1.1.72 **"Person"** shall mean and include any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative.



1.1.73 [intentionally left blank]

	
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- 1.1.74 **"Placement Memorandum"** shall mean the draft disclosure document and the final disclosure document to be filed by the Company with the Stock Exchange in the event that the Debentures are listed.
- 1.1.75 **"Pledge Agreement"** shall mean the pledge agreement executed/to be executed Inter alia by the Company in respect of the Pledged Shares, in favour of the Debenture Trustee in the form and manner acceptable to the Debenture Trustee in order to secure the due payment of the Outstanding Amounts.
- 1.1.76 **"Pledged Shares"** shall mean 10,04,49,999 (ten crore four lakh forty nine thousand four hundred and ninety nine only) number of equity shares of WSPL as held by the Pledgor representing 49% (forty nine) percent of the total equity shares of WSPL as of the Execution Date, pledged by the Company in accordance with the terms and conditions of this Deed. The details of the existing Pledged Shares are set out in **Annexure – 11** hereto.
- 1.1.77 **"Pledgor(s)"** shall mean the Company.
- 1.1.78 **"Principal Amount"** shall mean the aggregate face value of Debentures i.e. Rs. 10,00,000 (Rupees ten lakh only) per Debenture and as reduced from time to time as per paragraph 4.14 of Annexure-1 multiplied by number of the Debentures issued by the Company pursuant to this Deed.
- 1.1.79 **"Proceeding"** means any action, arbitration, audit (commissioned by a Governmental Authority), examination (commissioned by a Governmental Authority), investigation (commissioned by a Governmental Authority), hearing, litigation, claims or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, and whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Person, Governmental Authority or arbitrator.
- 1.1.80 **"Promoter"** shall mean HFEPL
- 1.1.81 **"Recovery Expense Fund"** shall mean a fund contributed by the Company towards creation of a recovery expense fund as required to be created in terms of the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 titled "Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" issued by SEBI, as amended from time to time.
- 1.1.82 **"Redemption"** shall mean the event of redemption of the Debentures at any time as per the provisions of this Deed including the Early Redemption.

	
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- 1.1.83 **"Redemption Date"** shall have the meaning as ascribed to it in **Paragraph 4.1 of Annexure – 1** hereto.
- 1.1.84 **"Related Party"** means, with respect to a Person, any other Person who is an Affiliate of that Person and (to the extent not already covered by the foregoing) any Person who would be considered a related party of such Person by virtue of: (a) the Accounting Standards pertaining to "Related Party Disclosures"; and / or (b) the Act.
- 1.1.85 **"Repayment Schedule"** shall have the meaning as ascribed to the term under **Paragraph 4.3 of Annexure – 1** hereto.
- 1.1.86 **"Required Security Cover"** shall mean the Security Cover being at least 1.1 (one point one) times of the Outstanding Amounts which shall be required to be maintained by the Company at all times till the Settlement Date, in accordance with the terms and conditions of this Deed.
- 1.1.87 **"SEBI Debenture Circulars"** shall mean the circulars regarding debt instruments and debenture trustees issued by SEBI including *inter alia* the circulars bearing reference numbers (i) SEBI/HO/DDHS/CIR/P/2020/198 dated October 5, 2020; (ii) SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020; (iii) SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020; (iv) SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 and dated November 12, 2020; (v) SEBI/HO/DDHS/P/CIR/2021/613 and dated August 10, 2021 and all circulars issued from time to time.
- 1.1.88 **"SEBI Laws"** shall mean the Securities and Exchange Board of India Act, 1992 and rules, regulations, notifications, circulars, orders, etc. issued under or pursuant to the said act.
- 1.1.89 **"Secured Obligations"** shall mean all present and future obligations and liabilities (whether financial, performance or otherwise, whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) payable to the Debenture Holders / Debenture Trustee including in connection with the issue and subscription of the Debentures, payment / repayment of its Outstanding Amounts and the creation, preservation and maintenance of Security and all costs and expenses incurred relation thereto under the Transaction Documents.
- 1.1.90 **"Secured Properties"** shall collectively mean the Hypothecated Assets, the Pledged Shares and the Alternative Security and the term **"Secured Property"** shall mean each of them.

	
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- 1.1.91 **"Securities"** shall mean the equity shares and other equity linked securities including shares, scrips, stocks, convertible Instruments, bonds, debentures, preference shares, warrants, options, debt Instruments, and such other securities of a like nature of the relevant entity.
- 1.1.92 **"Security"** shall have the meaning ascribed to the term in **ARTICLE 8.1.**
- 1.1.93 **"Security Cover"** shall mean at the end of every Financial Year, the ratio of the aggregate of the Pledged Shares Value, Hypothecated Asset Value and the Alternative Security Value to the aggregate Outstanding Amounts, as per the terms and conditions of this Deed,

Where:



"Pledged Shares Value" shall mean, the total book value of the Pledged Shares as per its latest audited financial statements of WSPL.

"Hypothecated Asset Value" shall mean, the total book value of the Hypothecated Assets as per its latest audited financial statements.

"Alternative Security Value" shall mean the total book value of the Alternative Security as per the latest audited financial statements. In case of equity shares forming part of Alternate Security, the Alternate Security Value shall mean the total book value of the pledged equity as appearing in the investee company.

- 1.1.94 **"Security Cover Trigger Event"** shall mean on any relevant date, in the opinion of the Debenture Trustee / Debenture Holders, the Security Cover falling below the Required Security Cover, in accordance with the terms and conditions of this Deed.
- 1.1.95 **"Security Documents"** shall mean and include without limitation any documents entered into or executed by the Company or any other Person for creating and perfecting the Security, including any:

- (p) Pledge Agreement(s);
- (q) Deed(s) of Corporate Guarantee;
- (r) Deed(s) of Hypothecation;
- (s) Demand Promissory Note;
- (t) Letter of Continuity;
- (u) All documents, deeds, power(s) of attorney, etc. required by the Debenture Holder(s), or entered into or executed by the Company or any other Person for creating and/or perfecting the Security; and

	
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(v) Other document including any deeds of assignment, guarantee or powers of attorney designated as a Security Document by the Debenture Trustee.

1.1.96 **"Security Providers"** shall mean any and all Persons who have provided or are providing any of the Security at any point of time.

1.1.97 **"Settlement Date"** shall have the meaning ascribed to the term in **ARTICLE 8.7.1**.

1.1.98 **"Sponsor"** shall mean holding companies of HFEPL, Hero Group, Masdar, IFC, and any future beneficial equity shareholder of HFEPL.

1.1.99 **"Stock Exchange"** shall mean National Stock Exchange of India Limited where the Debentures are proposed to be listed.

1.1.100 **"Subscription Amount"** shall mean the amounts aggregating to Rs. 60,00,00,000 (Rupees sixty crore only) to be invested in the Company by the Debenture Holders by way of subscription to the Debentures to be Issued by the Company as per the terms and conditions of this Deed.

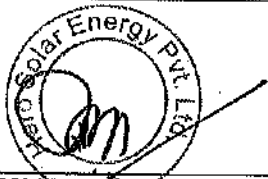

1.1.101 **"Subscription Account"** shall mean the bank account opened by the Company in terms of Section 42 of the Act, in which the Subscription Amount shall be deposited:

Account Bank : Yes Bank Limited
 Account Title : Hero Solar Energy Private Limited
 Account Number : 02356100000094
 IFSC Code : YESB0000235
 Branch Address : Ground Floor G1, G2, G3 Chiranjiv Tower 43 Nehru Place
 New Delhi - 110019

1.1.102 **"Taxes"** means any taxes including any stamp duty, interest tax, excise duties, customs duties, value added tax, sales tax, local taxes, charges, cess, Goods and Service Tax (GST), Central Sales Tax (CST), entry tax, octroi and any impost or surcharge of like nature (whether central, state or local) relating to the businesses of the Company and / or the transactions as contemplated under the Transaction Documents, charged, levied or imposed by any Governmental Authority, as per the requirements of Applicable Laws.

1.1.103 **"Transaction Documents"** shall mean:

- (w) this Deed;
- (x) the DTA;
- (y) the Security Documents;

	
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- (z) Placement Memorandum/ Private Placement Offer Letter(s);
- (aa) Consent Letter from Debenture Trustee;
- (bb) Rating letter Including rating rationale;
- (cc) Letter appointing registrar to the issue;
- (dd) Tripartite agreements between the Company, registrar and Depositories;
- (ee) Certified true copy(ies) of the board resolution, shareholders' resolution for Issuance of Debentures;
- (ff) Letter appointing Debenture Trustee to the Debenture Holders;
- (gg) Rating letter and rating rationale;
- (hh) Letter appointing the registrar;
- (ii) Application made to the Stock Exchange for seeking their In-principle approval for listing of Debentures;
- (jj) In Principal Approval; and
- (kk) any other agreements, deeds or documents entered into between the Parties in relation to the transactions being contemplated under this Deed and/or designated as such by the Parties.

1.1.104 **"Transfer"** shall mean (i) any, direct or indirect, transfer or other disposition of any property, or voting interests or any interest therein; (ii) any, direct or indirect, sale, assignment, redemption, conversion or other disposition of any property including without limitation shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, Securities or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity; (iii) any swap, re – organisation, re – arrangement, merger, amalgamation or other restructuring arrangement of any kind, or other agreement or any transaction that directly or indirectly transfers, in whole or in part, any economic interest or the beneficial ownership in any equity shares or Securities; and / or (iv) the granting of any Encumbrance in, or extending or attaching to, such property, shares, Securities or voting interests or any interest therein, and the word **"Transferred"** shall be construed accordingly.

1.1.105 **"Warranties"** shall have the meaning ascribed to such term in ARTICLE 9.

1.1.106 **"WSPL"** shall mean Waaneep Solar Private Limited, a company within the meaning of the Companies Act, 2013, with Corporate Identification Number (C.I.N.) U40300DL2014PTC341389 and having its registered office at Plot No. 201, First Floor, Okhla Industrial Estate Phase- III, New Delhi South Delhi 110020.

1.1.107 **"WSPL Loans"** shall mean loans availed by WSPL from the Company, the details of which are set out in **Part – A of Annexure – 13** of this Deed.

	
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1.1.108 **"WSPL Loan Documents"** shall mean the documents in relation to WSPL Loans as set out in **Part – B of Annexure – 13** of this Deed.

1.1.109 **"WSPL Receivables"** shall mean any and all monies / amounts received and, or, to be received, whether directly or indirectly from any source in any form, including cash, cheques, demand drafts, pay order, electronic transfer or in any other form, whether evidenced as book debts or otherwise, due and to become due at any time under contracts, deeds or documents or under Applicable Law, as the case may be, of whatsoever nature and wherever arising from in relation to WSPL Loans, both present and future.

1.2 Interpretation

In this Deed, unless the context otherwise requires:

1.2.1 the title and / or the headings of Articles, Schedules and Annexures contained in this Deed are for convenience of reference only and shall not affect the meaning or interpretation of the provisions of this Deed;

1.2.2 all references to a **"Person"** include any individual, a company, consortium, partnership, trust, joint venture, association, firm, corporation or other body corporate, unincorporated body, organisation, association, any government, or state or agency of government or state, or any local or municipal authority or any other governmental body (whether or not in each case having separate legal personality);

1.2.3 a reference to any **"Party"** in any document includes that Party's successors in title, executors and permitted assigns permitted transferees, as the case may be and in the case of the Debenture Trustee, any Person for the time being appointed as Debenture Trustee in accordance with the Transaction Documents;

1.2.4 the word **"will"** shall be construed to have the same meaning and effect as the word **"shall"**;

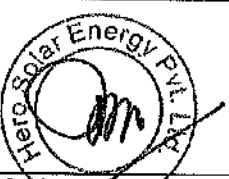

1.2.5 all references in this Deed to any statute or statutory provision shall include:

- (a) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
- (b) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Deed) to the extent such



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amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Deed and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced;



- 1.2.6 any reference in this Deed, to this Deed or any other agreement or document shall be construed, without limitation, as a reference to this Deed or, as the case may be, such other agreement or document, in each case as the same may have been, or may from time to time be amended, varied, novated, acceded to or supplemented;
- 1.2.7 a "Transaction Document" or any other agreement or Instrument is a reference to that Transaction Document or other agreement or Instrument as amended, novated, supplemented, extended or restated, from time to time;
- 1.2.8 a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.2.9 the words "include", "including" and "in particular" shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
- 1.2.10 unless a contrary indication appears, a term used in any other Transaction Document or in any notice given under or in connection with any Transaction Document has the same meaning in that Transaction Document or notice as in this Deed;
- 1.2.11 words denoting the singular include the plural and vice-versa;
- 1.2.12 words denoting one gender only shall include the other genders;
- 1.2.13 unless otherwise specified, whenever any action (other than a payment) is required to be taken under this Deed on a day other than a Business Day, such action shall be taken on the immediately following Business Day;
- 1.2.14 all references in this Deed to ARTICLES and Annexures shall be construed as references respectively to the ARTICLES and Annexure of this Deed;
- 1.2.15 the terms "herein", "hereof", "hereto", "hereunder" and words of a similar purport refer to this Deed as a whole and not to any particular provision hereof;

	
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- 1.2.16 any reference to books, files, records or other information or any of them means books, files, records or other information or any of them in any form or in whatever medium held including paper, electronically stored data, magnetic media, film and microfilm;
- 1.2.17 any references to the knowledge, information, belief or awareness of any Person shall be deemed to include the knowledge, information, belief or awareness such Person would have if such Person had made reasonable, due and careful enquiry;
- 1.2.18 all references to the consent or discretion or agreement of the Debenture Trustee shall mean the Debenture Trustee acting on the instructions of the Debenture Holder(s). For avoidance of any doubt, it is hereby clarified that, the consent/ agreement / exercise of discretion by the Debenture Trustee shall not be a valid consent / agreement / exercise of discretion unless ratified by the Majority Debenture Holder(s). It is clarified the Company shall not be required to verify such ratification by the Majority Debenture Holders;
- 1.2.19 save where the contrary is indicated, any reference in this Deed to a time of day shall be construed as a reference to Indian Standard Time;
- 1.2.20 "in writing" includes any communication made by letter or fax or e-mail;
- 1.2.21 all Annexures, Schedules, and other attachments hereto, or expressly identified as part of this Deed, are incorporated herein by reference, and taken together with this Deed, shall constitute but a single agreement;
- 1.2.22 any determination with respect to the materiality or reasonability of any matter including of any event, occurrence, circumstance, change, fact, information, document, authorisation, proceeding, act, omission, claims, breach, default or otherwise shall be made or given by the Debenture Trustee (as per the instructions of the Majority Debenture Holders), which decision / determination shall be final and binding on the Company;
- 1.2.23 the recitals contained herein shall constitute an integral operative part of this Deed;
- 1.2.24 nothing contained in this Deed shall amount to a waiver of or prevent the Company from enforcing its rights under this Deed or the Applicable Law, by the usual legal proceedings as per the provisions hereof;

	
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1.2.25 In the event any Due Date is falling on a day which is not a Business Day, then such Due Date shall be deemed to be on the preceding Business Day thereof, except if any Interest or Default Interest payment falls on a day which is not a Business Day, the payment to be made on such relevant Due Date shall be made on the immediately succeeding Business Day.


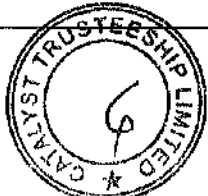
	
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**PART A OF THE DEBENTURE TRUST DEED
(STANDARD TERMS AND COVENANTS)**

**ARTICLE 2
DEBENTURE TRUSTEE**

- 2.1 **Appointment of Debenture Trustee and declaration of trust**
- 2.1.1 The Company has appointed the Debenture Trustee to act as the trustee for the benefit of the Debenture Holders pursuant to the consent letter ref. No. CL/MUM/21-22/DEB/465 dated September 17, 2021 and subsequently the DTA entered into by and between the Company and the Debenture Trustee, with a mandate to act on behalf of and for the benefit of the Debenture Holders. Pursuant to the DTA, the Debenture Trustee has agreed to act as the debenture trustee for the Debenture Holders for the purpose of and in accordance with the terms and provisions set forth herein.
- 2.1.2 The Company hereby settles in trust with the Debenture Trustee the sum of Rs. 1000 (Rupees One Thousand only) ("**Initial Corpus Fund**"). The Debenture Trustee hereby confirms receipt of and accepts the Initial Corpus Fund in the trust hereby declared and subject to the terms and conditions of this Deed, agrees to act as trustee for the benefit of and on behalf of the Debenture Holders (the trust hereby declared is hereinafter referred to as the "**Trust**").
- 2.1.3 The Company and the Security Providers shall create or ensure the creation of the Security, in favour of the Debenture Trustee for the benefit of the Debenture Holders in accordance with the Transaction Documents. The Debenture Trustee hereby agrees to act as trustee for the benefit of the Debenture Holders upon and subject to the terms and conditions of this Deed and the other Security Documents, declares that it shall hold the Security to be created by the Company and the Security Providers as stated in this Deed and other Security Documents including the covenants and mortgage and security, given by the Company and the Security Providers pursuant hereto, and all proceeds or realisations thereof, whether prior to or as a result of enforcement of the Security, in trust for the benefit of the Debenture Holders and subject to the powers, provisions, agreements and declarations contained in the Transaction Documents.

PROVIDED that the Debenture Trustee shall be answerable to and accountable to the Debenture Holders for any loss in relation to the Security or any part thereof or any rights in respect thereto only under circumstances arising out of its wilful misconduct, default, gross negligence, fraud, breach of and/ or a failure to comply with the terms and conditions of the Transaction Documents or any other agreement

	
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by which the Debenture Trustee may be bound or express Instructions of the Debenture Holders accorded by way of a Special Resolution (*as hereinafter defined*) in accordance with the provisions of **Annexure – 4** hereto or as required by Applicable Law or as determined by a court of competent jurisdiction, whose decision is final and non – appealable.

2.1.4 The Company hereby irrevocably authorises the Debenture Trustee to act solely upon the written instructions received from the Majority Debenture Holders and the Company agrees that the Debenture Trustee shall not act on any Instructions which are not authorized or approved by the Majority Debenture Holders and are not delivered to it in accordance with the terms of the Transaction Documents.

PROVIDED that before Initiating any action or exercising any right or performing any duty under this Deed or any of the other Transaction Documents, the Debenture Trustee shall, unless otherwise provided for in the Transaction Documents, seek written instructions from the Debenture Holders hereto or upon receipt of relevant instructions from the Majority Debenture Holders, shall the Debenture Trustee exercise such rights and perform such duties and obligations referred to herein. Notwithstanding such requirement for Instructions in writing, until the Settlement Date, the Debenture Trustee shall never take any action inconsistent with the best interests of the Debenture Holders.

2.2 **Date of Termination**


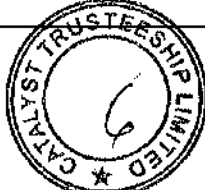
2.2.1 The Debenture Trustee shall continue to act as the debenture trustee and hold and stand possessed of the Security until the Outstanding Amounts and the Secured Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders and the Debenture Holders have provided a certificate in writing in this regard. On the fulfilment of the above, the Debenture Trustee shall be discharged as a trustee.

2.2.2 The Debenture Trustee shall also stand discharged as a trustee in the event that the Security is transferred to a successor debenture trustee in accordance with the provisions of this Deed.

**ARTICLE 3
TERMS OF DEBENTURES**

3.1 **Amount of Debentures**

3.1.1 The Company shall issue up to 600 (six hundred) Debentures of face value of Rs.

	
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10,00,000 (Rupees ten lakhs only) each for an aggregate amount up to Rs. 60,00,00,000 (sixty crore).

- 3.1.2 The Debentures constituted and proposed to be issued in terms of this Deed are secured, rated, listed, redeemable, non – convertible debentures which are to be issued on private placement basis.
- 3.1.3 The Company shall provide prior intimation to the Debenture Trustee when it proposes to issue and allot the Debentures in accordance with this Deed.

3.2 Terms

The terms of the Debentures are broadly set out in **Annexure – 1** of this Deed. It is clarified that the terms set out in **Annexure – 1** along with all other relevant provisions of this Deed shall constitute entire terms and conditions of the Debentures.

3.3 Dematerialised form

- 3.3.1 The Company has entered into depository arrangements with the Depository for the issue of the Debentures in dematerialized form. The Debentures shall be issued by the Company in dematerialized form to the relevant Debenture Holders and credited to the demat account of such Debenture Holders specified by the Debenture Holders subscribing to such Debentures in writing, in not more than 2 (two) Business Days from the Deemed Date of Allotment.
- 3.3.2 The Debenture Holders shall hold the Debentures in dematerialized form and shall deal with the same as per the provisions of the Depositories Act, 1996, the regulations thereunder and the rules and byelaws of the Depository.

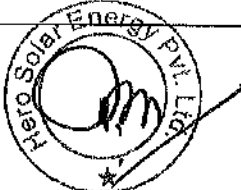

3.4 Minimum Application

An application for subscription to Debentures must be made for a minimum of 1 (one) Debenture and in multiples of 1 (one) Debenture thereafter.

3.5 Purpose

The subscription amounts of the Debentures shall be utilized by the Company

- 3.5.1 Towards the capital expenditure to be paid by the Company as Company's contribution in its special purpose vehicles;

	
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- 3.5.2 towards refinancing of the existing debts of the Company;
- 3.5.3 towards working capital requirement of the Company;
- 3.5.4 towards the creation and establishment of the DSRA;
- 3.5.5 Towards payment of any incidental expenses in relation to the Debentures; and / or
- 3.5.6 No other purpose other than the define objects of the Issue.

3.6 **Ranking**

The Outstanding Amounts and all other monies hereby secured shall, as between the Debenture Holders, rank *pari – passu*, without any preference or priority amongst themselves at all times).



3.7 **DSRA**

- 3.7.1 On and from the Deemed Date of Allotment, the Company shall maintain the DSRA at the minimum DSRA Amount at all times till the Settlement Date in cash or in the form of bank guarantee and which shall be charged in favour of the Debenture Trustee.
- 3.7.2 In the event the DSRA is maintained in the form of a bank guarantee, such bank guarantees may only be issued by banks rated AAA and shall be replaced within 30 (thirty) days in case of downgrade of the bank issuing the bank guarantee. The Company shall intimate the Debenture Trustee in writing at the time of such replacement. In the event, the bank guarantee is not renewed 15 (fifteen) days prior to the date of expiry of the bank guarantee, the Debenture Trustee shall have the right to invoke such bank guarantee
- 3.7.3 The DSRA Amount shall be maintained in the form of one or more fixed deposits or bank guarantees, for maturity and encashment.
- 3.7.4 The DSRA shall be exclusively lien marked in favour of the Debenture Trustee and the Debenture Trustee shall have the right to encash the DSRA at any time.

3.8 **Debentures free from equities**

The Debenture Holders will be entitled to their Debentures free from equities or cross claims by the Company against the original or any intermediate holders thereof.

3.9 **Receipt of Debenture Holders**

	
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The receipt of each Debenture Holder, or if there be more than 1 (one) holder of any such Debentures, then the receipt of the first named Debenture Holder or of the survivor or survivors for the principal monies or of the permitted nominee or permitted nominees, if any, of the Debenture Holder of such Debentures for the Interest and other monies due and payable in respect of such Debentures, shall be a good discharge to the Debenture Trustee.

3.10 Register of Debenture Holders

The Company shall maintain or procure that the registrar and transfer agent shall maintain the register of debenture holders / register of beneficial owners in accordance with Applicable Law.

**ARTICLE 4
CONDITIONS PRECEDENT**

4.1 CONDITIONS PRECEDENT

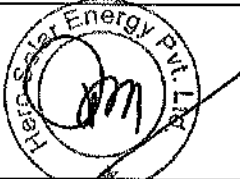

4.1.1 The issuance of the Debentures by the Company, shall be subject to and conditional upon the fulfilment of the conditions precedent as set out in **Annexure – 7** by the Company and the Security Providers ("**Conditions Precedent**"), to the satisfaction of the Debenture Trustee.

4.1.2 On the fulfilment of the Conditions Precedent, the Company shall deliver to the Debenture Trustee, a certificate, signed to the effect that (a) all of the Conditions Precedent which are required to be complied with have been fully satisfied; (b) no Material Adverse Event and / or no Event of Default has taken place; and (c) the representations and warranties set forth under the Transaction Documents are true, complete, correct and not misleading in any way as of the Execution Date and will remain to be true, complete, correct and not misleading as of the Closing Date ("**CP Completion Certificate**").

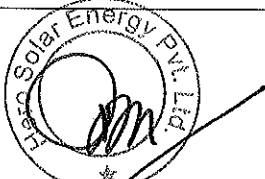

4.1.3 The Company undertakes to use all reasonable endeavours to ensure that the Conditions Precedent are satisfied as soon as possible and in any event before the CP Long Stop Date.

**ARTICLE 5
CLOSING**

5.1 Closing

	
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- 5.1.1 The Closing shall take place within 2 (two) Business Days from the receipt of the CP Completion Certificate, upon satisfaction of the Conditions Precedent by the Debenture Trustee as mentioned in ARTICLE 4.1 or such other date as may be mutually agreed between the Parties ("**Closing Date**").
- 5.1.2 On or prior to the Closing Date, the subscribers to the Debentures shall remit their respective portion of the subscription amounts to subscribe to the Debentures through normal banking channels to the Subscription Account.
- 5.1.3 Upon receipt of the aforesaid subscription amount for the respective Debentures, the Board / Company shall:
- (a) take necessary corporate action as may be required under the Articles of Association or under any other Applicable Law for the time being in force in respect, including passing of necessary board and shareholders resolution for the issue and allotment of the relevant number of Debentures to the Debenture Holders, free and clear of all Encumbrances and recording the necessary entries in its corporate and statutory registers;
 - (b) credit the relevant number of Debentures to the respective depository participant account of the Debenture Holders in such manner as maybe mutually agreed upon. The Debentures, since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depositories Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, rules notified by the Depository / depository participant from time to time and other Applicable Laws and rules notified in respect thereof; and
 - (c) make the relevant entry in the register of debenture holders maintained in accordance with the Act.
- 5.1.4 Upon the completion of the steps as set out in ARTICLES 5.1.3, the Company shall hand over to the Debenture Trustee or its authorized representatives, (i) the certified true copies of the resolutions passed under ARTICLE 5.1.4; (ii) the extract of the register of debenture holders wherein the name of the Debenture Holders are recorded as a Debenture Holder in respect of the Company on the Closing Date; and (iii) shall make necessary filings with the Registrar of Companies and other concerned authorities as may be required by Applicable Laws.
- 5.1.5 All actions to be taken and all documents to be executed and delivered by the Parties at the Closing Date shall be deemed to have been taken and executed simultaneously

	
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at the Closing Date and no actions shall be deemed to be taken nor any documents shall be deemed to have been executed or delivered at the Closing Date until all the other actions have been so taken and all other documents have been so executed and delivered as agreed between the Parties.

5.2 Conditions Subsequent

5.2.1 The Company shall undertake the actions as listed in **Annexure – 8** ("Conditions Subsequent") on and after issue and allotment of the Debentures within the respective timelines set out therein. Upon completing each of the Conditions Subsequent, within 2 (Two) days therefrom, the Company shall intimate in writing to the Debenture Trustee regarding the completion of such Condition Subsequent along with sufficient evidence / copy of the relevant document (as the case may be).

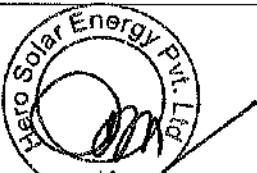

**ARTICLE 6
COVENANT TO PAY**

The Company hereby covenants with the Debenture Trustee that the Company shall comply with the terms and conditions of this Deed and shall pay and / or repay the Outstanding Amounts to the Debenture Holders and discharge the Secured Obligations in accordance with the terms and conditions contained in this Deed and other Transaction Documents and to indemnify the Debenture Holders and the Debenture Trustee and its Affiliates against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and / or satisfy the repayment of the Outstanding Amounts to the Debenture Holders and discharge the Secured Obligations as set out under the Transaction Documents including brokerage commissions, fees and other compensation that may be imposed on, incurred by the Debenture Holders / Debenture Trustee or asserted in any matter relating to or arising out of, or in connection with or as a result of compliance with the terms of any of the Transaction Documents or any obligation (or the repayment thereof) contained therein.

**ARTICLE 7
ADEQUATE CONSIDERATION**

7.1 The Company hereby confirms and declares that the Security shall be created by the Company and / or the Security Providers in favour of the Debenture Trustee for the benefit of the Debenture Holders as mentioned herein for the due repayment of all the Outstanding Amounts and discharge of Secured Obligations under the Transaction Documents and the Security is being granted for its benefit and is good and valuable consideration for entering into each Transaction Document to which it is a party.

7.2 In consideration of the Company issuing the Debentures to the Debenture Holders for



	
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the purposes of and subject to the terms and conditions of this Deed, the Company hereby covenants with the Debenture Trustee / Debenture Holders that the Company shall redeem the Debentures and repay the Outstanding Amounts that are due and payable to the Debenture Trustee and the Debenture Holders under the Transaction Documents as stipulated therein and in the manner set out in the Transaction Documents and duly observe and perform all the terms and conditions of the Transaction Documents.

ARTICLE 8 CREATION OF SECURITY

- 8.1 The due payment of the Outstanding Amounts and the due discharge of all the Secured Obligations by the Company and the Security Providers under this Deed and other Transaction Documents including the guarantee obligations of HFEPL, shall be secured by the following (collectively referred to as the "**Security**") created in favour of the Debenture Trustee for the benefit of the Debenture Holder(s), which shall be maintained at the Required Security Cover at all times till the Settlement Date:
- 8.1.1 **First and exclusive charge** by way of hypothecation over the Hypothecated Assets 1 ("**HFEPL Receivables Security**");
- 8.1.2 **First and exclusive charge** by way of hypothecation over the Hypothecated Assets 2;
- 8.1.3 **First and exclusive charge** by way of hypothecation over the Hypothecated Assets 3 ("**DSRA Security**");
- 8.1.4 **First and exclusive charge** by way of pledge over the Pledged Shares;
- 8.1.5 Unconditional and irrevocable Corporate Guarantee issued by HFEPL in favour of the Debenture Trustee ("**HFEPL CG**")
- 8.1.6 Such other security as may be required by the Debenture Trustee / Debenture Holders from time to time in terms of ARTICLE 8.6.

The Parties hereby agree, acknowledge, covenant and undertake that the Outstanding Amounts shall initially be secured by way of the HFEPL Receivables Security, the DSRA Security and HFEPL CG. Within 3 (three) months from the Deemed Date of Allotment, the HFEPL Receivables Security and HFEPL CG shall be replaced with the charge created on the Pledged Shares and/or WSPL Loans (and the DSRA Security which has been created will continue to be available in favour of the Debenture Trustee) ("**Final**

	
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Security”). The charge created on the HFEPL Receivables Security shall be released and satisfied by the Debenture Trustee and the HFEPL CG shall stand released immediately on creation of the charge by way of pledge on the Pledged Shares.

The Company hereby agrees, acknowledges, covenants and undertakes that the Security Cover maintained by way of Pledged Shares shall be equal to or more than the Required Security Cover at all times till the Settlement Date. In the event the Security Cover maintained by way of Pledged Shares is not sufficient to maintain the Required Security Cover at any time, the Company shall create charge by way of hypothecation on the Hypothecated Assets 2 to such extent, so that the Required Security Cover is maintained at all times till the Settlement Date and in such scenario, the term Final Security shall also include Hypothecated Assets 2.

In the event, the Pledged Shares Value and Hypothecated Asset Value is not sufficient to maintain the Required Security Cover at any time, the Company shall provide Alternative Security as set out in ARTICLE 8.6 below. Notwithstanding anything contained to the contrary in any Transaction Document, it is hereby clarified that DSRA shall not be included for calculation of the Required Security Cover.

The Company hereby further agrees, acknowledges, covenants and undertakes that since the Debentures are proposed to be listed on, it shall, upon listing of the Debentures, submit a quarterly certificate within 60 (sixty) days from end of each quarter from an independent chartered accountant/statutory auditor confirming maintenance of the Security Cover as required under SEBI Circular SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020.

- 8.2 The Security shall be created in favour of the Debenture Trustee under the Security Documents including this Deed.
- 8.3 For the consideration as aforesaid and as continuing security for: (1) payment / repayment of the Outstanding Amounts by the Company; (2) irrevocable and unconditional discharge and performance in full of the Secured Obligations by the Company; and (3) performance of the Company's obligations hereunder and under the Transaction Documents, the Company hereby agrees that:
- 8.3.1 the Company shall and shall ensure that the Security Providers shall provide all such information and documents to the Debenture Trustee as may be required for creating security over the Secured Properties in favour of the Debenture Trustee. The documents of title deeds, evidences, deeds and writings which have been deposited / shall be deposited with the Debenture Trustee, represents / shall represent all of the title documents of the Secured Properties towards creation of the said Security; and

	
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8.3.2 the Company shall and shall ensure that the Security Providers shall execute all such other documents as may be required for creating the Security.

8.4 In addition to the above, the Company shall and shall ensure that the Security Providers take all corporate actions and make all filings with the registrar of companies for / in relation to the Security as may be required under Applicable Law for legality, validity and continuance of the Security in terms of the Transaction Documents.

8.5 All costs and expenses of / in relation to creating the aforesaid Security including stamp duty and registration fees shall be borne by the Company alone without any recourse to the Debenture Holder(s) / Debenture Trustee.

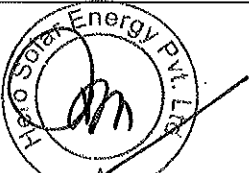
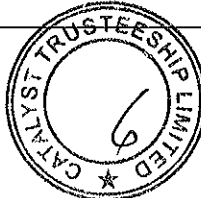
8.6 **Alternative Security**

8.6.1 The Company hereby agrees, acknowledges, covenants and undertakes that the Security Cover shall be equal to or more than the Required Security Cover at all times till the Settlement Date.

8.6.2 Upon the occurrence of a Security Cover Trigger Event or in case the title to any Security is affected due to any order of any competent court or authority under any Applicable Law or for any reason whatsoever, then the Security shall, at the option of the Debenture Trustee, be substituted and / or supplemented by the Company immediately with any other security as shall be acceptable to the Debenture Holder(s) ("**Alternative Security**"), in order to ensure that the Security Cover is restored to the Required Security Cover, in accordance with the requirements of this Deed. Such Alternative Security will be identified by the Company (in consultation with the Debenture Trustee acting on the prior written instructions of the Majority Debenture Holders) within a period of 7 (seven) days from the date of occurrence of such Security Cover Trigger Event or the title to the Security being affected due to any order of any competent court or authority under any Applicable Law or for any reason whatsoever and the Alternative Security will be created and perfected within 15 (fifteen) days from the Security Cover Trigger Event to the satisfaction of the Debenture Trustee acting on the instruction of the Debenture Holder(s).

8.7 **Release of Security**

8.7.1 Subject to the provisions of this Deed, on repayment of the Outstanding Amounts and discharge of the Secured Obligations by the Company to the satisfaction of the Debenture Holder(s), the Debenture Trustee shall forthwith release the charge over the Secured Properties in favour of the Company and / or the Security Providers upon

	
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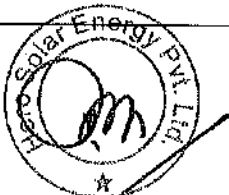
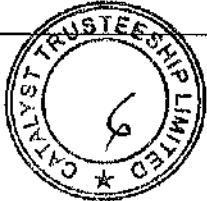
receiving a confirmation from the Debenture Holder(s) in writing regarding the repayment of the Outstanding Amounts and discharge of the Secured Obligations by the Company and the Security Providers to its satisfaction, being the "Settlement Date" and the Debenture Trustee shall at the cost of the Company and the Security Providers, execute all such documents as may be required for the said purpose(s).

8.7.2 Upon the occurrence of the Settlement Date and receipt of no – objection from the Debenture Holder(s), the Debenture Trustee shall forthwith release its charge over the Security in favour of the Company and / or the Security Providers and at the cost of the Company, execute / register all such documents as may be required by the Company and / or the Security Providers for the said purpose(s) including any deed(s) of re – conveyance as may be required.

8.8 Un – conditionality of Lien

8.8.1 The Security created pursuant to these presents and under the Security Documents shall not be discharged or affected by:

- (a) any intermediate payment or settlement of account or other matter or thing whatsoever and in particular the intermediate satisfaction by the Company and / or the Security Providers of the whole or any part of the Secured Obligations;
- (b) grant of any time, indulgence, concession, waiver, forbearance or consent at any time given to the Company and / or the Security Providers;
- (c) any amendment, modification or supplement to this Deed or any other agreement, guarantee, indemnity, right or remedy or lien;
- (d) the making or forbearing to make any demand on the Company and / or the Security Provider for payment;
- (e) the enforcement of or forbearance to enforce this Deed or any other Transaction Document or any other agreement, lien, guarantee, indemnity, right, remedy or security interest;
- (f) the taking, existence or release of any other agreement, guarantee, indemnity, right, remedy or security interest;

	
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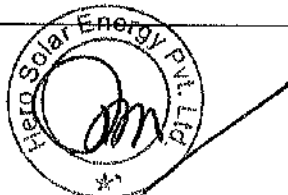
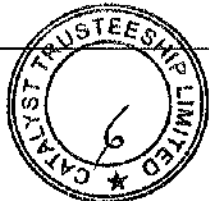
- (g) the winding-up (voluntary or otherwise), merger, amalgamation, reconstruction or reorganization of the Company and / or the Security Provider (or the commencement of any of the foregoing);
- (h) take – over of the management or nationalisation of the undertaking of the Company and / or the Security Providers;
- (l) the illegality, invalidity or any defect in any provision of this Deed, or any other agreement, Security, right or remedy or lien, or any of the obligations of any of the parties thereunder;
- (j) the illegality, invalidity or unenforceability of the obligations of the Company and / or the Security Providers or any part thereof or the illegality, invalidity or unenforceability or any defect in any provision of the Transaction Documents; and / or
- (k) any other matter or thing whatsoever.

8.9 Distribution of Payments

All moneys received or recovered by the Debenture Trustee pursuant to this Deed or any other Transaction Document and / or the powers hereby conferred shall be applied towards discharging the Outstanding Amounts and the Secured Obligations, in full in accordance with ARTICLE 16 (*Realisation of Security*) read with ARTICLE 30 (*Application of Monies*) of this Deed and the terms of the Transaction Documents. Any surplus of such moneys pursuant to application thereof shall be paid over to the Company or whosoever may be lawfully entitled to receive such surplus.

**ARTICLE 9
REPRESENTATIONS AND WARRANTIES**

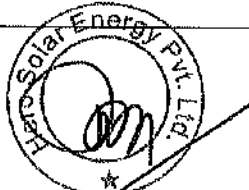

- 9.1 Each Party hereby represents and warrants to the other Party, on each day till the Settlement Date (wherever applicable) as follows:
 - 9.1.1 Its memorandum of association and articles of association or other constitutional documents include provisions which authorises it to execute and deliver this Deed and exercise its rights and perform its obligations under this Deed;
 - 9.1.2 All necessary corporate authority has been obtained for the due execution and delivery of this Deed and exercise its rights and perform its obligations under this Deed;

	
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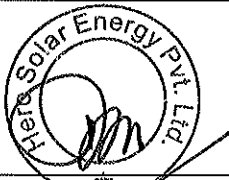
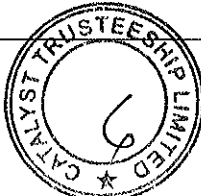
- 9.1.3 There are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other Proceedings, claims, actions or governmental investigations of any nature pending against it (save and except the cases pending against the Company which have been disclosed to the Debenture Holders and the Debenture Trustee) or to which any of its assets are or may be subject, and it has not been threatened by any such Proceeding, claim, action or governmental investigation against it, which relates in any manner to this Deed or the transactions contemplated hereby or which could adversely impact its ability to perform its obligations under this Deed; and
- 9.1.4 None of (a) the execution, delivery and performance of this Deed; (b) the consummation of the transactions contemplated by this Deed; or (c) the compliance with the provisions of this Deed will (i) conflict with or breach any Applicable Laws; or (ii) violate or breach a provision of, or constitute an Event of Default under, any of the terms, covenants, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument, commitment or obligation to which any of the Parties is a party, so as to render the transactions envisaged under this Deed void or unenforceable.
- 9.2 The Company hereby for itself and on behalf of the Security Providers make representations and warranties as set out in **Annexure – 2**, on each day till the Settlement Date (collectively, the **"Warranties"**) to the Debenture Trustee are true, correct and not misleading as on the Execution Date and the Deemed Date of Allotment.
- 9.3 Each Warranty is separate and independent and none of the Warranties shall be treated as qualified by any actual or constructive knowledge on the part of the Debenture Trustee / the Debenture Holders or any of their agents, representatives, officers, employees or advisers.

**ARTICLE 10
COVENANTS**

- 10.1 The Company hereby and on behalf of the Security Providers declares, represents, undertakes and covenants, as follows:
 - 10.1.1 The Company shall not use the name of the Debenture Trustee or the Debenture Holder except in relation to the Debentures without the prior written approval of such Persons.



	
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- 10.1.2 The respective Security Providers have a good right and full power to create charge over the Secured Properties and every part thereof unto and to the use of the Debenture Trustee in manner as contemplated under the Transaction Documents.
- 10.1.3 The Company shall not and the Company shall ensure that the Security Providers shall not compound or release all or any part of the said Secured Properties nor do anything whereby the recovery of the same may be Impeded, delayed or prevented without the consent of the Debenture Trustee and further agrees that it shall keep the Secured Properties under due care and shall at all times as and when required produce such Secured Properties and / or documents relating thereto for the inspection of the Debenture Trustee and / or any of its officers or agents and allow free access to the Debenture Trustee, without any demur.
- 10.1.4 At any time after the Deemed Date of Allotment, in the event that there is any likelihood of any failure / breach / default by the Company to meet its payment obligations (including the Principal Amount, Interest or Default Interest, etc.) on any Due Dates and / or any likelihood of occurrence of any Insolvency Event of the Company, the Company hereby covenants and undertakes that the Company shall sell and / or dispose of such assets, properties, equipment, machinery etc. which are not under any Encumbrance as may be required in order to meet such payment obligations of the Company and in order to avoid the occurrence of such Event of Default.
- 10.1.5 The Company hereby agrees, acknowledges, covenants and undertakes that the Secured Properties herein expressed to be granted, conveyed, assigned, transferred and assured are the sole and absolute property of the Company and / or Security Providers. The Secured Properties are not subject to any *lis pendens*, attachment or other process issued by any court or other authority.
- 10.1.6 The Company shall ensure that the Security Providers, execute all such deeds, documents and assurances and do all such acts and things as the Debenture Trustee may reasonably require for exercising the rights under this Deed and the Transaction Documents or for effectuating and completing the enforcement of security interest over the Secured Properties intended to be created under this Deed and shall from time to time and at all times after the Secured Properties hereby constituted shall become enforceable execute and do all such deeds, documents, assurances, acts, and things as the Debenture Trustee may require for facilitating realisation of the Secured Properties herein created and for exercising all the powers, authorities and discretion thereby offered to the Debenture Trustee and in particular the Company shall ensure that the Security Providers shall execute all transfers, conveyances, assignments and assurances in respect of the Secured Properties, whether to the Debenture Trustee or to their nominees which the Debenture Trustee may think expedient and shall perform

	
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or cause to be performed all acts and things requisite or desirable for the purpose of giving effect to the exercise of any of the said powers, authorities and discretions and further shall for such purposes or any of them make or consent to such application to any Governmental Authority as the Debenture Trustee may require for the consent, sanction or authorisation of such authority to or for the sale and transfer of the Secured Properties, as the case may be or any part thereof and it shall be lawful for the Debenture Trustee to make or consent to make any such application in the name of the respective Security Providers, as the case may be and for the purposes aforesaid a certificate in writing signed by the Debenture Trustee to the effect that any particular assurance or thing required by them is reasonably required by them shall be conclusive evidence by the fact.

- 10.1.7 The Company hereby agrees, acknowledges, undertakes and covenants that the respective Security Providers have good right and full power to create charge over Secured Properties and every part thereof unto and to the use of the Debenture Trustee in a manner as contemplated under the Transaction Documents.
- 10.1.8 The Company shall and shall ensure that the Security Providers shall ensure, that the Security created under the Transaction Documents are kept in full force and effect throughout the term of the Transaction Documents. The Company shall and shall ensure that the Security Providers shall not, create any Encumbrance or other security interest in respect of the Security being created under the Transaction Documents, without the prior written consent of the Debenture Trustee. The Company shall not part with juridical possession of the Secured Properties in favour of any Person (other than as may be expressly contemplated under this Deed), for any reason whatsoever.
- 10.1.9 In the event of any disputes, objections, Proceedings, claims, litigations arising out of or in connection with enforcement of Security and initiation of any Proceedings by the Debenture Trustee and / or the Debenture Holders, the Company shall and shall ensure that the Security Providers shall reimburse at actuals all the costs, charges and expenses (including but not limited to the advocates fee, expenses, litigation cost, court fee etc.) as may be incurred by the Debenture Trustee in respect of the same and shall have to keep the Debenture Trustee, Indemnified against the same.
- 10.1.10 Recovery Expense Fund (in accordance with applicable SEBI Laws in the event that the Debentures are listed)
- (a) The Company shall ensure that it maintains a Recovery Expense Fund as per the provisions of SEBI (Debenture Trustees) Regulations, 1993 and any circulars, guidelines and regulations issued by SEBI, as applicable. The Recovery Expense Fund shall be created to enable the Debenture Trustee to

	
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take prompt action in relation to the enforcement of the Security in accordance with the terms and conditions as set out in the Transaction Documents.

- (b) Creation of Recovery Expense Fund: The Company shall deposit cash or cash equivalents including bank guarantees towards the contribution to Recovery Expense Fund with the designated Stock Exchange and submit relevant documents evidencing the same to the Debenture Trustee from time to time or as may be requested by the Debenture Trustee. The Company shall ensure that the bank guarantees remain valid for a period of at least 6 (six) months post the Maturity Date of the Debentures. The Company shall keep the bank guarantees in force and renew the bank guarantees at least 7 (seven) Business Days before its expiry, failing which the designated Stock Exchange shall invoke such bank guarantee.
- (c) Utilisation of Recovery Expense Fund: It is further stated that on the occurrence of an Event of Default, the Debenture Trustee shall obtain the consent of Debenture Holder(s) for enforcement of Security and shall inform the same to the designated Stock Exchange. The amount lying in the Recovery Expense Fund shall be released by the designated Stock Exchange to the Debenture Trustee within 5 (five) Business Days of receipt of such intimation. The Debenture Trustee shall keep a proper account of all expenses incurred out of the funds received from Recovery Expense Fund towards enforcement of Security.
- (d) Refund of Recovery Expense Fund to the Company: The balance in the Recovery Expense Fund shall be refunded to the Company on repayment of the Outstanding Amounts to the Debenture Holder(s) and discharge of the Secured Obligations for which a 'No Objection Certificate (NOC)' shall be issued by the Debenture Trustee(s) to the designated Stock Exchange. The Debenture Trustee shall satisfy that there is no 'default' on any other listed debt securities of the Company before issuing the aforesaid NOC.

10.2 Affirmative covenants

Till the occurrence of the Settlement Date, except with the prior written permission of the Debenture Trustee (at its discretion), the Company and the Security Providers (and the Company shall procure that the Security Providers) shall jointly and severally comply with the following obligations applicable to them as set out under this Deed and the other Transaction Documents:

10.2.1 Laws

	
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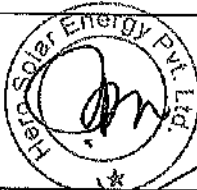
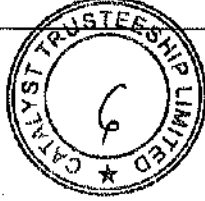
- (a) The Company and the Security Providers shall comply with all Applicable Laws including but not limited to all labour laws and governmental authorisations in the conduct of its business and shall take all action as may be necessary or prudent to effect or maintain compliance therewith.
- (b) The Company shall maintain its corporate existence and all rights and privileges in respect thereof and obtain and comply with the terms of and does all that is necessary to maintain in full force and effect all authorizations, approvals, permissions, no – objection certificates, permits, licenses and consents, by whatsoever name called, required to: (i) lawfully carry on the business and required to enable the Company to enter into and perform their obligations under this Deed and the Transaction Documents; (ii) to ensure the legality, validity, enforceability or admissibility in evidence thereof; and (iii) create and perfect the Security and shall cause the Security Providers to create and perfect the Security, as contemplated to be created and perfected under the terms and conditions of the Transaction Documents.
- (c) The Company and / or the Security Providers (as may be applicable) shall file the necessary forms and such other papers / documents with the registrar of companies (ROC) as are required under the Act for the purpose of issuing the Debentures and creation and / or perfection of Security and shall provide proof of such filing to the Debenture Trustee.
- (d) The Company shall amend / modify its respective memorandum of association and / or articles of association as per the Applicable Law, if so required by the Debenture Holders.

10.2.2 Books of Accounts

The Company and the Security Providers shall maintain proper books of record and account, in which full and accurate entries shall be made of all financial transactions and the assets and business of Company and the Security Providers in accordance with Accounting Standards from time to time.

10.2.3 Right to inspection and right to appoint valuers / auditors / consultants

- (a) Prior to the occurrence of any Event of Default, the Debenture Trustee shall have right to inspect the books and records, etc. of the Company, with prior written notice of 5 (five) Business Days and shall, at the cost of the Company have the right to appoint the counsel or consultant or chartered accountant to


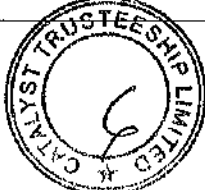
	
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inspect and conduct the concurrent audit and/or forensic audit and such counsel, consultant and / or chartered accountant shall have right to take a copy / photocopy of any of such books, records etc. and the Company shall provide all assistance in this regard as may be requested by the Debenture Trustee.

- (b) On and from the date of occurrence of an Event of Default, the Debenture Trustee shall have right to inspect the books and records etc. of the Company, without being required to provide any prior intimation/notice to the Company and the Debenture Trustee shall, at the cost of the Company have the right to appoint the counsel or consultant or chartered accountant to inspect and conduct the concurrent audit and/or forensic audit and such counsel, consultant and / or chartered accountant shall have right to take a copy / photocopy of any of such books, records etc. and the Company shall provide all assistance in this regard as may be requested by the Debenture Trustee.
- (c) The Debenture Trustee, Debenture Trustee's representatives and professionals appointed by the Debenture Trustee shall, at the cost of the Company, have the right to conduct visits / inspection of the Secured Properties from time to time. The Company shall ensure that the Security Providers shall provide all necessary assistance to the Debenture Trustee and their respective representatives, advisors and consultants to conduct such visit / inspection.

10.2.4 Payment of Tax

- (a) The Company and the Security Providers shall pay and file before the same shall become delinquent: (a) all Taxes, assessments, reassessments and governmental charges or levies imposed upon it or upon its properties, assets or revenues, as may be applicable; and (b) all lawful claims and obligations that, if unpaid, might by law become a lien upon any of the property, assets or revenues of Company and the Security Providers; provided, however, that the Company and the Security Providers shall not be required to pay or to file any such Tax, assessment, reassessment, charge, levy or claim, the amount, applicability or validity of which is being contested in good faith, as may be applicable.
- (b) The Company shall timely deposit the Tax Deducted at Source (TDS) on all interest amounts payable to the Debenture Holders and shall provide the certificates in connection therewith to the Debenture Holders, as applicable.

	
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10.2.5 Corporate Governance

The Company shall comply with rules and regulations of corporate governance as may be prescribed by any Governmental Authority.

10.2.6 No requirement to pledge

The Debenture Holders shall not be required to pledge the Debentures held by them or to provide any other guarantee, indemnity, support, or a negative lien to any Person, including but not limited to the lenders, if any, of the Company.

10.2.7 Nominee Director



The Debenture Holders shall have the right to appoint (i) a nominee director on the Board of directors of the Company at any time on the occurrence of an Event of Default, in accordance with the terms and conditions of **Annexure – 6** hereto and the said nominee director so appointed by the Debenture Holders shall not incur any liability and shall be indemnified by the Company. The nominee director shall be the member of all the committees constituted by the Board of the Company.

10.2.8 Observers

The Debenture Trustee shall have right to appoint observers, who shall have the right (i) at all times, to attend the meetings of the Board of the Company, the committees of the Board and the meetings of the shareholders of the Company from time to time; and (ii) on occurrence of an Event of Default, to attend the meetings of the Board, the committees of the Board and the meetings of the shareholders of the Company.

10.2.9 The Company shall do all acts, deeds, matters and things in order to ensure that any Indebtedness availed of by any Affiliates / group companies / associate companies of Company shall not have any Material Adverse Event. Except with the prior written approval of the Debenture Trustee (at its discretion), the Company shall ensure that till the Settlement Date, the Company shall provide any sponsor support undertaking(s), guarantee(s), indemnity, letter(s) of comfort, put option, co-borrowing obligations and / or any other similar guarantee(s) / undertaking(s) except as required for its group companies engaged in the business of renewable services and which are being consolidated in HFEPL.

10.2.10 In the event of any disputes, objections, Proceedings, claims, litigations arising out of or in connection with enforcement of Security and initiation of any Proceedings by the Debenture Trustee and / or the Debenture Holders, the Company shall and shall ensure

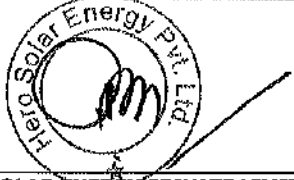

	
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that the Security Providers shall reimburse at actuals all the costs, charges and expenses (including but not limited to the advocates fee, expenses, litigation cost, court fee etc.) as may be incurred by the Debenture Trustee in respect of the same and shall have to keep the Debenture Trustee, indemnified against the same.

10.3 No event, condition or circumstance has occurred which has had and continues to have or could reasonably be expected to result in a Material Adverse Event.

10.3.1 Specific Covenants

- (a) The Company shall pay from time to time all amounts due and payable by the Company in relation to its statutory liabilities. In case of any failure in this regard, the Company shall report to the Debenture Trustee with reasons thereof and corrective measures/ steps taken/ proposed.
- (b) The Company is not registered as a core investment company ("CIC") in terms of the RBI provisions or any other Applicable Law.
- (c) Any Financial Indebtedness availed by the Company from the Promoter and/or Sponsor and its group entities shall be automatically subordinated to the obligations of the Company in respect of the Debentures and will not have any right to call an event of default.
- (d) The Company, HFEPL and HWEPL shall ensure that 'Hero' group name will be a part of Company, HFEPL and HWEPL till the Settlement Date.
- (e) Management Control and single largest shareholding by Hero Group to be maintained directly or indirectly till the Settlement Date in the Company, HWEPL and HFEPL;
- (f) The Company shall ensure that till the Settlement Date, Hero Group has the ability to appoint majority of the directors of the Board of Directors of the Company and of the HFEPL and HWEPL;
- (g) The Company shall ensure that till the Settlement Date Hero Group has the ability to control and direct the Business, operations and functioning of the Company;
- (h) The Company shall not incur any financial indebtedness such that it leads to a breach of the financial covenants.
- (i) In the event of delay in listing of the Debentures on the Stock Exchange beyond 4 (four) days from the Deemed Date of Allotment, the Company shall utilise the proceeds of its subsequent two privately placed issue proceeds only after obtaining the final listing approval from the Stock Exchange.

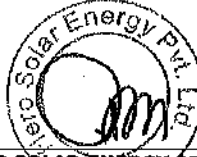

	
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- (j) Other than the charge created by the Company in favour of the Project Lender and for securing in the Debentures, the Company shall not create any charge on the Equity Share Capital or any other form of equity which might arise in the future including in the form of any compulsorily convertible instrument of WSPL in favour of any other party.
- (k) Other than the charge created by the Company in favour of the Project Lender and for securing in the Debentures, the Company shall not create any charge on the loans given to WSPL in favour of any other party.
- (l) The Company shall not exercise any rights of set-off in relation to the HFEPL Loans till the Settlement Date. It is clarified that the HFEPL Loan shall only be payable in cash and no other form.
- (m) The Company shall ensure that till the Settlement Date, WSPL shall not:
- i. exceed its overall external debt above Rs. 500 crore (Rupees Five Hundred Crore only);
 - ii. create any charge on any of its promoter equity/compulsorily convertible preference shares/loans/compulsorily convertible debentures/etc in favour of any other lender other than charge given to the Project Lenders (including 51% pledge of equity share)
 - iii. provide any corporate guarantee/undertakings; and
 - iv. create charge on its cash flows through restricted group structure or any other mechanism in favour of any lender except for securing debt availed by WSPL within the limits specified in point m(i) above.



For the purpose of this clause, the term Project Lender shall mean those lenders from which WSPL has availed borrowings for refinancing its existing projects.

10.3.2 Security

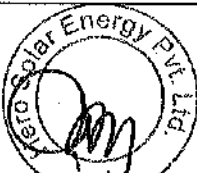

The Company shall and shall ensure that the Security Providers shall ensure that the Security created under the Transaction Documents are kept in full force and effect throughout the term of the Transaction Documents. The Company shall and shall ensure that the Security Providers shall not, create any Encumbrance or other security interest in respect of the Security being created under the Transaction Documents, without the prior written consent of the Debenture Trustee. The Company shall not part with juridical possession of the Secured Properties in favour of any Person (other than as may be expressly contemplated under this Deed), for any reason whatsoever.

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- 10.3.3 The Company hereby agrees and acknowledges on behalf of itself and the Security Providers that there are no shareholder agreements or any other agreement that in any way contravene the provisions of this Deed or require the Company and / or the Security Providers to obtain prior consent of any Person prior to creation of security interest over any of the Secured Properties, as per the terms and conditions of this Deed.
- 10.3.4 The Company shall bear and pay all the Taxes, duties, cess or any other levy by whatever name called, in respect of any payment made under the Debentures, including but not limited to payment of interest/coupon, payment for creation and perfection of Security. Taxes, duties etc. may include but not be limited to withholding tax, income tax, interest tax, goods and service tax, stamp duty and any other surcharge levied by Governmental Authorities from time to time. Any levies or taxes as aforesaid, on the principal repayments would be to the Company's account and such repayments would be grossed up such that the Debenture Holder(s) / the Debenture Trustee would receive the same amount as if no such deduction had been applied.
- 10.3.5 The Company shall obtain and maintain in full force all the necessary statutory and non – statutory clearances and approvals required for carrying out their respective businesses, for the proposed issuance of Debentures, creation and perfection of the Security.
- 10.3.6 The Company hereby covenants that it will comply with all SEBI Laws, Section 71 of the Companies Act and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014.
- 10.3.7 The Company and Promoter shall not, enter into a transaction, whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of assets forming part of the Security without consent of the Debenture Trustee.
- 10.3.8 The Company has made all necessary disclosures in the Placement Memorandum including but not limited to those required under Section 42 of the Companies Act, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the event that the Debentures are listed on a Stock Exchange.
- 10.3.9 Covenants in relation to continuous due diligence by the Debenture Trustee

	
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- (a) The Company hereby covenants that the Debenture Trustee shall have the right to carry out due diligence on the Company on continuous basis to ensure compliance by the Company, with the provisions of the Act and SEBI Laws, the listing agreement of the Stock Exchange(s) (In the event that the Debentures are listed on a Stock Exchange), this Deed.
- (b) The Company hereby covenants that for the purpose of carrying out the due diligence as required to be done by the Debenture Trustee in terms of the SEBI Debenture Circulars and the SEBI Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants as may be appointed by the Debenture Trustee.
- (c) The Company hereby covenants that it shall promptly disclose and furnish to the Debenture Trustee, all documents/ information about or in relation to the Company or the Debentures, as requested by the Debenture Trustee to fulfil its obligations hereunder or to comply with any Applicable Law, including in relation to filing of its reports / certification to Stock Exchange (In the event that the Debentures are listed on a Stock Exchange) within the prescribed timelines.
- (d) The Company shall provide all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI circular dated November 3, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/218; and necessary reports / certificates to the Stock Exchange / SEBI and make the necessary disclosures on its website, in terms of the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230.
- (e) The Company hereby covenants that it shall submit all documents and / or information as the Debenture Trustee may require to conduct the continuous and periodical due diligence and monitoring of Security created and /or any assets on which security interest is created, which shall *inter alia* include:
- (i) periodical status/ performance reports from the Company within 7 (seven) days of the relevant board meeting of the Company or within 45 (Forty – Five) days of the respective quarter, whichever is earlier;

	
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- (ii) details with respect to defaults, if any, with regard to payment the Outstanding Principal Amount, Interest and all other obligations in relation to the Debentures;
 - (iii) details with respect to the creation of Security for the Debentures, debenture redemption reserve and Recovery Expense Fund;
 - (iv) details with respect to the assets of the Company and the Security Providers, to ensure that they are sufficient to discharge the Outstanding Amounts at all times and that such assets are free from any other Encumbrances except those which are specifically agreed to by the Debenture Holder(s);
 - (v) reports on the utilization of funds raised by the issue of Debentures;
 - (vi) details with respect to the Redemption of the Debentures;
 - (vii) details with respect to dispatch of the debenture certificates and interest warrants (if applicable), credit of the Debentures in the dematerialization account of the Debenture Holder(s) and payment of monies upon Redemption to the Debenture Holder(s) within the stipulated time period in accordance with the Applicable Law.
 - (viii) details regarding monitoring of utilisation of funds raised in the issue of Debentures;
 - (ix) certificate from an independent chartered accountant / statutory auditor, of the Company, as per Applicable Law:
 - In respect of utilisation of the proceeds of the Debentures; and
 - in the case of Debentures being issued for financing working capital, at the end of each Financial Year.
 - (x) such other documents and / or information as may be required by the Debenture Trustee in accordance with the Applicable Law.
- (f) The Company further undertakes and covenants that it shall:
- (i) provide such documents and / or information and assistance to the Debenture Trustee as may be required by the Debenture Trustee to carry out the necessary due diligence and monitor the Security Cover

	
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on a quarterly basis in the manner as may be specified by SEBI from time to time under applicable SEBI Laws; and

- (ii) submit a certificate from an independent chartered accountant/statutory auditor on a half-yearly basis, giving the value of Receivables of the Company / book debts, and maintenance of the Security Cover as per the terms of the Placement Memorandum and / or this Deed including compliance with the covenants of the Placement Memorandum in the manner as may be specified by SEBI from time to time and in accordance with the applicable SEBI laws, as amended from time to time.
- (g) The Company further covenants and undertakes that the Debenture Trustee may at any time through its authorized representatives and agents, inspect books of account, records, registers of Company and the trust property to the extent necessary for discharging its obligations and the Company shall provide full and unimpeded access to the records, registers and books of accounts and facilitate in the inspection and due diligence process. Any fees, costs expenses incurred in conducting such inspection/due diligence process shall be fully borne by the Company. In the event, any fees, costs expenses are borne by the Debenture Trustee, it shall be reimbursed forthwith by the Company upon request.

10.4 Information Covenants

10.4.1 The Company shall and ensure that the Security Providers submit to the Debenture Trustee,



- (a) as soon as it becomes available, but in any event within 180 (One Hundred and Eighty) days after the end of each Financial Year, the Audited Financial Statements along with audit report and other documents/information for that Financial Year of the Company and the Security Providers on standalone as well as on consolidated basis;
- (b) Operational and financial information on a semi-annual and quarterly basis, as may be mutually agreed between the Company and the Debenture Trustee (acting on the written Instructions of the Majority Debenture Holders).
- (c) detailed information about any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence; and

	
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- (d) as soon as it come to the knowledge of the Company, information about any notice of any application for Initiation of insolvency resolution proceedings or application for winding up of the Company or any other Security Provider.



10.4.2 The Company shall submit to the Debenture Trustee and the Stock Exchange, till the Settlement Date (In the event that the Debentures are listed on a Stock Exchange) for dissemination, along with the un-audited or audited financial results on a half yearly basis within 45 (Forty – Five) days from the end of half year, containing, *inter-alla*, the following information:

- (a) credit rating in respect of the Debentures and any change in credit rating thereof;
- (b) debt-equity ratio;
- (c) asset cover available;
- (d) previous Due Date for the payment of any Interest/any other Outstanding Amount and whether the same has been paid or not; and
- (e) next Due Date for the payment of Interest/ any other Outstanding Amount;
- (f) debt service coverage ratio;
- (g) interest service coverage ratio;
- (h) outstanding redeemable preference shares (quantity and value);
- (i) Net Worth;
- (j) net profit after tax;
- (k) earnings per shares;
- (l) any other information as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time); and
- (m) any other information as may be required under the SEBI laws as amended from time to time.

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- 10.4.3 The Company shall in case of initiation of any forensic audit (by whatever name called) in respect of the Company, provide following information and make requisite disclosures to the Stock Exchange (in the event that the Debentures are listed on a Stock Exchange):
- (a) the fact of initiation of forensic audit along with the name of entity initiating the said forensic audit and reasons for the same; and
 - (b) final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt of the same by the Company along with comments and explanations of the management, if any.
- 10.4.4 The Company shall submit a quarterly report to the Debenture Trustee containing the following particulars:
- (a) The updated list of names and address of the Debenture Holders;
 - (b) The number and nature of grievances received from the Debenture Holders and (a) resolved by the Company; and (b) unresolved by the Company and reason for the same;
 - (c) A statement that the assets of the Company are sufficient to discharge the claims of the Debenture Holders as and when the same become due;
 - (d) Any breach of the terms of issue of Debentures or covenants of this Deed or the Transaction Documents and / or any Event of Default;
 - (e) Benpos statement by seventh day of end of every quarter;
 - (f) Any other information as may be required by the Debenture Trustee.
- 10.4.5 The Company shall furnish to the Debenture Trustee and the credit rating agency, on every Due Date (i.e. for Interest, any other Outstanding Amount, etc.), and / or if specifically requested by the Debenture Trustee, the details of payments made to the Debenture Holders containing the following towards any Outstanding Amount:



Transaction Name	ISIN No.	Due Date of payment of interest/principal	Actual Date of payment of interest/principal	Mode of Payment (NEFT/DD/Cheque etc))	Was the disclosure about payment	Was the disclosure about payment	Name of the Stock Exchange on which	Name of the credit
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					made on the respective stock exchange	made on the website of the Company in case of default	Debentures are listed	rating agency

Further, the Company also covenants to furnish the Debenture Trustee and credit rating agency, a copy of certificate(s) submitted by them to the Stock Exchange (in the event that the Debentures are listed on a Stock Exchange) under Regulation 57 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

- 10.4.6 The Company shall furnish all letters, notices, petitions, complaints, and other documents relating to any suit, action, petition, arbitration, litigation or other legal proceeding of any nature whatsoever commenced or proposed/threatened to be commenced by or against the Company which may have any Material Adverse Event. The Company shall more particularly inform the Debenture Trustee accordingly with reasons and the remedial steps proposed to be taken.
- 10.4.7 The Company shall notify the Debenture Trustee of any Event of Default (and the steps, if any, being taken to remedy it), promptly upon becoming aware of its occurrence.
- 10.4.8 The Company shall furnish all such other information and documents as may be required by the Debenture Trustee and the Debenture Holders from time to time in accordance with the SEBI Laws.
- 10.4.9 The Company also agrees and undertakes that it shall provide all necessary information and / or intimation to the Debenture Trustee and /or the Stock Exchange (in the event that the Debentures are listed on a Stock Exchange) with regard to:
 - (a) Any default in timely payment of the Outstanding Principal Amounts, Interest and all other obligations in respect of the Debentures; and
 - (b) All covenants with respect to the issue and allotment of the Debentures (including any side letters executed by the Company, Event of Default related provisions etc) and such other information as may be pertinent to the issue.

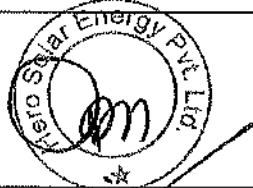
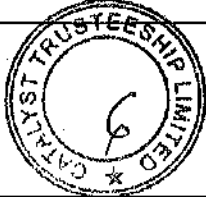
	
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10.4.10 The Company shall ensure that the Debentures are rated on an annual basis by a credit rating agency registered with SEBI. The Company shall also ensure that in case of any revision in the rating the same shall be promptly intimated to the Debenture Trustee and the Stock Exchange.

10.5 **Negative Covenants**

10.5.1 So long as any of the Debentures remain outstanding and until the Settlement Date, the Company hereby covenants and undertakes none of the following actions shall be undertaken (without the prior written consent of the Debenture Trustee acting under the Instructions of the Debenture Holder(s) in writing):

- (a) Effecting, directly or indirectly, any change in Control of the Company.
- (b) Effecting any change in the Constitutional Documents of the Company which may adversely impact the rights of the Debenture Trustee and / or Debenture Holders under this Transaction Documents.
- (c) Declaring and/or distributing of any dividend to any of the shareholders of the Company, whether equity shareholders or preference shareholders, during any Financial Year in case of an Event of Default.
- (d) Effecting any sale or disposal or creation of any Encumbrance over any of the Secured Assets by the Company and/or the Security Providers and/or the Promoter or part thereof.
- (e) Any change in nature and conduct of the business of the Company and/or the Promoter.
- (f) Formulating any scheme the winding-up (voluntary or otherwise), merger, amalgamation, reconstruction or reorganization of the Company and / or the Security Provider.
- (g) Providing any undertaking(s), guarantee(s), indemnity, letter(s) of comfort, put option, co-borrowing obligations and/or any other similar guarantee(s)/undertaking(s) and/or undertaking any additional liabilities in relation to any Person in any form except as required for its group companies engaged in the business of renewable services and which are being consolidated in HFEPL.

	
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(h) Other than normal trade credit/security deposit in the ordinary course of business and/or advances made to employees, making any investment or lending or advancing any funds or subscribing to any debentures or debt securities or placing any deposit with any other Person except if made to its group companies engaged in the business of renewable services and which are being consolidated in HFEPL;

10.6 The Company hereby covenants and undertakes that the Company shall and/or Security Providers shall fulfil all the covenants, undertakings and obligations contained in this Deed and other Transaction Documents and in addition thereto also do all such acts and deeds as may be required by the Debenture Trustee from time to time.

10.7 **Financial Covenants**

10.7.1 The Company hereby covenants and undertakes that on and from the Deemed Date of Allotment till the Settlement Date, the Company shall ensure due compliance with each of the Borrowing Cap:



- (a) The of HFEPL Standalone Debt, HWEPL Standalone Debt and the Company Standalone Debt (after netting off intercompany investments) shall not exceed 1.5 (one point five) times of funded equity/quasi equity raised by them;
- (b) The Company Standalone Debt (after netting off intercompany investments) shall not exceed 1.5 (one point five) times of funded equity/quasi equity raised by the Company.

10.7.2 Till the Settlement Date, the Company shall ensure that the aggregate value of all the Financial Indebtedness availed by the Company shall not exceed the Borrowing Cap.

10.7.3 The Financial Covenants shall be calculated/tested semi-annually commencing from March 31, 2022.

10.8 **Breach of covenant by the Company and / or Security Providers may be waived**

The Debenture Trustee may, at any time, waive in writing on such terms and conditions as to them shall seem expedient any breach by the Company and / or by the Security Providers of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Provided, however that the prior written consent of the Majority Debenture Holders shall have been obtained by the Debenture Trustee for

	
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any such waiver.

**ARTICLE 11
EVENTS OF DEFAULT AND REMEDIES**

11.1 Events of Default

Upon the occurrence of any Event(s) of Default, the Debenture Trustee shall in accordance with the requirements of the Transaction Documents, Applicable Laws and SEBI Circular bearing reference No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020, upon request in writing of the Majority Debenture Holders, by a notice in writing to the Company declare the Outstanding Amounts to be due and payable forthwith and upon request in writing of the majority debenture holders amounting to not less than 60% (sixty) percent by number and 75% (seventy five) by value the security created in favour of the Debenture Trustee hereunder or any other Transaction Document shall become enforceable.



11.2 Remedies on occurrence of Events of Default

Upon occurrence of Event of Default, the consequences and the remedies as set out in **Annexure – 3** hereof shall follow.

11.3 Power of the Debenture Trustee to deal with the Debentures on occurrence of an Event of Default

11.3.1 In the event that the Debentures are listed on any Stock Exchange, the Parties herein agree to abide by rights and obligations under the circular bearing reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 ("**August 10 SEBI Circular**") titled "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", in their respective capacities within the timelines stipulated under the August 10 SEBI Circular.

11.3.2 Further, the Company has provided the details of the bank account to the Debenture Trustee from where the Company shall pay the Outstanding Amounts of the Debentures to the Debenture Holder(s). In this regard, the Company hereby agrees and undertakes to pre-authorize the Debenture Trustee to take steps to seek and obtain the related information from the Company's bank directly or through any other agency.



	
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- 11.3.3 In the event there is any change in any detail/s of the aforesaid bank account, the Company shall inform the Debenture Trustee of the same within 1 (one) Business Day (or such other extended time period as may be permitted by SEBI) of the said change.
- 11.3.4 The Company hereby acknowledges and agrees that it shall, without fail, provide information to the Stock Exchange (in the event that the Debentures are listed on a Stock Exchange), the depository participants and the Debenture Trustee, about the status of the payment in relation to the Redemption of the Debentures within 1 (one) Business Day (or such other extended time period as may be permitted under Applicable Law) from the date of actual payment in relation to Redemption of Debentures or the Maturity Date, whichever falls earlier.
- 11.3.5 The Company agrees and undertakes that it shall keep informed the Debenture Trustee, the Stock Exchange (in the event that the Debentures are listed on a Stock Exchange) and the depository participants, about the updated status of the payment in relation to Redemption of the Debentures by the 2nd Business Day of April of each Financial Year until the Redemption of the Debentures.
- 11.3.6 The Company shall inform the Stock Exchange (in the event that the Debentures are listed on a Stock Exchange) and the depository participants about any development or events including any restructuring of the Debentures and / or the initiation of any insolvency proceedings that could potentially have an impact on the payment of amounts in relation to the Redemption of Debentures or trigger default in relation to the payment of the Debentures, within 1 (one) Business Day (or such other extended time period as may be permitted under Applicable Law) from the happening of any such event of occurrence of any such development.
- 11.3.7 The Debenture Trustee pursuant to the June 23 Circular shall intimate the Stock Exchange (in the event that the Debentures are listed on a Stock Exchange) and the depository participants about the status of the payment in relation to the Redemption of the Debentures within 9 (nine) Business Days of the Maturity Date of the Debentures.

**ARTICLE 12
PRESERVATION OF SECURITY**

12.1 Reinstatement

- 12.1.1 If any payment by the Company or any discharge given by the Debenture Holders (whether in respect of the obligations of the Company or Security Providers or any

	
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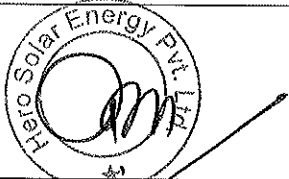
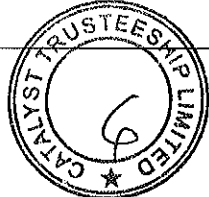
Encumbrance for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, bankruptcy or any similar event, then in such event:

- (a) the liability of the Company under this Deed and the Transaction Documents and each Security created under the Transaction Documents shall continue as if the payment, discharge, avoidance, release, settlement or reduction had not occurred; and
- (b) the Debenture Trustee and the Debenture Holders shall be entitled to recover the payment or the value or amount of such Security from the Company, as if the payment, discharge, avoidance, release, settlement or reduction had not occurred.

12.2 Waiver of Defences

12.2.1 None of the obligations of the Company and / or Security Providers under the Transaction Documents shall be affected by any act, event, omission or circumstances which, but for this ARTICLE would reduce, release or prejudice any or operate to release of the Company's or the Security Providers' obligations under the Transaction Documents or affect or diminish in whole or in part such obligations and, whether or not known to the Company and / or the Security Providers including without limitation:



- (a) any time, indulgence, release or waiver granted to, or composition, arrangement or settlement with the Company and / or Security Providers or any other Person;
- (b) the release of the Company and / or Security Providers and / or any other Person under the terms of any composition or arrangement with any creditor of the Company and / or the Security Providers;
- (c) restructuring of the corporate structure of the Company and / or Security Providers;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Company and / or Security Providers or any other Person;
- (e) the invalidity, irregularity or unenforceability of any obligation or liability of the Company and / or Security Providers or any other Person under any Security Documents or any other document or Encumbrance;

	
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- (f) the bankruptcy, insolvency or liquidation or any other similar proceedings or any incapacity, disability or limitation or any change in the constitution or status of the Company and / or Security Providers;
- (g) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over the assets of the Company and / or Security Providers and / or any other Person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realize the full value of any Security;
- (h) any other charge, guarantee or other security or right or remedy available to the Debenture Trustee or the Debenture Holders being or becoming wholly or partly void, voidable, unenforceable or impaired by the Debenture Trustee or the Debenture Holders at any time releasing, refraining from enforcing, varying or in any other way dealing with any of them or any power, right or remedy the Debenture Trustee or the Debenture Holders may now or hereafter have from or against the Company and / or the Security Providers and / or any other Person;
- (i) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Transaction Document or any other document or of the Security or Encumbrance including without limitation any change in the purpose of, any extension of or any increase in the Debentures issued by the Company or the addition of any new debentures issued under any Transaction Document or other document; or
- (j) any act, omission, event or circumstance which would or may but for this provision operate to prejudice, affect or discharge this Deed or any Transaction Document or the liability of the Company and / or the Security Providers and / or the Promoters Group or any other Person under the Security Documents.

**ARTICLE 13
ENFORCEMENT**

13.1 The Security created under any of the Security Documents in favour of the Debenture Trustee for the benefit of the Debenture Holders shall become enforceable by the Debenture Trustee and / or the Debenture Holders upon the occurrence of an Event of Default.

	
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13.2 General Enforcement Powers

If any one or more of the Events of Defaults occur, the Debenture Trustee may, without prejudice to any other rights and remedies it may have exercise all or any powers set in **Paragraph 2 of Annexure – 3** hereto.

**ARTICLE 14
SPECIFIC ACTIONS**



- 14.1 Without limiting the generality of the assurances and covenants hereinabove, the Company shall and shall cause the Security Providers to, promptly upon receiving a request from the Debenture Trustee:
- 14.1.1 execute such further documents and take all such further actions as may be necessary for creating or perfecting or enforcement the Security in terms of the provisions of this Deed or the Security Documents; and
 - 14.1.2 otherwise execute all transfers, conveyances, assignments, assurances and other instruments of security whatsoever and give all notices, orders, instructions and directions whatsoever which the Debenture Trustee may, by normal practice or by Applicable Law require, in relation to the creation, perfection or enforcement of Security expressed to be created in accordance with the terms of this Deed and the Security Documents.

**ARTICLE 15
EXPENSES OF PRESERVATION OF THE SECURED PROPERTIES AND OF COLLECTION**

- 15.1 All expenses incurred by the Debenture Trustee, including in connection with:
- 15.1.1 preservation of the Secured Properties (whether then or thereafter existing); and
 - 15.1.2 enforcement of Security created hereunder or under the Security Documents for repayment and discharge of Outstanding Amounts and Secured Obligations under this Deed and the Security Documents;

shall be payable by the Company and / or the Security Providers and / or the Promoters.

**ARTICLE 16
REALISATION OF SECURITY**

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16.1 Trust of Proceeds of Sale / Realisation out of the Security

16.1.1 The Debenture Trustee shall hold upon trust the monies received by It in respect of the Security or any part thereof arising out of:

- (a) sale proceeds or such part thereof upon occurrence of Event of Default;
- (b) any sale, calling in, collection under the power of sale;
- (c) policy or policies of insurance;
- (d) compensation money in respect of any assumption of custody or control, expropriation or nationalisation by any government or Governmental Authority of all or any of the assets of the Company or of its share capital;
- (e) any other realisation whatsoever; or
- (f) any other monies received by them in their capacity as Debenture Trustee for the benefit of the Debenture Holders;

and they shall appropriate such amounts in accordance with the requirements of ARTICLE 30 (*Application of Monies*) hereto.

16.2 Liability to Debenture Holders for Deficiency



The Company shall remain liable to the Debenture Holders for any deficiency in the repayment of all Outstanding Amounts and satisfaction / discharge of the Secured Obligations to it under this Deed and / or the Transaction Documents.

**ARTICLE 17
WHEN DEBENTURE TRUSTEE MAY INTERFERE**

Until the happening of an Event of Default or a Material Adverse Event, the Debenture Trustee shall not be in any manner be required, bound, concerned or entitled to interfere with the custody, care, preservation or repair of the Secured Properties or any part thereof.

**ARTICLE 18
PURCHASERS AND PERSONS DEALING WITH DEBENTURE TRUSTEE NOT PUT ON ENQUIRY**

No purchaser, mortgagor, mortgagee or other Person dealing with the Debenture Trustee or

	
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their attorneys or agents shall be bound or concerned to see or to inquire whether the power exercised or purported to be exercised has become exercisable or whether any money remains owing on the Security of these presents or as to the necessity or expediency of the stipulations and conditions subject to which any sale and / or assignment shall have been made or otherwise as to the propriety or regularity of any sale and / or assignment, calling in, collection or to see to the application of any money paid to the Debenture Trustee and in the absence of *mala-fide* on the part of such purchaser, mortgagor, mortgagee or other Person such dealing shall be deemed, so far as regards the safety and protection of such Person, to be within the powers hereby conferred and be valid and effectual accordingly and the remedy of the Company or its assigns in respect of any impropriety or irregularity whatsoever in the exercise of such power shall be in damages only.

**ARTICLE 19
APPLICATION TO COURT**

The Debenture Trustee may, at any time after the Security hereby constituted becomes enforceable upon receipt of instruction and appropriate fund from the Majority Debenture Holders, apply to the court for an order that the powers and trusts hereof be exercised and carried into execution under the directions of the court or receiver and manager of the Secured Properties or any of them and for any other order in relation to the execution and administration of the powers and trusts hereof as the Debenture Trustee shall deem expedient and they may assent to or approve of any application to the court made at the instance of the Debenture Holders and shall be indemnified by the Company against all costs, charges and expenses incurred for or in relation to any such application or proceeding.



**ARTICLE 20
RIGHTS AND PRIVILEGES OF DEBENTURE TRUSTEE**

- 20.1 In addition to the other powers conferred on the Debenture Trustee and provisions for their protection and not by way of limitation or derogation of anything in these presents contained or of any statute limiting the liability of the Debenture Trustee, it is expressly declared, subject to any gross negligence or wilful misconduct on the part of the Debenture Trustee or as required by Applicable Law as determined by a court of competent jurisdiction, whose decision is final and non – appealable as follows:
 - 20.1.1 the Debenture Trustee may accept without inspection, inquiry or requisition with respect to such title as the Company may have to the Secured Properties and shall not be bound or concerned to examine or inquire into or be liable for any defect in or any insufficiency in or of these presents or in or of the title to the Secured Properties or any part thereof or the description thereof or anything relating thereto and they shall not be in anyway liable for accepting such title as the Company has to the Secured

	
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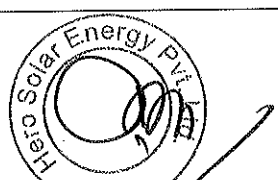
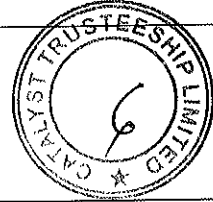
Properties notwithstanding any defect which may exist therein and objection which can be made thereto;

- 20.1.2 the Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Debenture Trustee or otherwise, the Debenture Trustee shall not be responsible for the consequences of any mistake or oversight or error of judgement or forgetfulness or want of prudence on their part or on the part of any attorney, agent or other Person appointed by them hereunder and shall not be responsible for any misconduct on the part of any attorney, agent or other Person appointed by them hereunder or be bound to supervise the proceedings of any such appointee provided however the Debenture Trustee shall be liable for all acts of omission and commission on part of its employees;
- 20.1.3 the Debenture Trustee shall be at liberty to accept a certificate signed by any one of the directors of the Company, as the case may be, as to any act or matter *prima facie* within the knowledge of the Company, as the case may be, as sufficient evidence thereof and a like certificate that any property or assets are in the opinion of the director of the Company so certifying worth a particular sum or suitable for the Company's purpose or business, as sufficient evidence that it is worth that sum or so suitable and a like certificate to the effect that any particular dealing or transaction or step or thing is in the opinion of the director of the Company so certifying expedient, as sufficient evidence that it is expedient and the Debenture Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so. However, if the Debenture Trustee has cause to believe of any errors and wrongful facts in any such certificate, then the Debenture Trustee shall have the right to and should cause an independent verification thereof;
- 20.1.4 the Debenture Trustee shall not be bound to give notice to any Person of the execution hereof or to see to the performance or observance of any of the obligations hereby imposed on the Company or in any way to interfere with the conduct of the business of the Company unless and until the Security hereby constituted or the rights under the Debentures shall have become enforceable and the Debenture Trustee shall have determined to enforce the same;
- 20.1.5 the Debenture Trustee shall not be bound to take any steps to ascertain whether an Event of Default or Material Adverse Event has happened;
- 20.1.6 the Debenture Trustee shall be at liberty to keep these presents at its registered office or elsewhere or if the Debenture Trustee so decides with any bank or company whose

	
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business includes undertaking the safe custody of documents or with any firm of advocates or solicitors and the Debenture Trustee shall not be responsible for any loss incurred in connection with any such deposit and the Debenture Trustee may pay all sums required to be paid on account of or in respect of any such deposit;

- 20.1.7 save as herein otherwise expressly provided the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions hereby vested in them, have absolute and uncontrolled discretion in consultation with the Majority Debenture Holders as to the exercise thereof and to the mode and time of exercise thereof and in the absence of gross negligence or wilful default or as required by Applicable Law as determined by a court of competent jurisdiction, whose decision is final and non-appealable and the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the exercise or non-exercise thereof and in particular the Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of these presents unless sufficient monies shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request or direction;
- 20.1.8 with a view to facilitating any dealing under any provision of these presents, the Debenture Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;
- 20.1.9 the Debenture Trustee shall not be responsible for the monies paid by Debenture Holders in respect of the Debentures towards the Outstanding Amounts under the Security Documents;
- 20.1.10 subject to the provisions of the Act, the Debenture Trustee shall not be liable for anything whatsoever except a breach of trust knowingly and intentionally committed by the Debenture Trustee as determined by a court of competent jurisdiction, whose decision is final and non-appealable;
- 20.1.11 the Debenture Trustee shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained or any of them or in enforcing the covenants herein contained or any of them or in giving notice to any Person or Persons of the execution hereof or in taking any other steps which may be necessary, expedient or desirable for the purpose of perfecting or enforcing the Security hereby created or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the

	
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Debenture Holders and in case where there are more than one Debenture Holders then the request being made by the Majority Debenture Holders and the Debenture Trustee shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient monies shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same by or on behalf of the Debenture Holders or some of them in order to provide for any costs, charges and expenses which the Debenture Trustee may incur or may have to pay in connection with the same and the Debenture Trustee is indemnified to their satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request.


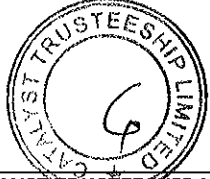
Provided that nothing contained in this ARTICLE shall exempt the Debenture Trustee from or indemnify it against any liability for breach of trust nor any liability which by virtue of any rule or law would otherwise attach to it in respect of any gross negligence, wilful default, fraud or breach of trust or as required by Applicable Law as determined by a court of competent jurisdiction, whose decision is final and non-appealable.

**ARTICLE 21
DEBENTURE TRUSTEE MAY CONTRACT WITH COMPANY**

Neither the Debenture Trustee nor any agent of the Debenture Trustee shall be precluded from making any contract or entering into any arrangement or transaction with the Company in the ordinary course of business or from undertaking any banking, financial or agency services for the Company or from underwriting or guaranteeing the subscription of or placing or subscribing for or otherwise acquiring, holding or dealing with any of the stocks or shares or debentures or debenture stocks or any other Securities whatsoever of the Company or in which the Company may be interested either with or without a commission or other remuneration or otherwise at any time entering into any contract of loan or deposit or any other contract or arrangement or transaction with the Company or being concerned or interested in any such contract or arrangement or transaction which any other company or Person not being a Debenture Trustee of these presents would be entitled to enter into with the Company and they shall not be in anyway be liable to account either to the Company or to the Debenture Holders for any profits made by them thereby or in connection therewith and the Debenture Trustee or any agent of the Debenture Trustee shall also be allowed to retain for their or his own benefit any customary share of brokerage, fee, commission, interest, discount or other compensation or remuneration allowed to them or him by the Debenture Holders.



**ARTICLE 22
COSTS AND EXPENSES**

22.1 The Company shall pay all costs, expenses, stamp duty, legal fees, other duties, taxes,

	
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fees, penalties or other charges payable on or in connection with the execution, issue, delivery, registration of this Deed and all other Transaction Documents, Issuance of the Debentures, listing and rating of the Debentures (In the event that the Debentures are listed on any Stock Exchange), If and when the Company may be required to pay the same according to the Applicable Law for the time being or at any time in force and in the event of the Company falling to pay such costs, expenses, stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same after getting the money from the Debenture Holders. Upon payment of such monies by the Debenture Holders to the Debenture Trustee, it shall become part of Outstanding Amounts.

- 22.2 The Company shall, upon notice from the Debenture Trustee pay or reimburse to the Debenture Trustee all fees for services performed by the Debenture Trustee, all out of pocket, and travelling expenses and other costs, charges and expenses in any way incurred by the Debenture Trustee its officers, employees or agents in connection with the negotiation, preparation, execution, modification or amendment of or the preservation, protection or release of the rights of the Debenture Holders or exercise of any rights, remedies or powers granted under this Deed contemplated or in connection with or relating to this Deed including, without limitation, costs of investigation of title and further covenant and agree to indemnify the Debenture Holders / Debenture Trustee against all actions, proceedings, costs, charges, expenses, claims and demands whatsoever which may be brought or made against or incurred by any of them in respect of any matter or thing done or omitted to be done in relation to this Deed.
- 22.3 The Company shall, upon notice from the Debenture Trustee pay or reimburse to the Debenture Trustee all fees for services performed by the Debenture Trustee, all out of pocket, and travelling expenses and other costs, charges and expenses in any way incurred by the Debenture Trustee its officers, employees or agents in connection with the negotiation, preparation, execution, modification or amendment of or the preservation, protection or release of the rights of the Debenture Holders or exercise of any rights, remedies or powers granted under this Deed contemplated or in connection with or relating to this Deed.
- 22.4 The Company shall pay all legal fees for drafting, stamping and registration costs, charges and expenses of the external legal counsel of the Debenture Holders and all such sums and expenses incurred or paid by the Debenture Holders or any of them in connection with and incidental to or in connection with or pursuant to this Deed and incurred in connection with the enforcement of any rights hereunder including any costs incurred in the assertion or defence of the rights of the Debenture Trustee as such for the benefit of the Debenture Holders for the demand, realisation, discharge

	
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and recovery of the Outstanding Amounts shall be added to the Outstanding Amounts and be secured hereby.



**ARTICLE 23
INDEMNITY**

23.1 Indemnification by the Company

23.1.1 The Company ("**Indemnifying Party**") hereby irrevocably and unconditionally, undertakes to indemnify, defend and hold harmless (without limitation in amount or time), the Debenture Trustee, the Debentures Holders and its Affiliates and their officers, directors, agents and employees ("**Indemnified Party/ies**") from and against any and all Claims and Losses incurred, suffered or paid by the Indemnified Parties, as a result of or arising out of, based upon, attributable to or resulting from:



- (a) misrepresentation, inaccuracy or breach of any representation, warranty or undertaking of the Security Providers, contained in this Deed and any other Transaction Documents;
- (b) violation of Applicable Law or terms of any governmental approval, or breach of any material contract by the Security Providers;
- (c) breach by the Security Providers of its respective covenants, agreements or obligations contained in this Deed and any other Transaction Document or the Constitutional Documents;
- (d) any legal proceedings initiated against the Security Providers and / or the Secured Properties or any part thereof affecting the rights of the Debenture Trustee/Debenture Holders in any manner;
- (e) anything that relates to or arises in connection with the transactions contemplated by this Deed and any other Security Documents, including investigations by any Governmental Authority; and/or
- (f) any past or future liability (including Tax and other statutory liabilities) relating to the Company irrespective of whether the claim is made at a later point in time.

23.2 Any Claim for indemnity pursuant to this Deed shall be made by the Indemnified Persons by notice in writing to Company (the "**Claims Notice**"). The failure to provide Claims Notice shall not impair the Indemnified Person's rights hereunder. The

	
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Indemnifying Parties shall, without any protest or demur, on demand pay the Losses In the amount specified In the Claims Notice to the Debenture Holders, as mandated In the Claims Notice.

- 23.3 Notwithstanding anything to the contrary herein, the Parties acknowledge and agree that: (i) the Debenture Trustee is relying upon the truth, accuracy and completeness of representations and warranties made to the Debenture Trustee in this Deed or any other Security Documents by the Company and / or Security Providers, (ii) the Debenture Trustee is under no duty or obligation to investigate or otherwise seek to independently verify the truth, accuracy or completeness of any such representations and warranties, and (iii) failure by Debenture Trustee to investigate or otherwise seek to independently verify the truth, accuracy or completeness of any representation or warranty shall not constitute grounds for a determination that Debenture Trustee was grossly negligent.
- 23.4 Notwithstanding any investigation conducted before or after the execution of this Deed, and notwithstanding any actual or implied knowledge or notice of any facts or circumstances which the Debenture Trustee may have as a result of such investigation or otherwise, each of the Indemnified Parties may bring a Claim for indemnification under this ARTICLE.
- 23.5 The indemnification rights of the Indemnified Parties under this Deed are independent of, and in addition to, such other rights and remedies as the Indemnified Parties may have at Applicable Law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.
- 23.6 The Debenture Trustee and every attorney, manager, agent or other Person appointed by it shall be entitled to be indemnified out of the Secured Properties in respect of all liabilities and expenses incurred by it in the execution or purported execution of the powers and trusts thereof on the part of the Debenture Trustee or any such appointee and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted to be done in anywise relating to the Secured Properties.
- 23.7 The Company shall from time to time, forthwith on demand pay to or reimburse the Debenture Trustee for all costs, charges and expenses (including legal and other fees on a full indemnity basis) and taxes incurred by the Debenture Trustee in connection with the: (a) preparation, (b) execution, (c) registration, (d) administration, (e) modification and amendment of this Deed, (f) the rights available to the Debenture Trustee hereunder and any other document delivered hereunder, and (g) in exercising,

	
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preserving or enforcing any of such rights or powers hereunder or thereunder, or (h) in suing for or seeking to recover any sums due hereunder or thereunder, or (i) in defending any claims brought against It in respect of this Deed and any other document delivered hereunder, or (j) differential stamp duty payable in any state in India within the statutory time period other than the payment of stamp duty in the state in which the Deed was executed, if applicable, when the Deed is received in such state in India for the purpose of suing for or seeking to recover any sums due hereunder, for defending claims or for any other reason whatsoever, or (k) in releasing or re-assigning this Deed upon full and final performance and discharge of the obligations of the Company and the Security Providers under this Deed and the Security Documents.

23.8 The Debenture Trustee shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained or any of them or in enforcing the covenants herein contained or any of them or in giving notice to any person or persons of the execution hereof or in taking any other steps which may be necessary, expedient or desirable for the purpose of perfecting or enforcing the security hereby created or for any loss or damage which may be occasioned by reason thereof, unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or take any of such steps by the Majority Debenture Holders or by a special resolution duly passed at a meeting of the Debenture Holder(s) and the Debenture Trustee shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient moneys shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same by or on behalf of the Debenture Holder(s) or some of them in order to provide for any costs, charges and expenses which the Debenture Trustee may incur or may have to pay in connection with the same and the Debenture Trustee is indemnified by the Company to its satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request provided that nothing contained in this clause shall exempt the Debenture Trustee from or indemnify it against any liability for breach of trust under Indian Trust Act, 1882 nor any liability which by virtue of any rule or Applicable Law would otherwise attach to it in respect of any negligence, default or breach of trust under Indian Trust Act, 1882.

ARTICLE 24

APPOINTMENT OF DEBENTURE TRUSTEE AS ATTORNEY OF THE COMPANY

24.1 **Appointment**

	
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The Company hereby irrevocably appoints the Debenture Trustee in the name and on behalf of the Company to act and execute all deeds and things which the Company is authorised to execute and do under the covenants and provisions herein contained and generally to use the name of the Company in the exercise of all or any of the powers by these presents or by Applicable Law conferred on the Debenture Trustee and also to execute on behalf of the Company at the cost of the Company the powers hereunder or by Applicable Law conferred on the Debenture Trustee and also to execute on behalf of the Company at the cost of the Company such documents and deeds as may be necessary to give effect to the provisions referred to hereinabove and also for preservation, enforcement and realisation of the charge created hereunder and the Company shall bear the expenses that may be incurred by the Debenture Trustee in that behalf, provided at any time prior to the occurrence of an Event of Default, the Debenture Trustee shall exercise its powers under this ARTICLE 24.1 only if the Company fails to comply with the instructions of the Debenture Trustee under this Deed.

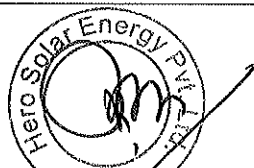
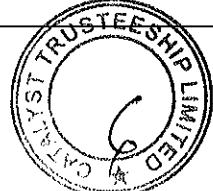
24.2 Ratification

The Company covenants with the Debenture Trustee to ratify and confirm all acts or things made, done or executed by any attorney as contemplated hereinabove.

**ARTICLE 25
RETIREMENT AND REMOVAL OF DEBENTURE TRUSTEE**

25.1 The Debenture Trustee may resign at any time without assigning any reason provided that they shall have given at least 30 (thirty) days' prior notice in writing to the Company in that behalf and the Debenture Trustee finds another trustee to the satisfaction of the Majority Debenture Holders. Provided that any resignation by the Debenture Trustee shall become effective only after a successor debenture trustee has been appointed in accordance with this Deed in place of the Debenture Trustee.

25.2 The Debenture Holders may for sufficient cause but, after giving not less than 2 (two) months' notice in writing, and on passing a resolution by 51% (fifty one percent) of the Debenture Holders, remove the Debenture Trustee and by the same consent nominate an entity competent to act as their debenture trustee and require the Company to appoint such entity as the successor debenture trustee in the place of the Debenture Trustee. The Company shall within 15 (fifteen) days of receipt of such resolution passed by 51% (fifty one percent) of the Debenture Holders take all necessary steps to appoint the entity named in the consent as the successor debenture trustee and complete all necessary formalities to give effect to such appointment.

	
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**ARTICLE 26
POWER OF DEBENTURE TRUSTEE TO DELEGATE**

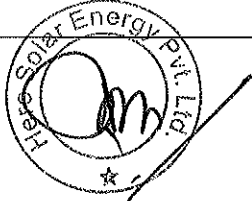

The Debenture Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them by these presents act through an officer or officers who is an employee of the Debenture Trustee for the time being and the officer/employee may also, whenever they think it expedient, delegate by a power of attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretions vested in them by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Debenture Trustee may think fit. In case of appointment of officers as stated hereinabove, who are not employees of the Debenture Trustee, the prior written approval of the Majority Debenture Holders shall be required.

**ARTICLE 27
POWER OF THE DEBENTURE TRUSTEE TO EMPLOY AGENTS**

The Debenture Trustee may, in carrying out the trust business employ and pay any Person to transact or concur in transacting any business and do or concur in doing all acts required to be done by the Debenture Trustee including the receipt and payment of moneys and shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by them in connection with the trusts hereof and also their reasonable charges in addition to the expenses incurred by them in connection with matters arising out of or in connection with these presents with the prior written permission of the Majority Debenture Holders. The intimation thereof shall also be given to the Company.

**ARTICLE 28
DUTIES, RIGHTS AND OBLIGATIONS OF THE DEBENTURE TRUSTEE**

- 28.1 The Debenture Trustee shall act solely upon the instructions received from the Majority Debenture Holders in terms hereof and the Parties agree that it shall not act on any instructions which are not authorised or approved by the Majority Debenture Holders and are not delivered to it in accordance with the terms of this Deed.
- 28.2 In case of appointment by the Debenture Trustee of any third party including but not limited to an attorney, agent or any other Person, such appointment, shall require the prior written approval of the Majority Debenture Holders.
- 28.3 In the event that there is a dissent in the written instructions received from the Debenture Holders, for taking of any action or refraining from taking of such action or for any change in the terms and conditions of the Debentures or for any change in the terms contained in any of the Security Documents, the Debenture Trustee shall

	
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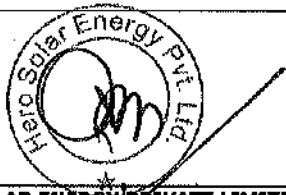

convene a meeting of the Debenture Holders in accordance with **Annexure – 4** hereto and the Debenture Trustee shall require the prior written approval of Majority Debenture Holders prior to undertaking such actions or refraining from taking any actions.

28.4 The Debenture Trustee represents and covenants that the Debenture Trustee is not disqualified from acting as the debenture trustee in relation to the issuance of Debentures under the Applicable Laws.



28.5 **Other Duties**

28.5.1 The Debenture Trustee shall at the instructions of the Majority Debenture Holders:

- (a) subject to the terms and provisions of this Deed and other Security Documents, upon the written instructions of the Majority Debenture Holders, take or refrain from taking such action or actions, including taking steps to enforce the Security not inconsistent with the terms and provisions of the Security Documents or Applicable Law, as may be specified in such instructions;
- (b) shall provide any information, which the Debenture Trustee has received in its capacity as the Debenture Trustee in relation to the Company, the Security Providers or the Security (whether received from the Company or any other Person), to the Majority Debenture Holders;
- (c) make all disclosures as are required under the SEBI circular on 'Enhanced disclosure in case of listed debt securities' dated May 27, 2019 bearing reference number SEBI/HO/MIRSD/DOS3/CIR/P/2019/68;
- (d) at all times, ensure that the Secured Properties are kept segregated from the assets of the Debenture Trustee and any other asset for which the Debenture Trustee is or may be responsible;
- (e) exercise due diligence in carrying out its duties and shall take all actions whatsoever necessary for protecting the interest of the Debenture Holders;
- (f) ensure that all transactions are properly entered into in accordance with this Deed and any other Security Documents;
- (g) fulfil all its obligations under the Security Documents to which it is a party;

	
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- (h) enforce any or all the duties and obligations of the Company or any other party under the Security Documents;
- (i) contact and provide notices as required under the Security Documents to the Company and / or the Security Providers defaulting to make payments due and payable by it under or pursuant to the Security Documents;
- (j) attend to the complaints / legal cases instituted in respect of the Security Documents;
- (k) forward notice of any tax or Encumbrance received by the Debenture Trustee to the Debenture Holders and when monies are deposited by the Company or the Debenture Holders, pay or discharge any tax or any Encumbrance with respect to or assessed or levied against any part of the Security;
- (l) cause the Company and the Security Providers to undertake investigation of the title of the Secured Properties and provide title report in respect of such investigation of the Secured Properties in the form and manner satisfactory to the Majority Debenture Holders. The Company may engage the professional services of external advocates to carry out such title investigations to the satisfaction of the Debenture Trustee and Majority Debenture Holders and the costs of the same shall be borne by the Company;
- (m) ensure the implementation of the conditions regarding creation of Security for the Debentures, if any, and Debenture Redemption Reserve, if applicable;
- (n) ensure that the assets of the Company are sufficient to discharge the Outstanding Amounts at all times and that such assets are free from any other Encumbrances except those which are specifically agreed to by the Debenture Holders;
- (o) do such acts as are necessary in the event the security becomes enforceable;
- (p) call for reports / certificate on the utilization of funds raised by the issuance of Debentures from an independent chartered accountant/ statutory auditor of the Company on periodicity as may be specified under Applicable Law;
- (q) ensure that the Debentures have been redeemed as per the terms of issue of the Debentures as set out in this Deed;
- (r) inspect the Secured Properties and the title deeds in respect thereof;

	
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(s) do all such acts, deeds and things as may be necessary to give effect to the Security Documents to which it is a party and as may be required by the Debenture Holders.

28.6 The Debenture Trustee shall not have any duty or obligation to construct, install, procure, manage, control, use, operate, store, lease, maintain, make any payment in respect of, register, record, insure, repair, inspect, sell, dispose of or otherwise deal with the Security or any part hereof, or to otherwise take or refrain from taking any action under or in connection with any document contemplated hereby to which the Debenture Trustee is a party, except as expressly provided by the terms and provisions of this Deed and in accordance with written instructions from the Majority Debenture Holders and the Debenture Trustee shall have only those duties, obligations and responsibilities expressly specified in the Security Documents to which it is a party, and shall not have any implied duties, obligations or responsibilities except to the extent provided under Applicable Law.

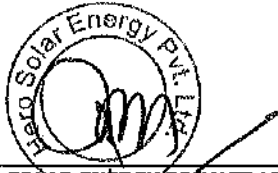

28.7 The Debenture Trustee agrees that it will not manage, control, use, construct, install, procure, engineer, operate, maintain, repair, store, lease, sell, dispose of or otherwise deal with the Security or any part thereof except upon written instructions of the Majority Debenture Holders and except in accordance with the express terms and provisions of this Deed.

28.8 A certificate of the Debenture Trustee setting out the amount of the Outstanding Amounts being due and payable to the Debenture Holders (as confirmed by the Majority Debenture Holders) issued by the Debenture Trustee to the Company, in relation to the relevant Security Documents shall be conclusive evidence of the Outstanding Amounts being due and payable by the Company.

28.9 Rights and Obligations of Debenture Trustee

28.9.1 The Debenture Trustee is hereby authorised to do the following other acts and deeds on behalf of and in the interest of the Debenture Holders and it undertakes to do the following:

(a) the Debenture Trustee shall perform, prior to the happening of any Event of Default and after all or any such event shall have been rectified or remedied (if capable of being rectified or remedied), the duties specifically set forth in this Deed or any other Security Documents. If any Event of Default has happened, the Debenture Trustee shall exercise such of the rights and powers vested in it by this Deed;

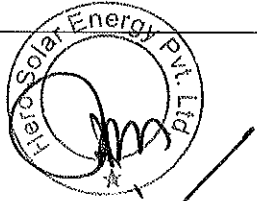
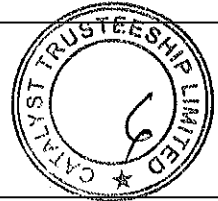
	
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- (b) the Debenture Trustee, upon receipt of all certificates, statements, opinions, reports, documents, orders or other instruments, required to be furnished pursuant to any provision of this Deed, shall examine the same to determine whether these are in accordance with the requirements stipulated in respect thereof herein. However, if the Debenture Trustee has cause to believe of any errors and wrongful facts in any certificate, then Debenture Trustee shall cause an independent verification upon instructions from the Debenture Holders and at the cost of the Company thereof;
- (c) the Company shall furnish to the Trustee the reports, statements and information from time to time including but not limited to monthly MIS, audited/unaudited quarterly, half yearly and annual management and accounts statements of Company, internal audit reports and such other reports and information the Trustee may require in the manner provided in this Deed; and
- (d) ensure that the Company does not commit any breach of the terms of issue of Debentures or covenants and terms of the Transaction Documents and take such reasonable steps as may be necessary to remedy any such breach.

28.9.2 No provision of this Deed shall be construed to relieve the Debenture Trustee from liability for its own gross negligence or its own wilful misconduct as determined by a court of competent jurisdiction, whose decision is final and non-appealable.

28.10 Authority of the Debenture Trustee

Without limiting any rights or powers granted by this Deed to the Debenture Trustee, the Debenture Trustee is hereby authorised by the Company, for the purpose of carrying out the provisions of this Deed (including anything to be done pursuant to this Deed) at any time during the term of this Deed, to take any action and take into custody the original title documents / documents in respect of the Secured Properties for exercising any of the powers hereby conferred in connection with any part of the Secured Properties or the exercise of any rights in respect thereof or for giving to the Debenture Trustee the full benefit of the Secured Properties created herein and execute any deeds, documents or instruments that the Debenture Trustee may deem necessary or advisable in relation to the transactions contemplated by or permitted hereunder, including the pledge or creation of or the agreement to create any other Security or the invocation, sale, realisation or other disposal of the Secured Properties or any part of them. The Debenture Trustee's appointment as constituted attorney is irrevocable.

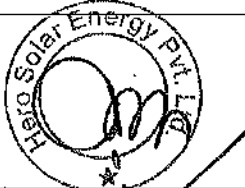
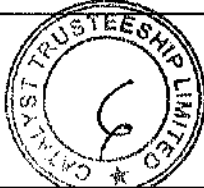
	
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**ARTICLE 29
DEBENTURE TRUSTEE SUCCESSOR**

- 29.1 Upon the nomination or authorization of a successor debenture trustee:
- 29.1.1 the successor debenture trustee shall sign a deed of adherence in the format set out in **Annexure – 5 (Deed of Adherence of Debenture Trustee)** attached herewith or the Parties shall otherwise amend this Deed so that the successor debenture trustee becomes a Party;
- 29.1.2 the Debenture Trustee and the Company shall do all such acts, including giving such instructions and requiring such notifications as necessary to authorize the successor debenture trustee to fulfil all its obligations under this Deed.

**ARTICLE 30
APPLICATION OF MONIES**

- 30.1 All monies received by the Debenture Trustee appointed under this Deed whether prior to or as a result of the enforcement of the Security constituted hereunder shall be held upon trust and shall be deposited in such account as may be specified by the Debenture Holders and shall be applied by the Debenture Trustee (except as otherwise required by Applicable Law) in accordance with the provisions of this Deed. They shall, in the first place, by and out of the said monies reimburse themselves and pay, retain or discharge all the costs, charges and expenses incurred in or about the entry, calling in, collection, conversion or the exercise of the powers and trusts under these presents, including their remuneration as herein provided, and shall apply the residue of the said monies on *pari – passu* basis for the benefit of Debenture Holders in the following manner, unless otherwise agreed between the Debenture Holders:
- 30.1.1 **FIRSTLY**, in or towards payment of any costs or expenses, if any, incurred or to be incurred by the Debenture Trustee or Debenture Holders towards enforcement of any rights of the Debenture Trustee or Debenture Holders under this Deed;
- 30.1.2 **SECONDLY**, in or towards payment to the Debenture Holders, the Default Interest (if applicable);
- 30.1.3 **THIRDLY**, in or towards payment of Interest, with respect to the Debentures;
- 30.1.4 **FOURTHLY**, in or towards the Outstanding Principal Amounts of the Debentures;

	
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- 30.1.5 **FIFTHLY**, in or towards payment of any other Outstanding Amounts, with respect to the Debentures; and,
- 30.1.6 **LASTLY**, any surplus (if any) of the said monies to the Company/ the relevant Security Provider (as the case may be) entitled thereto.

Provided that, if the Debenture Trustee is of the opinion that it is expedient to do so, payments may be made on account of any Outstanding Amount before the whole or part of any other Outstanding Amounts on the Debentures has been paid off, but such alteration in the order of payment of the Outstanding Amounts herein prescribed shall not prejudice the right of the Debenture Holders to receive the full amount to which they would have been entitled if the ordinary order of payment (as given above) had been observed or any less amount which sum ultimately realized may be sufficient to pay.

**ARTICLE 31
DEBENTURE REDEMPTION RESERVE**

- 31.1 The Company hereby agrees and undertakes that, if required, the Company shall create a debenture redemption reserve if required under Section 71(4) of the Act read with the rules issued thereunder. In case such a debenture redemption reserve is created by the Company if required, the Company shall submit to the Debenture Trustee within 180 (one hundred and eighty) calendar days from the expiry of each Financial Year a certificate duly certified by the auditors of the Company certifying that subject to the availability of profits, the Company has transferred a suitable sum to the debenture redemption reserve at the end of each Financial Year in accordance with the provisions of the Act read with the rules issued thereunder.
- 31.2 The Company undertakes to comply with all Applicable Law including applicable guidelines formulated (and all modifications thereto) by any Governmental Authority in respect of the creation of the debenture redemption reserve and to execute all such supplemental letters, agreements and deeds of modification as may be required by the Debenture Trustee and shall also cause the same to be registered, where necessary.

**ARTICLE 32
NOTICES**

- 32.1 Any notice or other communication required or permitted hereunder to any Party shall be in writing and shall be either personally delivered or sent by reputed overnight courier service, or by email, or sent by registered post acknowledgment due. Any

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notice or other communication shall be sent or delivered to the receiving Party at the address set forth herein, or at such other address as the Parties may from time to time designate by not less than 7 (seven) days' prior written notice to other Party:

32.1.1 The address for service of notice(s) to the Company shall be:

Attention: Mr. Jitendra Kumar
 Address: Plot No. 202, second Floor, Okhla Industrial Estate phase-III,
 New Delhi 110 020
 Phone: 011- 4959 8000
 E-mail: Jitendra.kumar@herofutureenergies.com

32.1.2 The address for service of notice(s) to the Debenture Trustee shall be:

Attention: Mr. Umesh Salvi
 Address: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina,
 Santacruz (East), Mumbai - 400098
 Phone: 022-4922055
 E-mail: umesh.salvi@ctitrustee.com

32.2 Such notices and other communication duly given shall be deemed to be effective:

32.2.1 if sent by personal delivery, upon delivery at the address of the relevant Party;

32.2.2 if sent by registered post (with acknowledgment of receipt), 2 (two) Business Days after the date of posting;

32.2.3 if sent by email, immediately upon successful transmission of the said email from the sender's system in case no delivery failure notification is received;


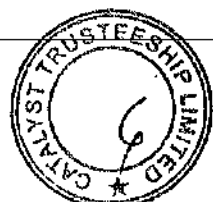
32.2.4 if sent by reputed overnight courier service 2 (two) Business Days after the date of dispatch; and

32.3 Any Party may, from time to time, change its address or representative for receipt of notices provided for in this Deed by giving to the other Party not less than 7 (seven) days' prior written notice.

ARTICLE 33

WAIVER

33.1 **No Implied Waiver or Impairment**

	
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No delay or omission of the Debenture Trustee in exercising any right, power or remedy accruing on the Debenture Trustee upon any default hereunder shall impair any such right, power or remedy or be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Debenture Trustee in respect of any default or any acquiescence by it in any default affect or impair any right power or remedy of the Debenture Trustee in respect of any other defaults nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies of the Debenture Trustee herein provided are cumulative and not exclusive of any rights or remedies provided by law or equity.

33.2 Express Waiver

A waiver or consent granted by the Debenture Trustee under written instructions from the Debenture Holders under this Deed will be effective only if given in writing and only in the instance, to the extent and for the purpose for which it is given.

**ARTICLE 34
MISCELLANEOUS**

34.1 Entire Understanding


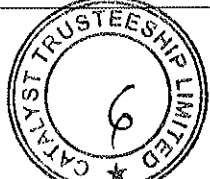
This Deed together with other Transaction Documents constitutes and represents the entire agreement between the Parties with regard to the rights and obligations of the Parties and cancels and supersedes all prior arrangements, agreements or understandings, if any, whether oral or in writing, between the Parties on the subject matter hereof or in respect of matters dealt with herein.

34.2 No conflict

The Parties hereby agree and undertake that in case of any conflict between the provisions of this Deed and any other Transaction Documents, the provisions of this Deed shall prevail.

34.3 Discharges and Releases

Notwithstanding any discharge, release or settlement from time to time between the Debenture Trustee and the Company, if any discharge or payment in respect of the obligations of the Company pursuant to this Deed is avoided or set aside or ordered to be surrendered, paid away, refunded or reduced by virtue of any provision of law

	
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or enactment relating to bankruptcy, insolvency, liquidation, winding up, composition or arrangement for the time being in force or for any other reason resulting in the above, the Debenture Trustee shall be entitled hereafter to enforce this Deed as if no such discharge, release or settlement had occurred.

34.4 Limitation on Rights of Others

Nothing in this Deed, whether express or implied, shall be construed to give to any Person other than the Debenture Trustee and the Debenture Holders any legal or equitable right, remedy or claim under or in respect of this Deed, except as expressly provided in this Deed, any covenants, conditions or provisions contained herein or in the Secured Properties all of which are, and shall be construed to be, for the sole and exclusive benefit of the Debenture Trustee for and on behalf of the Debenture Holders.

34.5 Amendment

The Company shall concur with the Debenture Trustee in making any modifications to these presents which, in the opinion of the Debenture Trustee, shall be expedient to make, provided that no such modifications of any nature shall be made without the prior written consent of the Majority Debenture Holders in accordance with the terms of this Deed. No amendment / modification of this Deed can be made without the prior written consent of the Debenture Trustee.

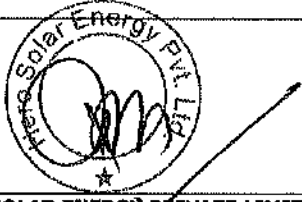
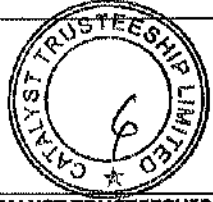
34.6 Other Remedies

34.6.1 The rights and remedies conferred upon the Debenture Trustee under this Deed:

- (a) shall not prejudice any other rights or remedies to which the Debenture Trustee may, independently of this Deed, whether by statute or otherwise, be entitled and in particular, the Debenture Trustee and / or the Debenture Holders shall retain all rights and remedies available to it under this Deed; and
- (b) shall not be prejudiced by any other rights or remedies to which the Debenture Trustee may, independently of this Deed, be entitled to, or any collateral or other security now or hereinafter held by the Debenture Trustee.

**ARTICLE 35
SURVIVAL AND SEVERABILITY**

35.1 Every provision contained in this Deed shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes


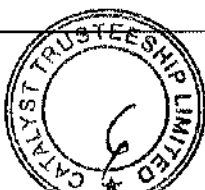
	
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Invalid illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

- 35.2 The Company hereby undertakes that during the subsistence of the Security created by the Company in favour of the Debenture Trustee pursuant to the terms of this Deed, the Company shall not do or suffer to be done or be party or privy to any act, deed, matter or thing which may, in any way prejudicially affect the Security and the rights created in favour of the Debenture Trustee under these presents.
- 35.3 The provisions of ARTICLE 23 (*Indemnity*), ARTICLE 32 (*Notices*), ARTICLE 34.5 (*Amendment*) and ARTICLE 36 (*Governing Law and Jurisdiction*) including those provisions of this Deed that would survive by implication shall survive and remain in full force and effect after the termination of this Deed. All accrued rights and outstanding obligations before termination of this Deed shall also survive the termination of this Deed.

**ARTICLE 36
GOVERNING LAW AND JURISDICTION**

- 36.1 This Deed and the rights and obligations of the Parties hereunder shall be construed in accordance with and be governed by the laws of India.
- 36.2 The Company and the Security Providers hereby agree that the courts and tribunals in New Delhi shall have non exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed and that accordingly any Proceedings arising out of or in connection with this Deed may be brought in such courts or the tribunals and the Company and the Security Providers irrevocably submit to and accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of those courts or tribunals.
- 36.3 The Company and the Security Providers irrevocably waive any objection now or in future, to decide of the venue of any Proceedings in the courts and tribunals at New Delhi and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agree that a judgment in any Proceedings brought in the courts and tribunals at New Delhi shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction, (subject to the laws of such jurisdiction) by a suit upon such judgment, a certified copy of which shall be conclusive evidence of such judgment, or in any other manner provided by law.
- 36.4 Nothing contained in ARTICLES 36.2 and 36.3 above, shall limit any right of the

	
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Debenture Holders and / or the Debenture Trustee to take Proceedings in any other court or tribunal of competent jurisdiction (including at New Delhi), nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other competent jurisdiction whether concurrently or not, and the Company and the Security Providers irrevocably submit to and accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Company and the Security Providers irrevocably waive any objection they may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum.

36.5 The Company and the Security Providers hereby consent generally in respect of any Proceedings arising out of or in connection with any this Deed to the giving of any relief or the issue of any process in connection with such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in such Proceedings.



36.6 To the extent that the Company and the Security Providers may in any jurisdiction claim for themselves or their assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Company and the Security Providers hereby irrevocably agree not to claim and hereby irrevocably waive such immunity.

**ARTICLE 37
FURTHER ASSURANCES**

The Company shall, at any time and from time to time upon the request of the Debenture Trustee promptly and duly execute and deliver all such further instruments and documents, and do or procure to be done all such acts or things, as of the Debenture Trustee may reasonably deem necessary in obtaining the full benefits of this Deed and of the rights herein granted and do or procure to be done each and every act or thing which of the Debenture Trustee may from time to time reasonably require to be done for the purpose of enforcing the Debenture Trustee's rights under this Deed.



**ARTICLE 38
ASSIGNMENT AND TRANSFERS**

38.1 This Deed shall be binding upon and ensure to the benefit of each party hereto and its or any subsequent successors and assigns.

	
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- 38.2 The Company shall not assign or transfer any of its rights and/or obligations under this Deed.
- 38.3 Subject to any restrictions as applicable to the Debentures, the Debenture Holders may, at any time sell, transfer, securitize, novate, assign (in whole or in part) in any permitted form, the Debentures all or any of its rights and benefits and obligations under the Transaction Documents to any other investor/institution/Person as it deems fit in its sole discretion, without requiring the prior consent, or otherwise, of the Company. Further the Parties agree that in all such instances and at all times, only the Debenture Trustee shall exercise the rights, obligations and benefits arising out of the Transaction Documents (other than this Deed) on behalf of and for the benefit of any transferee(s) and assigns. The Company unconditionally undertakes to provide promptly all support for and facilitate such transfer, assignment, or novation as the case may be, by the Debenture Holders, as may be requested by the Debenture Holders from time to time.
- 38.4 The Company irrevocably and unconditionally confirm that it shall continue to be bound by the terms of the Transaction Documents notwithstanding such transfer or assignment by the Debenture Holders and that the transferee(s) shall acquire an interest in this Deed and other Transaction Documents upon the transfer taking effect. All rights of the Debenture Holders would be transferred to the transferee(s) and its designated representative, provided that such rights shall be exercised by the Debenture Trustee on behalf of and for the benefit of the transferee(s).
- 38.5 The Debenture Trustee hereby confirms that, in the event of such a sale or transfer, the Debenture Trustee's obligation towards the Debenture Holders will automatically accrue to the transferee(s) and the Debenture Trustee shall thereon be guided by directions given by the transferee(s) or the authorized representative of such transferee(s).

[SIGNATURE PAGE FOLLOWS]

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

IN WITNESS WHEREOF, the Parties hereto have caused this Deed to be executed and acknowledged by their respective officers or representatives hereunto duly authorized, as of the date first above written.

SIGNED AND DELIVERED by the within named COMPANY, **HERO SOLAR ENERGY PRIVATE LIMITED**, by the hand of

Mr. Rajesh Puri
its authorized signatory pursuant to the resolution passed by its board of directors on 23rd September, 2021.



SIGNED AND DELIVERED BY THE DEBENTURE TRUSTEE within named **CATALYST TRUSTEESHIP LIMITED** by

Gagan Arora
the authorized signatory.

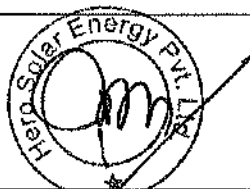

For CATALYST TRUSTEESHIP LIMITED

Gagan
Authorized signatory



Witnesses:

1. Shashank Shah
2. Vaibhaw Pratap Singh.

	
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**PART B OF THE DEBENTURE TRUST DEED
TERMS SPECIFIC TO THE ISSUE AND ANNEXURES**

**ANNEXURE – 1
TERMS OF THE DEBENTURES**

The Debentures shall *inter alia* carry the following terms:

1. FACE VALUE, NUMBER AND ISSUE SIZE OF THE DEBENTURES

- 1.1 Issue of up to 600 (six hundred only) secured, listed, non – convertible, redeemable debentures of face value of Rs. 10,00,000 (Rupees ten lakhs only) each for an aggregate amount up to Rs. 60,00,00,000 (Rupees sixty crore only) on a private placement basis. The Debentures are issued / will be issued as per the terms and conditions of this Deed.
- 1.2 The Debenture shall rank *pari – passu* (without any preference or priority) among themselves at all times and rank above all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Company (save for such exceptions as may be provided by mandatory provisions of Applicable Law).

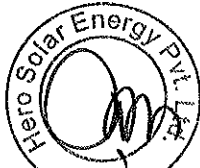
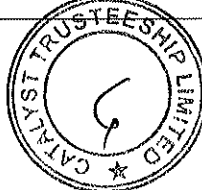
2. FORM AND DENOMINATION

- 2.1 The Debentures shall be credited in dematerialized form to the Debenture Holder's account by not more than 2 (Two) Business Days from the Deemed Date of Allotment.
- 2.2 Title to the Debentures passes (a) in the event the Debentures are not dematerialized, by transfer and registration in the Company's register of the Debenture Holders; or (b) in the event the Debentures are in dematerialized form, by registration in the depository register, in each case, upon or following any transfer. The Debenture Holder of any Debenture shall (except as otherwise required by Applicable Law) be treated as such Debentures' absolute owner for all purposes (whether or not the register of the Debenture Holders is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the certificate issued in respect of it) and no Person shall be liable for so treating the Debenture Holders.

3. TENURE

The tenure of Debentures shall be till the Maturity Date i.e., at the end of 30 (thirty) months from the Deemed Date of Allotment.

4. REDEMPTION

	
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4.1 "Redemption Date" shall mean:



- (i) with respect to the Redemption of the Debentures as per the Repayment Schedule below, the respective Redemption Date set out in **Annexure – 10** of this Deed;
- (ii) with respect to an Early Redemption upon occurrence of any Accelerated Redemption Events, the date of expiry of a period of 30 (thirty) days from date of the Redemption Notice issued by the Debenture Trustee in accordance with the terms hereof;
- (iii) with respect to an Early Redemption upon occurrence of Mandatory Redemption the date of expiry of a period of 60 (sixty) days from date of the Redemption Notice issued by the Debenture Trustee in accordance with the terms hereof; and
- (iv) with respect to an Early Redemption due to an Event of Default, the date of such Early Redemption pursuant to the written notice sent by the Debenture Holders / the Debenture Trustee for Early Redemption upon occurrence of Event of Default as per the terms hereof.

4.2 "Early Redemption" shall mean the redemption of the Debentures under the Paragraphs 4.4 to 4.6 below.



4.3 The Company shall compulsorily redeem/repay the Debentures on or before the Redemption Date, as per the repayment schedule ("**Repayment Schedule**") provided by the Debenture Holders / Debenture Trustee to the Company on the Deemed Date of Allotment. An illustration for the Repayment Schedule for repayment/redemption of the Debentures is set out in **Annexure – 10** hereto.

4.4 The Debenture Trustee / the Debenture Holders shall have a right to seek Early Redemption of all or part of the Debentures by giving a Redemption Notice to the Company, on occurrence of any of the Accelerated Redemption Events, Mandatory Redemption or in case of any Event of Default as per the terms and conditions of this Deed.

In case of Early Redemption on occurrence of any Accelerated Redemption Events, the Company shall be liable to pay to the Debenture Holders the entire Outstanding Amount or any such amount as may be decided by the Debenture Trustee as per the Redemption Notice, within a period of 30 (thirty) days from date of the Redemption Notice. If the Company fails to make such payment within the stipulated timelines, then the same shall result in an Event of Default.

	
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- 4.5 The Debenture Trustee/the Debenture Holders shall have a right to seek Early Redemption of all the Debentures by giving a Redemption Notice to the Company, on occurrence of any Event of Default. Upon the occurrence of an Event of Default, the Company shall within a period of 7 (seven) days, inform the Debenture Trustee / Debenture Holder(s), by written Intimation which will contain the details of the Event of Default. However, if the Company does not intimate the Debenture Trustee about the occurrence of the Event of Default, it will not preclude the Debenture Trustee / the Debenture Holders from invoking the Event of Default and exercising the right hereunder, if they are aware of the occurrence of the Event of Default. Upon receipt of the Redemption Notice for Early Redemption on occurrence of any Event of Default, the Company shall forthwith pay to the Debenture Holders the entire Outstanding Amount or any such amount as may be decided by the Debenture Trustee as per the Redemption Notice.
- 4.6 The Debenture Trustee / the Debenture Holders may serve a written notice for the redemption of the Debentures (the "**Redemption Notice**") on the Company for Early Redemption of the Debentures as aforesaid declaring all or any part of the Outstanding Amounts to be due and payable forthwith as more particularly set out in ARTICLE 11 read with **Annexure – 3** of this Deed. However, a failure on part of the Debenture Trustee in serving a notice of redemption on the Company shall not operate as a waiver of the obligation of the Company to cause Early Redemption or any other right, power, privilege or remedy contemplated under this Deed.
- 4.7 "**Mandatory Redemption**" shall mean Redemption of Debentures pursuant to (i) downgrade in rating of the Company or Debentures to "BBB+" or below; or (ii) if the Company is termed as an "*Issuer not cooperating*" or any similar status is given to the Company by the rating agency anytime till the Settlement Date; or (iii) if any new rating is assigned by any accredited rating agency to the Company or the Debentures which is "BBB+" or below.
- 4.8 In any of the above mentioned cases, the Debenture Trustee shall have an option to call for Mandatory Redemption of Debentures in full or in part of the outstanding Debentures together with the outstanding Interest i.e., the Outstanding Amounts, which shall be payable till the date of such mandatory payment.
- 4.9 The Company shall be liable to pay such amount within 60 (sixty) days from date of the Redemption Notice in case of Mandatory Redemption. If the Company fails to make such payment within the stipulated timelines, the same shall constitute an Event of Default. The Repayment Schedule shall be adjusted proportionately to the extent of the amounts

	
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prepaid by the Company and the Interest shall be payable on the Outstanding Principal Amounts.

- 4.10 The Company shall not have the right to redeem the Debentures at any time prior to the expiry of the Lock – In Period, other than in accordance with the Repayment Schedule. The Company may redeem the Debentures earlier in full towards the Outstanding Amounts of the Debentures, on the date of expiry of the Lock-In Period and every 6 (six) months after the end of the Lock-In Period, by giving 30 (thirty) days prior notice in writing to the Debenture Trustee ("**Call Option**") without any prepayment penalty/premium.
- 4.11 The Debentures shall not be redeemed by the Company in whole or in part except in accordance with the provisions of this Deed. The redemption of Debentures on the Redemption Date shall occur by payment of the relevant Outstanding Amount to the extent due and payable by the Company to the Debenture Holder(s). The Debentures shall be redeemed as per **Paragraph 4.12** below of this **Annexure**.
- 4.12 The Company shall take all steps to ensure that the Debentures are redeemed on the Redemption Date by payment of the relevant Outstanding Amount to the extent due and payable by the Company to the Debenture Holder.
- 4.13 Any monies paid by the Company to the Debenture Holders in accordance with the terms and conditions as set out under this Deed, shall be utilized and adjusted in the order of priority set out in **ARTICLE 30 (Application of Monies)** of this Deed.
- 4.14 Any Redemption of Debentures shall be done by reducing the face value of the Debentures proportionately and as intimated by the Debenture Trustee from time to time acting on the prior written instructions of the Majority Debenture Holders. Accordingly, the proportionate face value of Debentures shall stand reduced by the amount of such Redemption.


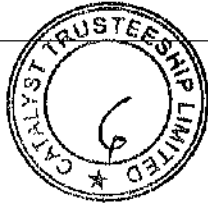
5. PURPOSE

The subscription amounts of the Debentures shall be utilized by the Company for the Purpose as set out in this Deed.

6. SECURITY

The Debentures shall be secured by the Security as set out in **ARTICLE 8.1** of this Deed.

7. VOTING RIGHTS

	
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7.1 Other than voting rights *inter se* the holders of Debentures, the Debentures shall not carry any voting rights in the meeting of the shareholders of the Company. The Debenture Holders shall not be entitled to any of the rights and privileges available to the shareholders including right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Company.

7.2 If, however, any resolution affecting the rights attached to the Debentures is placed before the shareholders, such resolution will first be placed before the Debenture Holder(s) for its consideration and approval in writing.

8. INTEREST

8.1 The Debentures shall carry an Interest at the Interest Rate on all Outstanding Principal Amounts, which is payable on a quarterly basis, rounded off to the nearest Rupee.

8.2 The Interest shall accrue on day-to-day basis and year being of 365 days (except in case of leap year, in which case, year shall be of 366 days). The Interest shall be due and payable on quarterly basis on or before each Interest Payment Date.

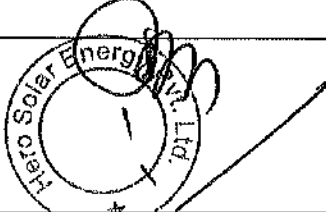

8.3 If the Company fails to pay the Interest on or before on the Interest Payment Date, such unpaid Interest shall thereafter (until paid) bear Default Interest at the rate specified hereunder.

8.4 The Interest Rate shall be subject to reset (each an "Interest Reset") by

- a. an increase by 0.5% (zero point five percent) over and above the Interest Rate in case of every notch of downgrade in Credit Rating from 'A+' by CRISIL or by any other rating agency. Thereafter, the Interest Rate would increase by 0.5% for every notch downgrade in Credit Rating; and
- b. a decrease by 0.5% (zero point five percent) to the Interest Rate for every notch of upgrade in the Credit Rating, provided that the Interest Rate shall not be lesser than the Initial Interest Rate at any time.

which shall be effective immediately and accruing from the date of such downgrade / upgrade in the Credit Rating of the Company and shall be calculated on the Interest payable on the immediately succeeding Interest Payment Date.

9. DEFAULT INTEREST

	
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9.1 The Company shall be liable to pay a Default Interest at such rate over and above the Interest, as follows:

- (i) If an Event of Default relating to the obligations for creation and / or perfection of the Security, has occurred and is continuing, the Default Interest at the rate of 1% p.a. (one percent per annum) shall accrue on the Subscription Amount of the Debentures from the date of occurrence of such Event of Default up to the date on which such Event of Default is remedied or waived (as the case may be);
- (ii) If an Event of Default relating to payment of the Interest or any other Outstanding Amount, has occurred and is continuing, the Default Interest at the rate of 2% p.a. (two percent per annum) shall accrue on all the amount of the Interest and / or any other Outstanding Amount from the date of occurrence of the Event of Default up to the date on which such Event of Default is remedied; and
- (iii) In case of delay in listing beyond 4 (four) Business Days from the Issue closing date, the Company shall pay additional interest of 1% p.a. (one percent annum) over and above the Interest Rate on the Subscription Amount of the Debentures from the Deemed Date of Allotment till the listing of Debentures. Further, the Company shall be permitted to utilise the issue proceeds of its subsequent two privately placed issues only after receiving final listing approval from the Stock Exchange.


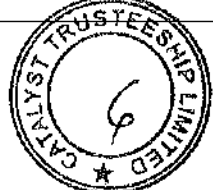
The interest payable on each default above shall be referred to as Default Interest Rate for such default.

It is further clarified that in case of any event which shall only constitute an Event of Default after the expiry of a cure period if specified in Paragraph 1 of Annexure – 3 of this Deed, Default Interest shall be chargeable from the date of occurrence of such event.

9.2 Any Default Interest accruing hereunder shall be payable by the Company on demand by the Debenture Trustee / the Debenture Holder as per the terms of this Deed.

10. **LIQUIDATED DAMAGES**

The Company hereby acknowledges and agrees that the Default Interest, which is payable to the Debenture Holders, if so become payable, as aforesaid is a genuine pre-estimate of the damages ("**Liquidated Damages**") that will be caused to the Debenture

	
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Holders on account of an Event of Default under the Transaction Documents. The Liquidated Damages are neither penalty nor consequential damages payable by the Company and the Security Provider. In view of the foregoing, the Company hereby accepts and agrees to pay such Liquidated Damages to the Debenture Holders and waive their right to dispute such Liquidated Damages in any proceedings.

11. CALCULATIONS BINDING

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained including calculation of the Interest, the Default Interest, etc. with respect to the Debentures by the Debenture Trustee / the Debenture Holder shall be conclusive evidence of the matters to which it relates and shall be binding on all the Parties and no liability to any such Person shall attach to the Debenture Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

12. MODE OF PAYMENTS


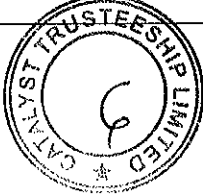
12.1 Any payment of the Outstanding Amounts to the Debenture Holders will be made to the sole holder of any Debentures and in case of joint holders to the one whose name stands first in register of beneficial owners / register of debenture holders (as may be applicable). Such payments will be made to the Person whose name appears in the register of beneficial owners / register of debenture holders (as may be applicable) on the record date as set out in **Paragraph 14** of this **Annexure**.

12.2 Any payment of the Outstanding Amounts shall be made by the Company using the services of electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT) into the Debenture Holders' respective bank accounts notified to the Company from time to time, provided however that, when direct credit, ECS, RTGS, or NEFT service is not available, such payment shall be made by the Company by way of bank draft or demand drafts.

13. BUSINESS DAY CONVENTION

13.1 In case any Interest Payment Date falls on a day which is not a Business Day, the payment to be made on such Interest Payment Date shall be made on the immediately succeeding Business Day, provided the future Interest Payment Dates shall remain intact and shall not be disturbed because of postponement of such Interest payment on account of it falling on a non-Business Day.

13.2 In case the Redemption Date falls on a day which is not a Business Day, the payment to

	
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be made of such Redemption Date (including interest thereon) shall be made on the immediately preceding Business Day.

13.3 It is clarified that the schedule of interest payment shall not be amended on account of change in payment date on account of the abovementioned payment mechanisms.

14. RECORD DATE FOR DEBENTURES

14.1 Any payments in respect of the Debentures shall be made to the Debenture Holders whose names are recorded in the register of debenture holders of the Company or in the depository system as of the record date, which shall be a date that is 15 (fifteen) Business Days prior to the proposed date of payment.

14.2 It is clarified that in the event the record date falls on a day which is not a Business Day then the immediately succeeding Business Day shall be considered as the record date.

15. DAY COUNT BASIS

In all cases in which it shall be necessary to compute the amount of Interest or any other charges which shall have accrued under this Deed, the Interest will be computed on an actual by 365 (Three Hundred and Sixty-Five) days a year basis (except in case of leap year, in which case, year shall be of 366 days).


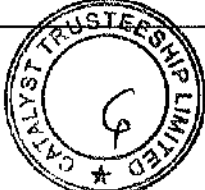
16. VARIATION

The Debenture Trustee and the Company may, at any time, mutually agree to change/modify the terms of the Debentures, if required.

17. TAX DEDUCTION AT SOURCE (TDS)

17.1 All payments to be made by the Company to the Debenture Holders and Debenture Trustee (including any fees payable) under the Transaction Documents shall be made free and clear of and without deduction for or on account of taxes, except the withholding tax as required under the Income Tax Act, 1961. Provided that, the Company delivers to the Debenture Trustee / Debenture Holders tax withholding or tax deduction certificates in respect of such withholding or deduction made in any fiscal year, evidencing that such deducted taxes or withholdings have been duly remitted to the appropriate authority.

17.2 If the Company is obliged to make any counter-claim, set off, deduction or withholding from any Outstanding Amount, then the amount payable by the Company shall be

	
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increased to the extent necessary to ensure that, after making the deduction or withholding, each of the Debenture Holder receives and retains a net sum equal to what they would have received and so retained if no such counter-claim, set off, deduction or withholding was required or had been made, save and except the withholding tax as required under the Income Tax Act, 1961.

17.3 If the Company is required to make a tax deduction, it shall make that tax deduction and any payment required in connection with such tax deduction within the time allowed and in the minimum amount required by Applicable Law. For the avoidance of any doubt, it is hereby clarified that if any of the Debenture Holder is an Alternative Investment Fund (AIF) duly registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 and therefore no withholding taxes / Tax Deducted at Source (TDS) is required to be levied in accordance with the provisions of the Income Tax Act, 1961 and / or Applicable Laws, as of the Execution Date.

17.4 Without prejudice to the aforesaid, if the Debenture Holder(s) and / or the Debenture Trustee are required to make any payment on account of Taxes (not being Taxes imposed on or calculated by reference to the net income paid to and received by any of them) or otherwise on or in relation to any sum received or receivable hereunder by the Debenture Holder(s) and / or the Debenture Trustee or any liability in respect of any such payment is asserted, imposed, levied or assessed against the Debenture Trustee and / or the Debenture Holder(s), the Company shall, upon demand, promptly indemnify and pay to the Debenture Trustee and / or the Debenture Holder(s) against such payment or liability, together with any interest, penalties, costs and expenses payable or incurred in connection therewith.

18. COST AND FEES



All fees and costs associated with the issue of Debentures viz., documentation charges (including stamp duty), legal, valuation, due diligence and other charges, etc., shall be borne by the Company.

19. COMPLIANCE WITH THE DEBENTURE TRUST DEED

The Company covenants to comply with the terms of the Debenture Trust Deed until all the Debentures are redeemed in accordance with the terms thereof and hereof.



20. REDRESSAL OF GRIEVANCES

20.1 The Company shall promptly furnish to the Debenture Trustee the details of all the grievances received and shall comprise the following:

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- (i) Names of the complainants/ Debenture Holders.
- (ii) Nature of grievances/complaints.
- (iii) Time taken for redressal of complaint/grievances etc.
- (iv) The steps taken by the Company to redress the same.

20.2 At the request of any the Debenture Holders, the Debenture Trustee shall by notice to the Company call upon the Company to take appropriate steps to redress such grievances and shall, if necessary, call a meeting of the Debenture Holders in accordance with the provisions of **Annexure – 4** of this Deed.

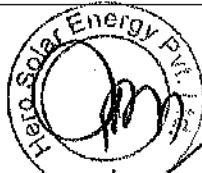

	
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**ANNEXURE – 2
WARRANTIES**

The Company on behalf of itself and on behalf of the Security Providers hereby represents and warrants to the Debenture Trustee, till the Settlement Date that each of the following representations and warranties as set out in this Annexure is true, accurate and not misleading as on the Execution Date and the Deemed Date of Allotment. The Warranties shall stand qualified to the extent of the disclosures made by the Company in the Disclosure Letter which shall be provided by the Company in the format set out in **Annexure – 9** hereto ("**Disclosure Letter**"). The Company shall provide duly executed Disclosure Letter on or before the Issuance of the CP Completion Certificate.

1. Status

- (a) The Company and the Security Providers (*if applicable*) are duly incorporated and validly existing under the laws of India.
- (b) The Company and the Security Providers (*if applicable*) have all the requisite powers and authority to carry on their business as it is being conducted.
- (c) The Company is classified as an "Infrastructure facility" in terms of Section 186 of the Act and the provisions of Section 186 of the Act are not applicable to the Company.
- (d) There are no Encumbrances or security interests or any other agreement or arrangement or litigation having a similar effect over any present or future assets or revenues of the Company and / or the Security Providers other than those disclosed to the Debenture Trustee.
- (e) The Company and / or the Security Providers own or possess all Clearances that are necessary to operate their business as is being currently conducted.
- (f) All financial statements/returns etc. as required under the Applicable Law have been filed by Company and / or Security Providers with the prescribed Governmental Authorities.
- (g) All Taxes, assessments, reassessments and governmental charges or levies imposed upon the Company and / or Security Providers have been paid and no amounts are outstanding unless contested in good faith.
- (h) All statements of accounts have been prepared in accordance with the rules prescribed by Accounting Standards and present a true and fair view of the affairs of the Company and / or Security Providers.

	
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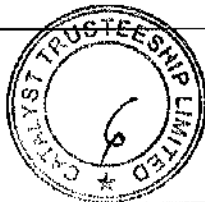
- (l) All information given by the Company and / or Security Providers in connection with this Deed and other Transaction Documents are true, complete and accurate and that the Company and / or the Security Providers and / or the Promoter are not aware of any facts which they have not disclosed to the Debenture Trustee.

2. Powers and Authority

The Company has the power to enter into and perform and has taken all necessary action to authorize the entry into, performance and delivery of this Deed. Subject to what is stated herein, the entry into and performance by the Security Providers and the Company of the transactions contemplated in this Deed does not conflict with any other existing documents or agreements.

3. Legal Validity

- (a) The Transaction Documents constitute, or when executed in accordance with its terms will constitute, a legal, valid and binding obligation of the Company enforceable in accordance with its terms. All Transaction Documents including this Deed have been duly stamped in accordance with the relevant stamp laws, and all duties or other similar taxes in connection therewith have been paid in full by the Company.
- (b) The Security created under the Security Documents is valid and free of Encumbrances and is capable of being enforced in accordance with the terms of the Transaction Documents.
- (c) The execution, delivery and the performance of the Transaction Documents by the Company and /or the Security Providers and other parties to the Transaction Documents and their obligations there under, do not and will not:
- (i) breach or constitute a material default under its Constitutional Documents;
 - (ii) result in a breach of, or constitute a default under, any agreement to which the Company is a party or by which they are bound or give any third party a right to terminate or modify, or result in the creation of any lien under, any agreement, license or other instrument; or
 - (iii) result in a violation or breach of or default under any applicable law or of any order, judgment or decree of any court, Governmental Authority, regulatory body to which the Company is a party or by which any of its assets are bound.

	
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- (d) No event which is or no event which (with the passage of time or the giving of notice or both) may become, one of the Events of Default has occurred, or is likely to occur.

4. Law

The Company and/or the Security Providers (*if applicable*) have complied with all the provisions of the Act including but not limited to the issuance and allotment of the Debentures, creation of Security for consummation of the transaction contemplated herein.

5. Licenses and Permissions

The Company and/ or the Security Providers have all the requisite licenses and permissions that are required to carry out its business and they have not breached any of the terms of the licenses / permissions.

6. Financing and Indebtedness

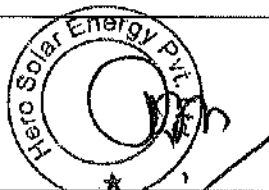
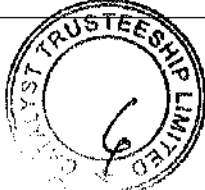
- (a) There are no liabilities or borrowings (secured or unsecured) in the Company other than those disclosed in the Audited Financial Statements of the Company as on March 31, 2021 provided by the Company to the Debenture Holders.

7. Solvency

None of the following has occurred and is subsisting, nor has a notice been served, in relation to:

- (a) an application to a court for an order, or the making of any order, that the Company and/or the Security Providers be wound up, that a liquidator or receiver be appointed;
- (b) an Insolvency Event of the Company and /or the Security Providers;
- (c) the convening of a meeting or passing of a resolution to appoint a liquidator in respect of the Company and/or the Security Providers; and
- (d) the taking of any action to seize, take possession of or appoint a receiver and / or manager in respect of the Company and/or the Security Providers.

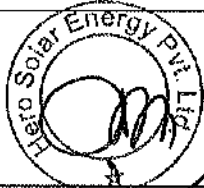
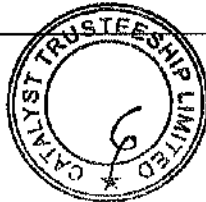
8. Taxes

	
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- (a) The Company and the Security Providers have duly filed all returns, estimates, information statements, reports and any other filings required by Applicable Laws ("Tax Returns") relating to Taxes, required to be filed by the Company with any tax authority(s). Such Tax Returns are true and correct in all respects, discloses all income of the Company from all sources and have been completed in accordance with Applicable Laws in all respects.
- (b) None of such returns is disputed in any respect by the Governmental Authority concerned and the Company and the Security Providers are not aware of any such dispute or claim which has been initiated by the Governmental Authority other than those by way of regular assessments of returns.
- (c) The Company has withheld with respect to their employees and all other third parties all applicable taxes and made all necessary contributions / payments, required to be made / withheld pursuant to withholding / payment requirements under or pursuant to any Applicable Laws.


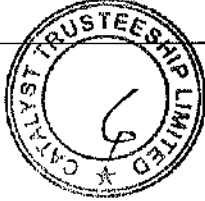
9. Legal Proceedings / Issue

- (a) There are no private or governmental action, suit, proceeding, claim, arbitration, show cause or investigation pending before any agency, court, arbitrator, arbitral tribunal, quasi-judicial authority or tribunal, foreign or domestic, or threatened against the Company or the Security Providers or any of the other parties to the Transaction Documents which may adversely affects the obligations of the Company or the Security Providers or any of the other parties to the Transaction Documents other than those disclosed to the Debenture Trustee.
- (b) The Company or the Security Providers or any of the other parties to the Transaction Documents are not subject to any order, judgment, decree or injunction, which in any manner adversely affects the performance of this Deed and the Transaction Documents.
- (c) There are no existing or potential outstanding legal issues against the Company or the Security Providers or any of the other parties to the Transaction Documents, which in any manner adversely affects the performance of this Deed and the other Transaction Documents.
- (d) The Company or the Security Providers or any of the other parties to the Transaction Documents do not have any immunity from any suits or other legal proceedings.

	
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10. Secured Properties

- (a) The Company and the Security Providers are well and sufficiently entitled to their respective rights on the Secured Properties.
- (b) The ownership rights of the respective Company and the Security Providers in respect of the Secured Property are clear, marketable and free from any Encumbrances whatsoever and all the documents under which the Company and the Security Providers have acquired the ownership rights are valid and subsisting and the same have not been terminated and / or cancelled.
- (c) The Secured Properties are not reserved for any public purpose.
- (d) The Company and the Security Providers and / or their predecessors-in-title have not done, omitted or knowingly or willingly suffered or been party or privy to any act, deed or thing whereby the Company and / or the Security Providers is / are prevented from entering into this transaction or whereby the Secured Properties or any part thereof is, can or may be charged, encumbered or prejudicially affected in estate, title or otherwise howsoever.
- (e) Neither the Company and the Security Providers nor anyone on their behalf have otherwise entered into any agreement for sale or otherwise Transferred the Secured Properties or any part thereof or created any right or interest in favour of any third party in respect of the Secured Properties.
- (f) There are no prohibitory orders or any attachment orders or otherwise any liabilities in respect of the Secured Properties or any part thereof.
- (g) There are no income tax, wealth tax, sales tax or other taxation proceedings whether for recovery or otherwise initiated by any taxation authorities or local authorities pending against the Company and the Security Providers whereby the Secured Properties or any part thereof is in any way affected and / or jeopardized.
- (h) The Secured Properties and / or any part thereof is not a subject matter of any suit, petition and legal proceedings and there are no prohibitory orders or any attachment orders of or otherwise any liabilities in respect of the Secured Properties or any part thereof other than those disclosed to the Debenture Trustee.



	
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- (i) Neither the Company and the Security Providers nor any of their predecessors-in-title are guilty of having / not having done any act, deed or thing which can be construed as a breach of any law, regulations, rules, which affects the rights of the Company and the Security Providers to the respective Secured Property or has resulted or may result in payment of any fine, penalty or premium to the Government or any other authority.
- (j) No notice(s) is/are received by the Company and the Security Providers or their predecessors-in-title either from the local authorities or from the Governmental Authority or otherwise for requisition and/or acquisition of the or any part thereof.
- (k) Except as specifically set out in this Deed, no third-party consent or no-objection, is required to be obtained for the purpose of the transactions contemplated herein.
- (l) There are no winding up petitions pending against any of the Security Providers or any winding up orders passed against any of the Security Providers.

11. Validity and Admissibility in Evidence

All approvals, authorisations, consents, permits (third party, statutory or otherwise) required or desirable are in order:

- (a) to enable the Company lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- (b) to make the Transaction Documents to which the Company is a party admissible in evidence in its jurisdiction of incorporation.

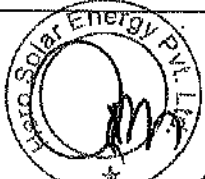

	
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ANNEXURE – 3
EVENTS OF DEFAULT AND CONSEQUENCES

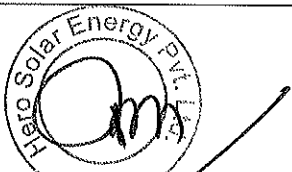
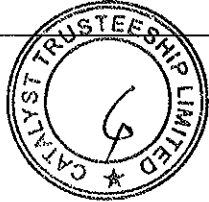
1. Event of Default

Each of the following shall constitute an Event of Default ("**Event of Default**"):

- (a) Any failure / breach / default by the Company to meet its payment obligations (including the Principal Amount, Interest or Default Interest, etc.), on the Due Date on which they become due in respect of the Debentures or to redeem the Debentures as provided in this Deed or under any of the Transaction Documents;
- (b) Any failure / breach / default by the Company and/or any other Security Provider to comply with the covenants and undertakings under ARTICLE 10.3.1 (*Specific Covenants*) of this Deed excluding breach of covenants relating to the Accelerated Redemption Events;
- (c) Any failure / breach / default by the Company to make payment within 30 (thirty) days on occurrence of an Accelerated Redemption Event;
- (d) Any failure / breach / default by the Company to make payment within 60 (sixty) days on occurrence of Mandatory Redemption;
- (e) Any failure / breach / default by the Company and/or any other Security Provider and/or WSPL to comply with any covenants and undertakings under this Deed.
- (f) Any failure / breach / default by the Company, any other Security Provider to comply with / fulfil any of the Conditions Subsequent on the Due Date under the terms and conditions of this Deed and / or any of the Transaction Documents;
- (g) Occurrence of an Insolvency Event of the Company, the Security Providers or WSPL;
- (h) Occurrence of any Debenture Delisting Event of the Debentures, for any reason whatsoever;
- (i) Any utilisation of funds other than for the Purpose as stated under this Deed;
- (j) Subject to clause 8.6.2, failure to maintain the Required Security Cover as per the requirements as stipulated under this Deed;

	
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- (k) Failure on the part of the Company and / or any Security Provider to create or cause the creation and perfection of the Security as per the requirements as stipulated under this Deed;
- (l) If the Company and / or the Security Providers, without the prior written consent of the Debenture Trustee, creates or attempts to create any Encumbrance over the Security, except as expressly permitted under the Transaction Documents;
- (m) Attachment or restraint is levied on any Secured Properties on which Security is created as provided in this Deed and / or other Transaction Documents;
- (n) Occurrence of a Material Adverse Event;
- (o) Any amount payable by any of the Security Providers, the Company or WSPL to any creditor in respect of any Indebtedness (other than those under the Transaction Documents) is not paid when due;
- (p) Any commitment for any Indebtedness of any of the Security Providers, the Company or WSPL is cancelled or suspended by a creditor as a result of an event of default (however described);
- (q) Any Indebtedness of any of the Security Providers, the Company or WSPL becomes prematurely due and payable and is not paid in terms thereof or is capable of being declared by or on behalf of a creditor to be prematurely due and payable or of being placed on demand;
- (r) Any representation, warranties or statement made or deemed to be made or repeated by the Company and the Security Providers pursuant to this Deed and / or any of the other Transaction Documents including without limitation the Warranties or in any notice, certificate or statement referred to herein or therein or delivered hereunder or thereunder is or proves to be materially incorrect or misleading in any manner;
- (s) The Company ceasing or deciding to cease to carry on a material part of its business or giving a notice of its intention to do so;
- (t) Any attachment, expropriation and / or restraint by any Governmental Authority which affects the portion of the assets of the Company and / or the Security Providers;
- (u) The title of the Company or Security Providers to the Secured Property being found defective;

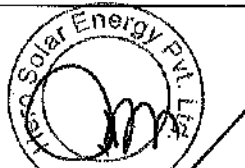

	
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- (v) Any attempt to transfer any Securities held by the Security Providers in contravention of this Deed;
- (w) Institution of any Proceeding, prosecution, inquiry or investigation of any criminal nature, by or before any court, tribunal, arbitrator or other judicial / quasi-judicial authority, against the Company and / or the Security Providers, and / or the Company, Security Providers or WSPL which in the opinion of the Debenture Trustee is likely to affect any right of the Debenture Trustee/Debenture Holders under the Transaction Documents;
- (x) Any activity carried out by the Company becomes unlawful in nature;
- (y) Any illegality, invalidity or unenforceability of the obligations of the Company and / or the Security Providers or the illegality, invalidity or unenforceability or any defect in any provision of the Transaction Documents;
- (z) When in the opinion of the Debenture Trustee the Security is in jeopardy;
- (aa) The Promoter and/or the key managerial personnel of the Company, Security Provider and WSPL are included in the wilful defaulters' list(s) published by the Reserve Bank of India from time to time or declared as fugitive economic offender;
- (bb) In case of any fraud committed by the Company, Security Provider or WSPL or in case of any misappropriation of funds receivable by the Company which is proven by way of any order/decree of any court/tribunal of competent jurisdiction; and
- (cc) Any failure / breach / default by the Company and / or the Security Providers to comply with the terms, conditions and covenants of this Deed and / or any of the Transaction Documents which is not covered in any other provision of this **Paragraph 1** of this Annexure – 3.

2. Consequences of Events of Default

2.1 On occurrence of an Event of Default, the Debenture Trustee and / or the Debenture Holders may take any or combination of or all of the following actions:

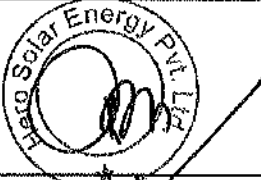

- (a) The Debenture Trustee or its nominee may, without any notice and without assigning any reason without prejudice to any other rights and / or remedies of the Debenture Trustee and at the risk and expense of the Company and the

	
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Security Providers, and if necessary as attorney for and in the name of the Company and the Security Providers be entitled to:

- (i) declare all or any part of the Secured Obligations (including redemption of the Debentures) to be Immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon they shall become so due and payable;
- (ii) to appoint its nominee director/observer in terms of the Act and this Deed on the Board of Directors of the Company and the director so appointed shall not incur any liability and shall be indemnified by Company on the terms set out in this Deed and **Annexure – 6** hereto;
- (iii) enforce, realize, settle, compromise and deal with any rights or claims relating thereto, without being bound to exercise any of these powers or be liable for any losses in the exercise or non – exercise thereof and without prejudice to the Debenture Trustee's rights and remedies of suit or otherwise;
- (iv) act upon and enforce, seize, recover, receive, remove, dispatch and / or take charge of the Security created under the Transaction Documents and sell, call in, collect, convert into money or otherwise deal with or dispose of the Secured Properties or any part thereof on an instalment basis or otherwise and generally in such manner and upon such terms whatsoever as the Debenture Trustee may consider fit in the manner laid down in this Deed and / or other Transaction Documents. The Debenture Trustee shall have right to change and / or takeover the management / possession of the Secured Properties and change / appoint any contractor, manager etc., to its satisfaction;
- (v) undertake all necessary acts, exercise all rights available to it under Applicable Laws and in equity and under the Transaction Documents, and appoint all such Persons as it may deem necessary, to enforce and realise any Security created hereunder or under the Transaction Documents and apply the proceeds thereof in accordance with the terms of this Deed and the Transaction Documents;

2.2 On occurrence of an Event of Default, the Company shall be liable to pay the Default Interest, in accordance with the requirements of **Paragraph 9 of Annexure – 1** hereto. For the avoidance of any doubt, it is hereby clarified that the Default Interest payable upon the occurrence of an Event of Default, shall be payable by the Company over and

	
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above the Interest calculated at the Interest Rate, in accordance with the terms and conditions of this Deed.



2.3 Sale/Transfer of assets

Upon the occurrence of an Event of Default, in addition to the consequences set out in **Paragraph 2.1** of this **Annexure**, the Debenture Holders shall have the right to cause the Company and the Security Providers to provide an exit to the Debenture Holders by sale/transfer of the Secured Property or any part thereof to any third party purchaser (including any third party purchaser identified by the Debenture Holders) such that the Debenture Holders receives the Outstanding Amounts. It is agreed that the monies received by sale of the Secured Property as stated in this Paragraph shall be utilized only towards payment of Outstanding Amounts to the Debenture Holders. It is clarified that the balance amount (if any) available with the Debenture Trustee after the payment of Outstanding Amounts shall be returned to the Company. Notwithstanding any other remedies available to the Debenture Holders under this Deed or other Transaction Documents, upon the occurrence of an Event of Default, the Debenture Holders shall also be entitled to disclose the name of the Company and / or the Security Providers and their directors and the Promoters to Reserve Bank of India (RBI)/ Credit Information Bureau of (India) Limited (CIBIL) / National E-Governance Service Limited (NeSL)/ any other credit information company / or any other statutory / regulatory authority in this behalf as defaulters and also have the right to publish the name of the Company as defaulters in such manner and through such medium as the Debenture Holders in its absolute discretion may think fit. It is clarified that nothing contained herein shall prevent the Debenture Trustee and the Debenture Holders from enforcing the Security and selling the respective Secured Properties to recover the Outstanding Amounts.

- 2.4 The Company hereby undertakes and covenants that in the event the Debenture Holders are desirous of exercising any of their rights under this Paragraph, the Company shall ensure that the Security Providers shall exercise their voting rights in the Company in accordance with the instructions of the Debenture Holders so as to comply and to fully and effectually implement the spirit and intent of this Paragraph. The rights set out in this Paragraph are cumulative in nature and are in addition to any other right and remedies available to the Debenture Holders whether under contract, law or otherwise.

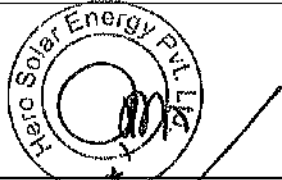

2.5 Other Consequences - Inter Creditor Agreement under SEBI Laws

If an Event of Default relating to payment of the Interest or any other Outstanding Amount has occurred and is continuing, the Debenture Trustee in accordance with the SEBI circular dated October 13, 2020 bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 ("SEBI ICA Circular"), shall:

	
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- (a) send a notice to the Debenture Holders within 3 (three) days of the occurrence of the said Event of Default, by way of registered post with acknowledgement due, speed post with acknowledgement due, courier, hand delivery with proof of delivery or through electronic mail as a text or an attachment with notification of read receipt and proof of such delivery of notice or e-mail shall be maintained by the Debenture Trustee;
- (b) the notice delivered by the Debenture Trustee in accordance with Paragraph 2.5.(a) above, shall provide: (A) the negative consent for proceeding with enforcement of the Security; (B) positive consent for signing an inter-creditor agreement in accordance with the RBI circular dated June 07, 2019 ("ICA"); (C) the time period within which the Debenture Holders are required to provide their consent, that is, within 15 (fifteen) days from the date of such notice; and (D) the date on which the meeting of Debenture Holders will be convened. The Debenture Trustee shall convene a meeting of the Debenture Holders no later than 30 (thirty) days from the occurrence of such Event of Default *provided that* in case the said Event of Default is cured by the Company to the satisfaction of the Debenture Trustee, no meeting of the Debenture Holder(s) will be required; and
- (c) the Debenture Trustee shall take the necessary action for enforcement of the Security or for entering into an ICA, as decided by the 'majority debenture holders', subject to: (A) in case where the 'majority debenture holders' have expressed their dissent against enforcement of Security, the Debenture Trustee shall not enforce the Security; (B) in case where the 'majority debenture holders', have expressed their consent to enter into the ICA, the Debenture Trustee shall enter into the ICA; (C) In case consents are not received in accordance with (A) and (B) of this Clause, the Debenture Trustee shall take action as per the decision of the 'majority debenture holders', in the meeting convened in accordance with Paragraph 2.5.(b) above; (D) the Debenture Trustee shall form a representative committee of Debenture Holders to participate in the ICA or enforce the Security or as may be decided in the meeting convened in accordance with Paragraph 2.5.(b) above;


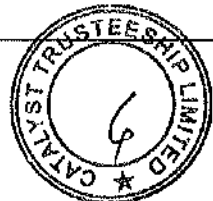
For the purposes of this Clause, 'majority debenture holders,' shall mean the Debenture Holder(s) holding 75% by value of the outstanding Debentures and 60% of the Debenture Holder(s) by number of Debentures held. In the event that the Debenture Holder(s) agree to sign an ICA and the Debenture Trustee signs such ICA on behalf of the Debenture Holder(s), the Debenture Trustee shall be subject to the conditions stipulated in the SEBI ICA Circular.

	
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ANNEXURE – 4
PROVISIONS FOR MEETINGS OF THE DEBENTURE HOLDERS

The following provisions shall apply to the meeting of the Debenture Holders:

1. Any meeting of the Debenture Holders shall be held between 9AM and 5PM on any Business Day at such place in the city where the registered office of the Company is situated or at such other place as the Debenture Trustee shall determine in consultation with the Majority Debenture Holders.
2. A meeting of the Debenture Holders may be called by giving not less than 21 (twenty-one) days' notice. The Debenture Trustee shall be entitled to call such meeting by giving shorter notice than that specified herein.
3. The Debenture Trustee may at any time, and the Debenture Trustee shall, at the request in writing of the Debenture Holders representing not less than 51% (fifty-one per cent) of the Outstanding Principal Amounts, convene a meeting of the Debenture Holders. The Debenture Trustee shall call or cause to be called by the Company a meeting of all the Debenture Holders on the happening of any Event of Default or which in the opinion of the Debenture Trustee affects the interests of all the Debenture Holders.
4. Every notice of a meeting of the Debenture Holders shall specify the place, day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
5. Notice of every meeting shall be given to:
 - (i) every Debenture Holders in the manner provided in this Deed;
 - (ii) the Persons entitled to a Debenture in consequence of death or insolvency of any Debenture Holders, by sending it through post in a prepaid letter addressed to them by name or by the title of the representatives of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the Persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
 - (iii) the Debenture Trustee, when the meeting is convened by the Company and to the Company, when the meeting is convened by the Debenture Trustee.

	
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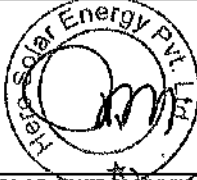

6. The accidental omission to give notice to or the non-receipt of notice by, any Debenture Holders or other Person to whom it should be given shall not invalidate the proceedings at the meeting.
7. (i) There shall be annexed to the notice of the meeting, a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every director and the manager, if any, of the Company.

(ii) Where any item of business consists of approving any document at the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
8. (i) Debenture Holders, personally present or through its authorised representatives of not less than 51% (fifty-one per cent) of the Outstanding Principal Amounts shall be the quorum for the meeting of the Debenture Holders.


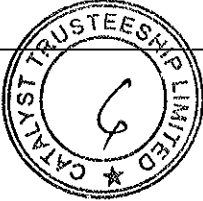
(ii) If, within half an hour from the time appointed for holding a meeting of the Debenture Holders, the quorum is not present, the meeting, if called upon the requisition of the Debenture Holders shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Debenture Trustee may determine and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the holding of the meeting, the Debenture Holders present shall be a quorum.
9. (i) The nominee of the Debenture Trustee shall be the chairman of the meeting and in his absence, the Debenture Holders personally present at the meeting shall elect one of themselves to be the chairman thereof on a show of hands (the "Chairman").

(ii) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act. The Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions.

(iii) If some other Person is elected Chairman as a result of the poll, he shall be Chairman for the rest of the meeting. The Parties agree that the Company's representatives or Promoters/the Sponsor's representatives or any other Person related to the Company or the Promoters or the Sponsor shall not be eligible to be elected Chairman.
10. The Debenture Trustee and the directors of the Company and their respective solicitors may attend any meeting but shall not be entitled as such to vote thereat.

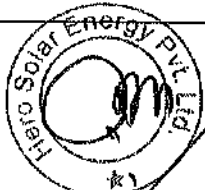

	
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11. At any meeting, a resolution put to the vote of the meeting shall be decided only by a poll in the manner hereinafter mentioned.
12. At every such meeting each Debenture Holders shall, on a poll, be entitled to one vote in respect of each Debenture held by him.
13. (i) Any Debenture Holders entitled to attend and vote at the meeting shall be entitled to appoint another Person (whether or not such other Person is a Debenture-holder) as his proxy to attend and vote instead of himself.
- (ii) In every notice calling the meeting there shall appear, with reasonable prominence, a statement that a Debenture Holders entitled to attend and vote is entitled to appoint one proxy, to attend and vote instead of himself, and whether the proxy is or is not a Debenture Holders.
- (iii) The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarial certified copy of the power of attorney shall be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote or in case of a poll, not less than 24 (twenty-four) hours before the time appointed for the taking of the poll and in default, the instrument of proxy shall not be treated as valid.
- (iv) The instrument appointing a proxy shall:
- (a) be in writing; and
- (b) be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- (v) Every Debenture Holders entitled to vote at a meeting of the Debenture Holders on any resolution to be moved there at shall be entitled during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.
- (vi) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of



	
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the proxy or of the authority under which the proxy was executed or the transfer of the Debenture in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

14. (i) When a poll is to be taken, the Chairman of the meeting shall appoint 2 (two) scrutineers to scrutinise the votes given on the poll and to report thereon to him.
- (ii) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (iii) Of the 2 (two) scrutineers appointed under this Paragraph 14 of this Annexure (*Provisions for Meetings of the Debenture Holders*), one shall always be a Debenture Holder (not being an officer or employee of the Company) present at the meeting, provided that such a Debenture Holder is available and willing to be appointed.
15. (i) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
- (ii) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
16. In the case of joint Debenture Holders, the vote of the one who stands first in the Register of Debenture Holders among those of the joint Debenture Holders who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the other joint holder or holders thereof.
17. The Chairman of a meeting of the Debenture Holders may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
18. In the case of equality of votes, whether on a poll, the Chairman of the meeting at which the poll is demanded, shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Debenture Holder.
19. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

	
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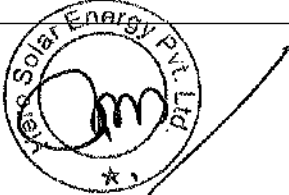

20. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking a poll shall be the sole judge of the validity of every vote tendered at such poll.
21. The following business transactions can be carried out at the meeting of the Debenture Holders:
- (I) Power to sanction, reconveyance and release, substitution or exchange of all or any part of the Security from all or any part of coupon owing upon the Debentures.
 - (II) Power to sanction any compromise or arrangement proposed to be made between the Company and the Debenture Holders.
 - (III) Power to sanction any modification, alteration or abrogation of any of the rights of the Debenture Holders against the Company or against the Security or other properties whether such right shall arise under the Debentures or otherwise. However, modification, alteration or abrogation of any of the rights of the Debenture Holders including the terms of the Debentures may only be affected with the consent of the Majority Debenture Holders.
 - (IV) Power to assent to any modification of the provisions contained in the Security and to authorise the Debenture Trustee to concur in and execute any supplemental Deed embodying any such modification.
 - (V) Power to remove the existing Debenture Trustee and to appoint a new Debenture Trustee in respect of the Security.
 - (VI) Power to authorise the Debenture Trustee or any Receiver appointed by them where they or he shall have entered into or taken possession of the immovable property constituting a part of the Security or any part thereof to give up possession of such premises to the Company either unconditionally or upon any condition.
 - (VII) Power to give any direction, sanction, request or approval which under any provision of the Security is required to be given by a Special Resolution (as defined hereunder).
22. The powers set out in Paragraph 21 above and all other powers available to the Debenture Holders shall be exercisable by a resolution passed by an approval of the Majority Debenture Holders either at a meeting of Debenture Holders or through postal ballot/e-voting (the "Special Resolution").

	
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- 23. A resolution, passed at a meeting of the Debenture Holders duly convened and held in accordance with these presents shall, be binding upon all the Debenture Holders whether present or not, at such meeting and each of the Debenture Holders shall be bound to give effect thereto accordingly, and the passing of any such resolutions shall be conclusive evidence that the circumstances justify the passing thereof, the intentions being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.

- 24. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered into books from time to time provided for the purpose by the Debenture Trustee at the expenses of the Company and any such minutes as aforesaid, if purported to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings held or by the Chairman of the adjourned meeting shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat or proceedings taken, to have been duly passed and taken.

- 25. Notwithstanding anything herein contained, it shall be competent for all the Debenture Holders to exercise the rights, powers and authorities of the Debenture Holders by a letter or letters signed by or on behalf of the requisite Majority Debenture Holders or Debenture Holders of the requisite value of the Debentures outstanding without convening a meeting of the Debenture Holders as if such letter or letters constituted a resolution or a Special Resolution, as the case may be, passed at a meeting duly convened and held as aforesaid and shall have effect accordingly.

	
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ANNEXURE – 5
FORMAT OF DEED OF ADHERANCE OF DEBENTURE TRUSTEE

This **DEED OF ADHERENCE** ("Deed") is made at _____ on _____ day of _____, 20_____

BY AND AMONGST

_____, a company within the meaning of the Companies Act, 2013 having Corporate Identification Number (C.I.N.) _____ and having its registered office at _____, (hereinafter referred to as the "**Transferee Debenture Trustee**") which has been appointed as a successor debenture trustee instead and place of [•], of the **FIRST PART**;

AND

HERO SOLAR ENERGY PRIVATE LIMITED, a company within the meaning of the Companies Act, 2013, with Corporate Identification Number (C.I.N.) U40106DL2013PTC250501 and having its registered office at Plot No. 201, First Floor, Okhla Industrial Estate Phase- III, New Delhi South Delhi DI 110020 (hereinafter referred to as the "**Company**" which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors – in – interest and permitted assigns) of the **SECOND PART**;

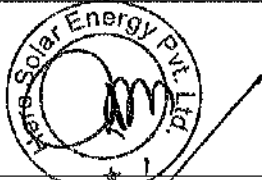

AND

[•], a company within the meaning of the Companies Act, 2013, with Corporate Identification Number (C.I.N.) [•] and having its registered office at [•], acting in its capacity of debenture trustee in trust and for the benefit of Debenture Holders and their successors and assigns from time to time (hereinafter referred to as the "**Transferor Debenture Trustee**", which expression shall, unless repugnant to the context or meaning thereof, mean and include its successors – in – office and permitted assigns) of the **FOURTH PART**.

THIS DEED IS SUPPLEMENTAL TO the Debenture Trust Deed dated _____ *inter alia* entered into between the Transferor Debenture Trustee and the Company.

AND WITNESSES as follows:

1. The Transferee Debenture Trustee hereby confirms that it has been supplied with a copy of the Debenture Trust Deed dated _____ ("**Debenture Trust Deed**") and all other Transaction Documents (as varied by the Parties thereto) [together with details of variation] and hereby covenants with the Company and the Transferor Debenture Trustee to observe, perform and be bound by all the terms thereof which are capable of applying to the Transferee Debenture Trustee.

	
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2. The Transferee Debenture Trustee shall be deemed to be a Debenture Trustee in relation to the Debentures of the Company Issued under to the Debenture Trust Deed, on and from the date of this Deed and shall also be deemed to be a Party to this Deed and Debenture Trust Deed and other Transaction Documents from such date.
3. This Deed shall be governed in all respects by the laws of India.

Capitalised terms used but not defined herein shall have the meaning ascribed to them in the Debenture Trust Deed dated _____.

IN WITNESS WHEREOF, the Parties hereto have caused this Deed to be executed and acknowledged by their respective officers or representatives hereunto duly authorized, as of the date first above written.



SIGNED AND DELIVERED by the **TRANSFEREE DEBENTURE TRUSTEE** within named _____ In the presence of its Authorised Person, who has countersigned the same in token thereof.

SIGNED AND DELIVERED by the within named COMPANY, **HERO SOLAR ENERGY PRIVATE LIMITED**, by the hand of _____ its authorized signatory in whose presence the Common Seal of **HERO SOLAR ENERGY PRIVATE LIMITED** has been affixed hereto pursuant to the resolution passed by its board of directors on _____.

SIGNED AND DELIVERED by the **TRANSFEROR DEBENTURE TRUSTEE** within named _____ by _____ the authorized signatory.



Witnesses:

- 1.
- 2.



	
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ANNEXURE – 6
NOMINEE DIRECTORS

1. The Company acknowledges and consents that the Debenture Trustee shall have, in accordance with the provisions of the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 including any amendments thereof, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 or otherwise, right to appoint to the Board of Directors of the Company as set out in Article 10.2.7 of this Deed and replace from time to time as specified in this Deed and other Transaction Documents, one of the directors in accordance with the provisions of this Deed (each of the directors appointed by the Debenture Trustee is referred to as "**Nominee Director(s)**") and will take all corporate actions to effectuate such right (including, without limitation, amending the articles of association of the Company).
2. The Nominee Director shall:
 - (a) not be required to hold qualification shares nor be liable to retire by rotation.
 - (b) be appointed member of all committees if any constituted by the Company, if so desired by Debenture Trustee.
3. The Nominee Director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and board meetings and all committees constituted the Company of which (s) he is a member.
4. The Nominee Director shall furnish to Debenture Trustee reports of the proceedings of all such meetings and the Company shall not have any objection to the same.
5. The appointment / removal of a Nominee Director shall be by notice in writing by Debenture Trustee, addressed to the Company and shall (unless otherwise indicated in such notice) take effect forthwith upon such a notice being delivered to the Company.
6. Any expenditure incurred by Debenture Trustee and / or the Nominee Director in connection with the appointment of directorship shall be borne and payable by the Company.
7. The Nominee Director shall be entitled to all the rights, privileges and indemnities of other Directors including the sitting fees, other fees, commission, money, remuneration and expenses as are payable by the Company to the other Directors. If such Nominee Director is an officer of Debenture Trustee, the sitting fees, other fees, commission, money and remuneration in relation to such Nominee Director shall accrue to Debenture Trustee and the same shall accordingly be paid by the Company directly to Debenture Trustee for its account.

	
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Any expenditure incurred by a Nominee Director or Debenture Trustee in connection with such appointment or directorship shall be borne by the Company.

	
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ANNEXURE – 7
CONDITIONS PRECEDENT

The Company and/or Security Providers shall provide / fulfil the following documents / conditions prior to the Closing Date and shall provide all necessary confirmations or the documents and / or evidence of compliance with the said conditions:

1. CORPORATE AUTHORIZATIONS AND DOCUMENTS

(a) Constitutional Documents

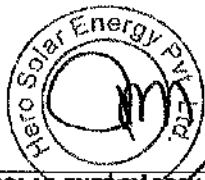

A certified true copy of the:

- (i) Certificate(s) of incorporation and if applicable, certificate(s) of commencement of business of the Company and / or the Security Providers (which are corporate entities) or such other authorisation for commencement of business, if and as applicable;
- (ii) Memorandum of Association of the Company and / or the Security Providers (where Security Providers are company(ies) within the meaning of the Act) or such other constitutional document of the Security Provider (where Security Provider is not a company within the meaning of the Act) ; and,
- (iii) Articles of Association of the Company and / or the Security Providers (where Security Providers are company(ies) within the meaning of the Act) or such other constitutional document of the Security Provider (where Security Provider is not a company within the meaning of the Act).

(b) Board Resolutions of the Company

A certified true copy of the resolutions of the Board of Directors of the Company *inter alia*:

- (i) approving the issue of the Debentures in accordance with the terms of the Transaction Documents;
- (ii) approving (i) the rights of the Debenture Holders to appoint the Nominee Director; and (ii) the amendment of its Articles of Association (which amendments shall be effective from the Execution Date) to incorporate the said rights;

	
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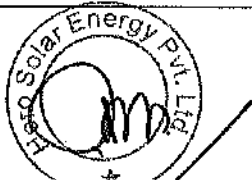

- (iii) approving creation of the Security on the Secured Properties to secure the payment and due discharge of the Outstanding Amounts and the Secured Obligations, by the Company;
- (iv) approving the appointment of a Nominee Director on the Board of the Company, if requested by the Debenture Trustee;
- (v) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute the Transaction Documents to which it is a party; and
- (vi) authorising a specified Person or Persons, on its behalf, to execute, sign and / or dispatch all documents and notices to be signed and / or dispatched by it under or in connection with the Transaction Documents to which it is a party.

(c) Shareholders Resolutions of the Company

A certified true copy of the special resolutions passed by the shareholders of the Company in their meeting *inter alia*:

- (i) approving the Issue of the Debentures in accordance with the terms of the Transaction Documents;
- (ii) approving (i) the rights of the Debenture Holders to appoint the Nominee Director; and (ii) the amendment of its Articles of Association (which amendments shall be effective from the Effective Date) to incorporate the said rights;
- (iii) approving creation of the Security on the Secured Properties to secure the payment and due discharge of the Outstanding Amounts and the Secured Obligations, by the Company;
- (iv) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party; and
- (v) approving the appointment of a Nominee Director on the Board of the Company, if requested by the Debenture Trustee.

(d) Board Resolutions of each Security Provider (which are corporate entities)

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED


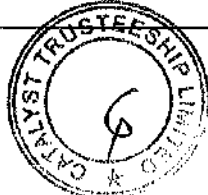
A copy of a resolution of the board of directors of each Security Provider (which are corporate entities), certified by a duly authorized director of the Security Provider (which is a corporate entity), *inter - alla*:

- (i) approving creation of the respective Security on the Secured Properties to secure payment of the Outstanding Amounts to the Debenture Holders and discharge of the Secured Obligations in accordance with the terms and conditions contained in this Deed and approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute the Transaction Documents to which it is a party; and
 - (ii) authorising a specified Person or Persons, on its behalf, to execute, sign and / or dispatch all documents and notices to be signed and / or dispatched by it under or in connection with the Transaction Documents to which it is a party.
- (e) **Shareholders Resolutions of each Security Provider (which are corporate entities), if applicable**

A certified true copy of the special resolutions passed by the shareholders of each Security Provider (which are corporate entities), certified by a duly authorized director of the Security Provider (which is a corporate entity), *inter - alla* approving creation of the respective Security on the Secured Properties to secure payment of the Outstanding Amounts to the Debenture Holders and discharge of the Secured Obligations in accordance with the terms and conditions contained in this Deed and approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute the Transaction Documents to which it is a party.

2. THE TRANSACTION DOCUMENTS

- (i) Execution, registration, notarization and stamping (as may be necessary) of the Transaction Documents in the form and format as acceptable to the Debenture Trustee.
- (ii) Due and valid execution and / or issuance of any documents, notices, communications and agreements that may be required under any of the Transaction Documents to be executed on or prior to the subscription of the Debentures by the Debenture Holders.
- (iii) Issue of the Demand Promissory Note and letter of continuity for repayment of the Debentures, as per the Repayment Schedule.

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

3. CREATION OF SECURITY

(a) Hypothecation

Execution and stamping (as may be necessary) of the Deed(s) of Hypothecation for creation of the charge on the Hypothecated Assets 1 and the Hypothecated Assets 3, in the form and format as acceptable to the Debenture Trustee.

(b) Other Security

- (i) The Company shall provide all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI circular dated November 3, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/218 in relation to the Deed of Corporate Guarantee and the creation of the Security which is required to be created as a Condition Precedent;
- (ii) Execution of the Deed of Corporate Guarantee;
- (iii) Creation of the Security which is required to be created as a Condition Precedent in the form and format as acceptable to the Debenture Trustee.



4. CERTIFICATES, NOCS AND OPINIONS

(a) No Event of Default Certificate

The Company shall provide a certificate from its Director to state that as on the Execution Date no Event of Default has occurred and the Company does not foresee any Event of Default till the Deemed Date of Allotment.

(b) Consents and Permissions

The Company and the Security Providers shall have obtained all consents, waivers, approvals, permissions and authorizations from any Governmental Authorities, other lenders and other Persons which are required in connection with the execution and delivery of the Transaction Documents, creation of Security and the consummation of the transactions / obligations contemplated therein. If no such consent is required other than as set out in other provisions of this Annexure, the Company and the Security Provider shall provide a certificate signed by its authorized signatory and

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

confirm the same.

(c) **Certificate under Section 281 of the Income Tax Act, 1961**

A written declaration from an independent chartered accountant appointed by the Company and the Security Providers under Section 281(1)(ii) of the Income Tax Act stating that no income tax proceeding(s) is / are pending against the Company or if there is, stating the details of such Income – tax proceedings.

(d) **Application under Section 281 of the Income Tax Act, 1961**

The Company shall provide the duly acknowledged and certified true copies of the applications filed by the Company and the Security Providers under Section 281 (1) (ii) of the Income Tax Act, 1961 for creation of the security interest over the respective Secured Properties.

5. OTHER DOCUMENTS AND EVIDENCES

(a) **Financial Statements, Annual Reports**

A copy of the latest audited financial statements and annual report of the Company.

(b) **Fillings with ROC**



The Company shall have filed with ROC the Form MGT – 14 (as provided for under Rule 24 of the Companies (Management and Administration) Rules, 2014 for the resolutions passed by the Company under Paragraph 1 (b) and Paragraph 1 (c) hereinabove and deliver to the Debenture Trustee, acknowledged copies of such filing along with payment challan for the same.

(c) **Private Placement Offer Letters**

The Company having issued the signed Placement Memorandum to the Debenture Holders, which contains an undertaking by the Company that the Private Placement Offer Letter has not been circulated to more than 200 (two hundred) Persons.

(d) **Credit Rating Report**

The Company shall provide latest copy of a credit rating report (including rating rationale) obtained by the Company from a credit rating agency, to the satisfaction of the Debenture Trustee.

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

(e) **Consent Letter from Debenture Trustee**



The Company shall have obtained the consent letter from the Debenture Trustee agreeing to act as the debenture trustee for the Debentures.

(f) **Payment of fees**

The Company shall have paid the all other fees and expenses payable in respect of the Debentures.

(g) **Disclosure Letter**

The Company shall issue and submit a Disclosure in the form and format provided in **Annexure – 9** hereto, to the Debenture Trustee.

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

ANNEXURE – 8
CONDITIONS SUBSEQUENT

The Company hereby Irrevocably and unconditionally undertakes to complete the actions listed within the timelines stipulated below:

1. Listing of the Debentures

The Company shall ensure that the Debentures are duly rated by a credit rating agency and listed on the Stock Exchange in accordance with all requirements as per SEBI Laws and other Applicable Laws, within 4 (four) trading days from the Issue closing date.

2. Issuance and Allotment of the Debentures

The Company shall ensure that the Debentures shall be issued and allotted by the Company in dematerialized form to the relevant Debenture Holders and credited to the demat account of such Debenture Holders specified by the Debenture Holders subscribing to such Debentures in writing, in not more than 2 (two) trading days from the Deemed Date of Allotment.

3. Creation of Security

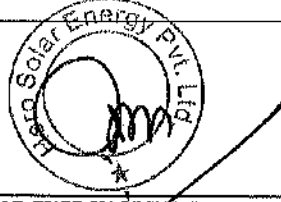

The Company shall within 3 (three) months from the Deemed Date of Allotment create the following security:

(a) Hypothecation

Execution and stamping (as may be necessary) of the Deed(s) of Hypothecation for creation of the charge on the Hypothecated Assets 2 in the form and format as acceptable to the Debenture Trustee.

(b) Other Security

- (i) The Company shall provide all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI circular dated November 3, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/218 in relation to the creation of pledge over the Pledged Shares and the hypothecation over the Hypothecated Assets 2 as per the terms and conditions of this Deed;

	
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- (II) Execution and stamping (as may be necessary) of the Pledge Agreement;
- (III) Creation of the Security which has not been created as part of the Conditions Precedent in the form and format as acceptable to the Debenture Trustee.



4. Perfection of Hypothecation over the Hypothecated Assets

Within a period of 30 (thirty) days from the Deemed Date of Allotment or such other period as provided under Applicable Laws, the Company shall make all necessary filings with the Registrar of Companies (ROC) and the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) with respect to the charge on the Hypothecated Assets 1, Hypothecated Assets 2 and Hypothecated Assets 3 created under the Transaction Documents and deliver to the Debenture Trustee, acknowledged copies of such filings along with payment challan for the same.

5. Creation of Pledge over the Pledged Shares

The Company shall procure the following within 3 (months) from the Deemed Date of Allotment:

- (a) Submission of a copy of the pledge form(s) in the format of "Annexure - W" prescribed for the creation of pledge over the dematerialized Pledged Shares in accordance with the requirements of all Applicable Laws and the bye - laws and business rules of the Depository Participant being filed by the Pledgors with the Depository Participant requesting the creation and the noting of the pledge over the Pledged Shares in favour of the Debenture Trustee and the transfer of the Pledged Shares from the "free balances" to the "pledged balances" or such similar system for deactivating / freezing the Pledged Shares.
- (b) Submission of a copy of the statement(s) of account issued by the Depository Participant, indicating the entry for the pledge so created in respect of the Pledged Shares and a copy of the acknowledgement from the Depository Participant confirming that (i) the pledge has been created in favor of the Debenture Trustee; and (ii) the Pledged Shares have been transferred from the "free balances" to the "pledged balances" or such similar system for deactivating / freezing the Pledged Shares.
- (c) Submission of a certified copy of the statement of accounts issued by the Depository Participant confirming the holding of the Pledged Shares by the Pledgors as beneficial owners within the requirements of Section 89 of the Act.

	
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- (d) Creation of pledge over the Pledged Shares in dematerialized form in favour of the Debenture Trustee, in accordance with the requirements of all Applicable Laws and the bye – laws and business rules of the Depository Participant.

6. Other filings with the Registrar of Companies

The Company shall file with the Registrar of Companies (ROC) the Form PAS – 5 (as provided for under Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and deliver to the Debenture Trustee, acknowledged copies of such filing along with payment challan for the same, within 7 (seven) days from the Deemed Date of Allotment.

The Company shall file with the Registrar of Companies (ROC) the Form PAS – 3 (as provided for under Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and deliver to the Debenture Trustee, acknowledged copies of such filing along with payment challan for the same, within 7 (seven) days from the Deemed Date of Allotment.

The Company shall make all other necessary filings with the Registrar of Companies (ROC) with respect to the Security created under the Transaction Documents and deliver to the Debenture Trustee, acknowledged copies of such filings along with payment challan for the same, within a period of 30 (thirty) days from the Deemed Date of Allotment.

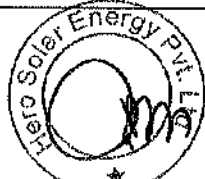

7. Other filings

- a. The Company shall make requisite filings pursuant to the Insolvency and Bankruptcy Code, 2016 and rules thereunder including filing of Form C with the Information Utility in accordance with Rule 20 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.

8. Permission from Income Tax Department

The Company shall obtain and shall ensure that the Security Providers shall obtain permission under Section 281(1)(ii) of the Income Tax Act, 1961 for creation of the Security over the Secured Properties by the Company and the Security Providers and submit the same to the Debenture Trustee as soon as the Company and / or the Security Providers obtain the same.



9. End-use certificate

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

The Company shall obtain, and deliver to the Debenture Trustee, a certificate from its independent chartered accountant certifying the actual end use of the subscription amounts of the Debentures, which end-use shall not be inconsistent with the Purpose and the terms and conditions of this Deed, within a period of 30 (Thirty) days from the Deemed Date of Allotment.

10. Legal Opinion

Legal opinion of the external legal counsel on the validity and enforceability of the Transaction Documents and the corporate authority of the Company to execute the Transaction Documents, to the satisfaction of the Debenture Trustee.

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

**ANNEXURE – 9
DISCLOSURE LETTER**

Date: [•]

CATALYST TRUSTEESHIP LIMITED

810, 8th Floor, Kailash Building,
26, Kasturba Gandhi Marg,
New Delhi –110001

Attention: [•]

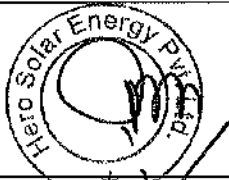
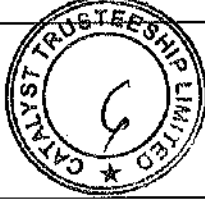
Dear Sirs,

We refer to the Debenture Trust Deed (the "**Debenture Trust Deed**") dated [•] entered into between Hero Solar Energy Private Limited ("**Company**") and Catalyst Trusteeship Limited ("**Debenture Trustee**").

We refer in particular to the representations and warranties set out in **Annexure – 2** of the Debenture Trust Deed, provided by the Company on behalf of itself to the Debenture Trustee (collectively the "**Warranties**"). Where the context so admits, capitalized terms used in this Disclosure Letter shall have the meaning assigned to them as set out herein, and all capitalized terms used herein but not defined shall have the same meaning ascribed to such terms in the Debenture Trust Deed, and this Disclosure Letter shall be interpreted in accordance the rules of interpretation set out under the Debenture Trust Deed.



This Disclosure Letter is being submitted to make disclosure as set out herein and the Warranties shall stand qualified to the extent of the disclosures made hereunder.

Paragraph No. of Annexure – 2 of the Debenture Trust Deed	Disclosure

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

Paragraph No. of Annexure – 2 of the Debenture Trust Deed	Disclosure


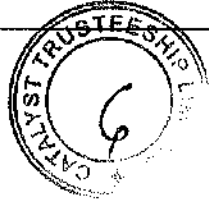
SIGNED AND DELIVERED by the within named COMPANY, **HERO SOLAR ENERGY PRIVATE LIMITED**, by the hand of [•], its authorized signatory in whose presence the Common Seal of **HERO SOLAR ENERGY PRIVATE LIMITED** has been affixed hereto pursuant to the resolution passed by its board of directors on [•].

	
<p>HERO SOLAR ENERGY PRIVATE LIMITED</p>	<p>CATALYST TRUSTEESHIP LIMITED</p>

ANNEXURE – 10
PAYMENT AND REPAYMENT SCHEDULE

This has been included strictly for the purposes of illustration and the actual Repayment Schedule shall be provided by the Debenture Holders/Debenture Holders on the Deemed Date of Allotment.



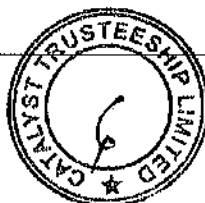
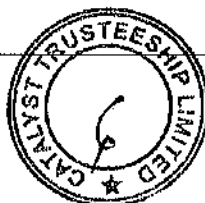
Hero Solar Energy Private Ltd. (cash flow for face value)									
Quarter No.	NCD Amount	Disb.	Repayment	Loan O/s	From	To	Days	ROI	Interest
1	-	10,00,000	-	10,00,000.00	30-09-2021	31-12-2021	92	11.50%	28,986.30
2	10,00,000	-	-	10,00,000.00	31-12-2021	31-03-2022	90	11.50%	28,356.16
3	10,00,000	-	-	10,00,000.00	31-03-2022	30-06-2022	91	11.50%	28,671.23
4	10,00,000	-	1,42,857.14	8,57,142.86	30-06-2022	30-09-2022	92	11.50%	28,986.30
5	8,57,143	-	1,42,857.14	7,14,285.71	30-09-2022	31-12-2022	92	11.50%	24,845.40
6	7,14,286	-	1,42,857.14	5,71,428.57	31-12-2022	31-03-2023	90	11.50%	20,254.40
7	5,71,429	-	1,42,857.14	4,28,571.43	31-03-2023	30-06-2023	91	11.50%	16,383.56
8	4,28,571	-	1,42,857.14	2,85,714.29	30-06-2023	30-09-2023	92	11.50%	12,422.70
9	2,85,714	-	1,42,857.14	1,42,857.14	30-09-2023	31-12-2023	92	11.50%	8,281.80
10	1,42,857	-	1,42,857.14	-	31-12-2023	31-03-2024	91	11.50%	4,095.89
Illustration: If the call option is exercised after 12 months									
Quarter No.	NCD Amount	Disb.	Repayment	Loan O/s	From	To	Days	ROI	Interest
1	-	10,00,000	-	10,00,000.00	30-09-2021	31-12-2021	92	11.50%	28,986.30
2	10,00,000	-	-	10,00,000.00	31-12-2021	31-03-2022	90	11.50%	28,356.16
3	10,00,000	-	-	10,00,000.00	31-03-2022	30-06-2022	91	11.50%	28,671.23
4	10,00,000	-	10,00,000.00	-	30-06-2022	30-09-2022	92	11.50%	28,986.30
Illustration: If the call option is exercised after 18 months									
Quarter No.	NCD Amount	Disb.	Repayment	Loan O/s	From	To	Days	ROI	Interest
1	-	10,00,000	-	10,00,000.00	30-09-2021	31-12-2021	92	11.50%	28,986.30

 HERO SOLAR ENERGY PRIVATE LIMITED	 CATALYST TRUSTEESHIP LIMITED
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2	10,00,000	-	-	10,00,000.00	31-12-2021	31-03-2022	90	11.50%	28,356.16
3	10,00,000	-	-	10,00,000.00	31-03-2022	30-06-2022	91	11.50%	28,671.23
4	10,00,000	-	1,42,857.14	8,57,142.86	30-06-2022	30-09-2022	92	11.50%	28,986.30
5	8,57,143	-	1,42,857.14	7,14,285.71	30-09-2022	31-12-2022	92	11.50%	24,845.40
6	7,14,286	-	7,14,285.71	-	31-12-2022	31-03-2023	90	11.50%	20,254.40

Illustration: If the call option is exercised after 24 months

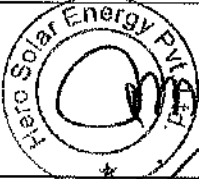

Quarter No.	NCD Amount	Debt	Repayment	Loan @%	From	To	Days	ROI	Interest
1	-	10,00,000	-	10,00,000.00	30-09-2021	31-12-2021	92	11.50%	28,986.30
2	10,00,000	-	-	10,00,000.00	31-12-2021	31-03-2022	90	11.50%	28,356.16
3	10,00,000	-	-	10,00,000.00	31-03-2022	30-06-2022	91	11.50%	28,671.23
4	10,00,000	-	1,42,857.14	8,57,142.86	30-06-2022	30-09-2022	92	11.50%	28,986.30
5	8,57,143	-	1,42,857.14	7,14,285.71	30-09-2022	31-12-2022	92	11.50%	24,845.40
6	7,14,286	-	1,42,857.14	5,71,428.86	31-12-2022	31-03-2023	90	11.50%	20,254.40
7	5,71,429	-	1,42,857.14	4,28,571.72	31-03-2023	30-06-2023	91	11.50%	16,383.56
8	4,28,571	-	4,28,571.72	-	30-06-2023	30-09-2023	92	11.50%	12,422.70

 	 
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

**ANNEXURE - 11
DETAILS OF PLEDGED SHARES**

DETAILS OF PLEDGED SHARES

Name of Pledgor	Name of the company whose shares are being pledged	ISIN: No. of Shares	Number of Pledged Shares to be pledged as Final Security	Pledgor's Depository Participant and DP ID No.	Pledgor's DP Account No.
Hero Solar Energy Private Limited	Waaneep Solar Private Limited	INE800Q010 11	10,04,49,999	IN300095 (IL&FS Securities Services Limited)	11848774
Total			10,04,49,999		

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

ANNEXURE – 12

PART A

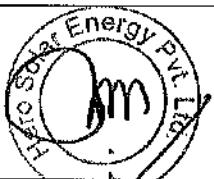

DETAILS OF HFEPL LOANS

Loans	Borrower	Sanctioned amount (Rs. In crore)
HFEPL	Company	82,50,00,000/-

PART B

DETAILS OF HFEPL LOAN DOCUMENTS

Loan agreement between HFEPL and the Company for an amount upto Rs. 82,50,00,000/- dated 30th June, 2021.

	
HERO SOLAR ENERGY PRIVATE LIMITED	CATALYST TRUSTEESHIP LIMITED

**ANNEXURE 13
PART A**



DETAILS OF WSPL LOANS

Lender	Borrower	Secured amount (Rs. in crores)
Company	WSPL	150,00,00,000/-

PART B

DETAILS OF WSPL LOAN DOCUMENTS

Loan agreement between the Company and WSPL for an amount upto Rs. 150,00,00,000/- dated 7th September, 2020.

	
<p>HERO SOLAR ENERGY PRIVATE LIMITED</p>	<p>CATALYST TRUSTEESHIP LIMITED</p>

SCHEDULE I

FINANCIAL STATEMENTS OF HERO SOLAR ENERGY PVT LTD

STANDALONE FINANCIAL STATEMENTS FOR FY 2020 – 2021

STANDALONE FINANCIAL STATEMENTS FOR FY 2019 – 2020

STANDALONE FINANCIAL STATEMENTS FOR FY 2018 – 2019



SCHEDULE 1
FINANCIAL STATEMENTS OF HERO SOLAR ENERGY PVT LTD

CONSOLIDATED FINANCIAL STATEMENTS FOR FY 2020 – 2021

NA

CONSOLIDATED FINANCIAL STATEMENTS FOR FY 2019 – 2020

NA

CONSOLIDATED FINANCIAL STATEMENTS FOR FY 2018 – 2019

NA



INDEPENDENT AUDITOR'S REPORT

To the Members of Hero Solar Energy Private Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Hero Solar Energy Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to

- a. We draw attention to note 38 (a) to (c) in the Ind AS financial statements wherein it has been mentioned that the Company has exposure of Rs. 7,143.48 million (previous year 4,470.22 million) in three subsidiaries in form of investment in equity share capital and Loans and advances of Rs. 1,240.10 million (previous year Rs. 1,240.10 million) and Rs. 5,903.48 million (previous year Rs. 3,230.12 million) respectively. The said subsidiaries have not been able to enter Power Purchase Agreement ('PPA') in case of one project/ unable to commission the remaining projects, due to various reasons, within time period specified in Power Purchase Agreements ('PPA'), which may result in to reduction of tariff and/or liquidated damages. However, based on internal assessment, expert legal advice, order from appellate authorities and management's internal plan for alternative use of these assets, management believes that delay in commissioning/non signing of PPA was due to factors beyond the control of the said subsidiaries and will not lead to reduction of tariff, cancellation of project and/or liquidated damages.
- b. We draw attention to note 38 (d) in the Ind AS financial statements wherein it has been mentioned that the Company has exposure of Rs. 2,793.94 million in one of the subsidiary in form of investment in equity share capital and Loans and advances of Rs. 2,332.24 million and Rs. 461.70 million respectively. In said subsidiaries Government of Andhra Pradesh has issued a Government Order and accordingly, APERC (the customer) has asked the Company to reduce the tariffs. The Hon'ble High Court has set aside the Government Order and has directed APERC to determine on issue within a span of 6 months from the date of court order. Based on internal assessment and legal advice, the management believes that reduction of tariff is highly unlikely as issuance of impugned Government Order is contrary to the provisions of Section 86 of the Electricity Act, 2003 and Power Purchase Agreements (PPAs). Thus, consequential impact in relation to said matters has not been recorded in these Financial statements.



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

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 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 Ind AS financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the Ind AS 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 system 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.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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;
 - (c) the Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;



S.R. BATLIBOI & CO. LLP

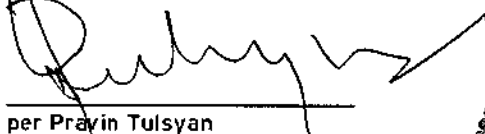
Chartered Accountants

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
- (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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 39 to the Ind AS financial statements;
 - ii. The Company did not have any 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 Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005



per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 19108044AAAADR1874

Place of Signature: Gurugram

Date: September 30, 2019



Annexure 1 referred to in paragraph 1 to report on other legal and regulatory requirements of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed 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 by the management, there are no immovable properties, included in property, plant and equipment/fixed assets of the company and accordingly, the requirements under paragraph (3)(i)(c) of the Order are not applicable to the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to employees' state insurance, duty of custom and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount* (Rs in Million)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act 1961	Income Tax	7.68	2015-16	Commissioner Income Tax Appeals (CIT(A))
Income-tax Act 1961	Income Tax	0.16	2014-15	Income Tax Appellate Tribunal (ITAT)

*Amount under dispute after netting of payment against total demand.



S.R. BATLIBOI & CO. LLP

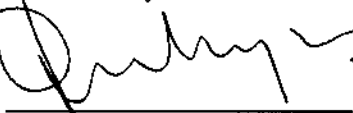
Chartered Accountants

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution and bank. The Company did not have any outstanding dues in respect of loans or borrowing to government or debenture holders during the year.
- (ix) In our opinion and according to information and explanations given by the management, monies raised by the company by way of term loans and debt instruments were applied for the purpose for which they were raised. The Company did not raise money by way of initial public offer / further public offer.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the Company is in the process of seeking registration as required under section 45-IA of the Reserve Bank of India Act, 1934. As of September 30, 2019, the same has not yet been obtained.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 19108044AAAADR1874

Place of Signature: Gurugram

Date: September 30, 2019



Annexure 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HERO SOLAR ENERGY PRIVATE LIMITED

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

We were engaged to audit the internal financial controls over financial reporting of Hero Solar Energy Private Limited ("the Company") as of March 31, 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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'). 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting with reference to these standalone financial statements of the Company.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these 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 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 financial statements.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting with reference to these standalone financial statements on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting with reference to these standalone financial statements as at March 31, 2019 and whether such internal financial controls were operating effectively. Accordingly we do not express an opinion on Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements. The disclaimer of opinion in the above matter is continuing from the previous period, and the same has not been remediated during the current year.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of Hero Solar Energy Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated September 30, 2019 expressed an unqualified opinion. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the Ind AS financial statements of the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Pravin Tulsyan

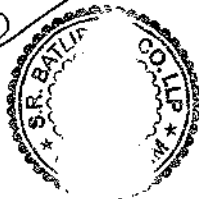
Partner

Membership Number: 108044

UDIN: 19108044AAAADR1874

Place of Signature: Gurugram

Date: September 30, 2019



Hero Solar Energy Private Limited
Balance Sheet as at March 31, 2019

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

Particulars	Notes	As at	
		March 31, 2019	March 31, 2018
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	764.71	427.39
(b) Capital work in progress	4	269.28	355.20
(c) Intangible assets	5	12.39	37.51
(d) Financial assets			
(i) Investment	6	7,994.06	4,016.18
(ii) Trade receivables	7	-	1.31
(iii) Other financial assets	10	6,766.56	2,456.64
(e) Other non-current assets	11	128.43	61.98
(f) Non-current tax assets (net)	11A	219.99	92.77
		<u>16,155.42</u>	<u>7,448.98</u>
Current assets			
(a) Inventories	12	165.94	127.20
(b) Financial assets			
(i) Trade receivables	7	1,347.73	1,199.09
(ii) Cash and cash equivalents	8	33.58	26.61
(iii) Other Bank Balances	9	26.75	7.94
(iv) Other financial assets	10	3,150.07	6,589.51
(c) Other current assets	11	42.70	19.89
		<u>4,766.77</u>	<u>7,970.24</u>
Total Assets		<u>20,922.19</u>	<u>15,419.22</u>
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	498.10	498.10
(b) Other equity			
(i) Retained earnings	14	376.03	434.46
(ii) Debenture redemption reserve		20.35	20.35
(iii) Deemed capital contribution		2.90	1.24
(iv) Equity component of compulsory convertible debentures		162.40	-
		<u>1,059.78</u>	<u>954.15</u>
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	4,709.12	1,971.11
(ii) Other financial liabilities	17	2.76	1.91
(b) Provisions	18	4.45	1.83
(c) Deferred tax liabilities (net)	30	37.13	20.44
(d) Other non-current liabilities	19	150.10	22.54
		<u>4,903.56</u>	<u>2,017.83</u>
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	12,901.46	6,944.49
(ii) Trade payables	16	223.26	428.72
(iii) Other financial liabilities	17	1,766.13	499.93
(b) Provisions	18	0.18	0.20
(c) Other current liabilities	19	67.82	4,573.90
		<u>14,958.85</u>	<u>12,447.24</u>
Total equity and liabilities		<u>20,922.19</u>	<u>15,419.22</u>
Summary of Significant Accounting Policies	2.1		

The accompanying notes form an integral part of these financial statements

As per our report of even date

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

per Pravin Tulsyan
Partner
Membership Number: 108044



Place of Signature: Gurugram
Date: September 30, 2019

For and on behalf of the Board of Directors of
Hero Solar Energy Private Limited

Rahul Munjal
Director
DIN: 00118339

Neha Sethi
Company Secretary
ACS- 35392

Place of Signature: New Delhi
Date: September 30, 2019

Sunil Jain
Director
DIN: 02967042



Handwritten signature

Hero Solar Energy Private Limited
Statement of profit and loss for the year ended March 31, 2019
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	20	385.07	1,195.34
II Other Income	21	1,309.93	653.26
III Total Income (I + II)		1,695.00	1,848.60
IV Expenses			
Cost of materials consumed	22	64.42	139.37
Employee benefits expense	23	79.40	55.63
Finance costs	24	1,360.65	621.04
Depreciation and amortization expense	25	61.01	28.34
Other expenses	26	234.27	534.96
Total expenses		1,799.75	1,379.34
V Profit/ (loss) before tax (III-IV)		(104.75)	469.26
VI Tax expense:	27		
a) Current tax		-	100.13
b) Adjustment of tax relating to earlier periods		2.81	0.01
c) Deferred Tax		(51.03)	22.82
Total tax expense		(48.22)	122.96
VII Profit/(loss) for the year (V-VI)		(56.53)	346.30
VIII Other Comprehensive Income	28		
Items that will not be reclassified to statement of profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(2.67)	0.02
Re-measurement gains/ (losses) on defined benefit plans- Income Tax Effect		0.77	(0.01)
Net comprehensive income/(loss) for the year		(1.90)	0.01
IX Total comprehensive profit/(loss) for the year, net of tax		(58.43)	346.29
X Earnings/(loss) per equity share: (Face Value Rs. 10 per share)	29		
1) Basic (Amount in Rs.)		(0.43)	6.95
2) Diluted (Amount in Rs.)		(0.43)	6.95
Summary of Significant Accounting Policies	2.1		

The accompanying notes form an integral part of these financial statements

As per our report of even date

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

per Pravin Tulsyan
Partner
Membership Number:108044



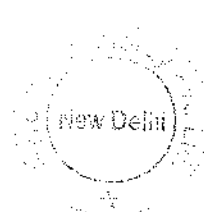
Place of Signature: Gurugram
Date : September 30, 2019

For and on behalf of the Board of Directors of
Hero Solar Energy Private Limited

Rahul Munjal
Director
DIN: 00118339

Sunil Jain
Director
DIN: 02967042

Neha Sethi
Company Secretary
ACS- 35392



Place of Signature: New Delhi
Date : September 30, 2019

Hero Solar Energy Private Limited
 Statement of changes in equity for the year ended March 31, 2019
 (All amounts are in Indian Rupees (In millions), unless otherwise stated)

A. Equity Share Capital

Equity shares of Rs 10 each Issued, subscribed and fully paid
 As at April 01, 2017
 Changes in Equity Share Capital during the year
 As at March 31, 2018
 Changes in Equity Share Capital during the year
 As at 31 March 2019

	Number of Equity Shares	Amount
As at April 01, 2017	49,810,000.00	498.10
Changes in Equity Share Capital during the year	-	-
As at March 31, 2018	49,810,000.00	498.10
Changes in Equity Share Capital during the year	-	-
As at 31 March 2019	49,810,000.00	498.10

B. Other Equity

	Debtore Redemption Reserve	Retained Earnings	Deemed capital contribution	Equity component of compulsory convertible debentures	Total
As at March 31, 2017	3.03	105.46	0.03	-	108.52
Add: Loss for the year (net of OCI)	-	346.32	-	-	346.32
Add:- Addition during the year	17.32	-	1.21	-	18.53
Less: Transfer to debtore redemption reserve	-	(17.32)	-	-	(17.32)
As at March 31, 2018	20.35	434.46	1.24	-	456.05
Add: Loss for the year (net of OCI)	-	(58.43)	-	-	(58.43)
Add:- Addition during the year	-	-	1.66	162.40	164.06
Less: Transfer to debtore redemption reserve	-	-	-	-	-
As at March 31, 2019	20.35	376.03	2.90	162.40	561.68

Summary of Significant Accounting Policies

2.1

The accompanying notes form an integral part of these financial statements

As per our report of even date

For S.R. Ballibol & Co. LLP
 Chartered Accountants
 Firms Registration Number: 301003E/E300005

per Pravin Tulsyan
 Partner
 Membership Number: 108044



Place of Signature: Gurugram
 Date : September 30, 2019

For and on behalf of the Board of Directors of
 Hero Solar Energy Private Limited

Rahul Munjal
 Director
 DIN: 00118339

Nehe Sethi

Company Secretary
 ACS- 35392

Place of Signature: New Delhi
 Date : September 30, 2019

Sunil Jain
 Director
 DIN: 02967042



Hero Solar Energy Private Limited
Statement of Cash Flows for period ended 31 March, 2019
(All amounts are in Indian Rupees (In millions), unless otherwise stated)

Particulars	Note	For the year ended	
		March 31, 2019	March 31, 2018
I. Cash flow from operating activities			
Profit/(loss) before tax		(104.75)	469.27
Adjustments to reconcile profit/(loss) before tax to net cash flows:			
Depreciation and amortisation		61.01	28.34
Gain on sale of units of mutual funds		(5.92)	(1.21)
Deemed capital contribution		1.66	1.21
Unwinding of discount on deposits		(0.19)	0.20
Fair value gain on financial assets measured at fair value through profit and loss		(244.46)	(221.94)
Finance costs		1,360.65	797.31
Finance income		(8.83)	(0.78)
		<u>1,163.92</u>	<u>603.13</u>
Operating profit/(loss) before working capital changes		1,059.17	1,072.40
Change in working capital: (Excluding cash and cash equivalent)			
(Increase)/ decrease in trade and other receivables		(147.33)	(596.91)
(Increase)/ decrease in inventories		(38.74)	(12.15)
Increase/(decrease) in trade and other payables		(205.46)	382.24
Increase/(decrease) in provisions		2.60	(0.67)
(Increase)/ decrease in other financial assets		(869.14)	(7,743.46)
(Increase)/ decrease in other assets		(216.48)	(54.14)
Increase/(decrease) in other financial liabilities		522.41	404.76
Increase/(decrease) in other liabilities		(4,378.52)	4,559.22
Change in working capital		<u>(5,330.66)</u>	<u>(3,051.11)</u>
Cash generated from operations		(4,271.49)	(1,978.71)
Less : Taxes paid (net of refund)		(2.81)	(100.14)
Net cash flow from operating activities		<u>(4,274.30)</u>	<u>(2,078.85)</u>
II. Cash flow from investing activities:			
Purchase of investments		(10,142.57)	(1,622.40)
Proceeds from investments		6,410.00	501.21
Purchase of property, plant and equipment		(287.27)	(481.48)
Purchase of Fixed deposits with banks		(38.84)	(7.15)
Receipts from Fixed deposits with banks		21.39	-
Interest received		14.47	0.75
Net cash generated/(used) in investing activities:		<u>(4,022.82)</u>	<u>(1,609.07)</u>
III. Net cash flow from financing activities:			
Proceeds from borrowings		20,703.46	10,110.87
Repayment of borrowings		(11,915.37)	(5,874.50)
Interest paid		(484.00)	(621.00)
Net cash generated/(used) from financing activities:		<u>8,304.09</u>	<u>3,615.37</u>
Net change in Cash & cash equivalents (I+II+III)		6.97	(72.55)
Opening cash and cash equivalents	8	26.61	99.16
Closing cash and cash equivalents	8	33.58	26.61
Net change in cash and cash equivalents		<u>6.97</u>	<u>(72.55)</u>

Summary of significant accounting policies 2.1

Note:

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

*Refer note 40 for change in financing activities disclosure pursuant to amendment to Ind AS 7 2.1

The accompanying notes form an integral part of these financial statements

As per our report of even date

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

per Pravin Tulsyan
Partner
Membership Number:108044



Place of Signature: Gurugram
Date : September 30, 2019

For and on behalf of the Board of Directors of
Hero Solar Energy Private Limited

Rahul Munjal
Director
DIN: 00118339

Neha Sethi
Company Secretary
ACS- 35392

Place of Signature: New Delhi
Date : September 30, 2019

Sunil Jain
Director
DIN: 02967042



1 Corporate Information

Hero Solar Energy Private Limited ('the Company') domiciled in India and was incorporated under the provisions of the Companies Act, applicable in India. The Company is primarily engaged in the implementation of power projects and generation of power through renewable sources of energy. The registered office of the Company is located at Plot No. 201, First Floor, Okhla Industrial Estate, Phase - III New Delhi - 110020. The financial statements were authorised for issue in accordance with a resolution of the directors on September 30, 2019.

2 Basis of preparation

The financial statements of the Company 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 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 the 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.

The accounting policies adopted in the preparation of Financial Statements are consistent with those used in the annual financial statements for the year ended March 31, 2018 unless otherwise stated in Note 2.1 (u).

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

2.1 Significant 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:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period, or
 - 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:

- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - 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.

Sale of power

Revenue from sale of power is recognised net of estimated rebates and other similar allowances over the time when the units of electricity is delivered.

Ind AS 115 supersedes Ind AS 11 Construction Contracts, Ind AS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

Application of Interpretation for Service Concession Arrangements (SCA):

Management has assessed applicability of Appendix C of Indian Accounting Standards 115: Service Concession Arrangements 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.

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 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.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision 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 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.

d) Intangible asset

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 period in which the expenditure is incurred.

e) Depreciation/amortization

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.

Fixed asset	Useful life (years)
Plant & Equipment*	25 years
Electrical installation and equipment	10 years
Furniture & Fixtures	5-10 years
Office equipment	5 years
Computers and Data Processing	3 years

*Based on internal technical assessment, the management believes that the useful lives best represent the period over which management expects the use of the assets.

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.

f) Borrowing costs

Borrowing costs consists of interest and amortization 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.

g) Foreign currencies

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (Rs.) 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 Rs. except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company 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.

h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease.



Operating lease

A lease where risks and rewards incidental to ownership of an asset substantially vest with the lessor is classified as operating lease. Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

The Company has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and therefore are not straight-lined. Hence, the lease payments are recognised on an accrual basis as per terms of the lease agreement.

Finance lease

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

D) Employee's benefits

Short term employee benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund is a defined contribution scheme and contributions paid/payable towards Provident Fund are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity is 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 as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

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 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.

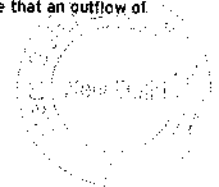
Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related 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.

D) Provisions

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 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.

k) 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.

l) 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 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.

Equity instruments

All equity investments in the scope of Ind AS 109 are measured at fair value.

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the 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.

Reclassification of financial assets

The Company 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. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Dividend and Interest Income:

Dividend income is recognised when the right of the Company to receive dividend is established by the reporting date.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, 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 statement of profit and loss.



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, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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 recognized 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.

Financial liabilities at amortized 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.

This is the category most relevant to the Company. 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.

Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that, from the issuer's perspective, contains both a liability and an equity component.

On issuance of the mandatorily redeemable preference shares with dividends paid at the issuer's discretion, the fair value of the liability component is measured by determining the net present value of redemption amount, discounted at the market rate of interest prevailing at the time of issue. This amount is classified as a borrowing measured at amortised cost until it is extinguished on redemption. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole, the amount separately determined for the liability component.

After initial measurement, on the liability component, interest is accrued using EIR and is recognised in the consolidated statement of profit and loss as finance costs. Any dividends paid are related to the equity component and are recognised directly in the equity.

Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

m) 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 initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.

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.

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 a practical expedient, 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. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

n) 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, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, 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 a year of five years. For longer years, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond years covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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.

o) 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 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.

p) 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized 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 recognized 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 period is recognized 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 realized. 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.

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 Company will pay normal income tax during the specified period. 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 period 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.

In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred taxes in respect of temporary differences which reverse after the tax holiday period are recognized in the year in which the temporary differences originate. However, the Company restrict the recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Q) 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.

r) Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

s) Events occurring after the balance sheet date

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

The 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.

t) Government grant

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

When the Company receive grants of non-monetary assets, 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.



u) Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from contracts with customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company typically generate and supply power for a singular rate based on a unit of generation at a specified facility over the term of the agreement. In these type of arrangements, volume reflects total energy generation measured in kWhs which can vary period to period depending on system and resource availability. The contract rate per unit of generation (kWhs) is generally fixed at contract inception; however, certain pricing arrangements can provide at the time-of-delivery. The customer is invoiced monthly equal to the volume of energy delivered multiplied by the applicable contract rate.

The Company considers power supplied under the PPAs to be distinct performance obligations. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied under Ind AS 115. The Company views the sale of power as a series of distinct goods that is substantially the same and has the same pattern of transfer measured by the output method. Although the Company views power supplied under the PPAs to be performance obligations satisfied at a point in time, measurement of satisfaction and transfer of control to the customer in a bundled arrangement coincides with a pattern of revenue recognition with the underlying energy generation. Accordingly, the Company applied the practical expedient in Ind AS 115 as the right to consideration corresponds directly to the value provided to the customer to recognize revenue at the billable amount for its PPA contracts.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The adoption of the standard have not any material impact on the financial statements of the Company.

Ind AS 21 foreign currency transactions and advance consideration

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

v) Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 116 Leases

Ind AS 116 Leases was notified on March 31, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The company is still under the process of evaluation of available transition options and a reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once Company completes its assessment.

Appendix C to Ind AS 12 Uncertainty over income tax treatment

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or Company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on Initial application, without adjusting comparatives.



The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendments to Ind AS 109: Prepayment features with negative compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the consolidated financial statements of the Company.

Amendments to Ind AS 19: Plan amendment, curtailment or settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- ▶ Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- ▶ Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

Annual improvement to Ind AS (2018)

Amendments to Ind AS 12: Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendments to Ind AS 23: Borrowing costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

2.2 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.

i) Revenue recognition and presentation - Note 20

ii) Assessment of useful life and residual value of property, plant and equipment and intangible asset - Note 3.4 and 5

iii) Fair Value measurement of financial instruments - Note 33

iv) Recognition and estimation of tax expense including deferred tax - Note 30

v) Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) - Note 36

vi) Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources - Note 39



3 : Property, plant and equipment

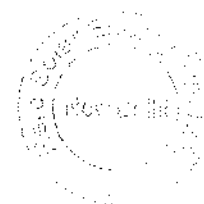
	Leasehold Improvement	Plant & Equipment	Electrical installation and equipment	Office equipment	Computers and data processing machines	Total
Gross Block						
(At cost)						
As at April 01, 2017	0.97	83.22	9.71	1.05	8.28	103.23
Additions made during the year	-	285.75	53.09	0.61	4.67	344.12
Disposals / adjustments during the year	-	-	-	-	-	-
As at March 31, 2018	0.97	368.97	62.80	1.66	12.95	447.35
Additions made during the period	-	309.93	59.99	0.30	2.98	373.20
Disposals / adjustments during the year	-	-	-	-	-	-
As at March 31, 2019	0.97	678.90	122.79	1.96	15.93	820.55
Depreciation						
As at April 01, 2017	0.47	1.90	0.57	0.28	2.16	5.40
Depreciation charge for the year	0.32	8.35	3.10	0.24	2.55	14.56
On disposals / adjustments during the year	-	-	-	-	-	-
As at March 31, 2018	0.79	10.25	3.67	0.52	4.73	19.96
Depreciation charge for the period	0.18	23.98	8.28	0.33	3.11	35.88
On disposals / adjustments during the year	-	-	-	-	-	-
As at March 31, 2019	0.97	34.23	11.95	0.85	7.84	55.84
Net book value						
As at April 1, 2017	0.50	81.32	9.14	0.77	6.10	97.83
As at March 31, 2018	0.18	358.72	59.13	1.14	8.22	427.39
As at March 31, 2019	(0.00)	644.67	110.84	1.11	8.09	764.71

4 : Capital work-in-progress

	As at March 31, 2019	As at March 31, 2018
Project purchase	185.20	238.83
Erection and commissioning	5.10	4.51
Salaries, wages & bonus	15.85	16.41
Interest & finance cost	29.98	45.78
Administrative and other expenses	33.15	49.67
	269.28	355.20

5 : Intangible assets

	Intangible Asset- Rooftop	Total
Gross Block		
(At cost)		
As at April 01, 2017	-	-
Additions made during the year	51.29	51.29
Disposals / adjustments during the year	-	-
As at March 31, 2018	51.29	51.29
Additions made during the period	-	-
Disposals / adjustments during the year	-	-
As at March 31, 2019	51.29	51.29
Amortisation		
As at April 1, 2017	-	-
Amortisation for the year	13.78	13.78
On disposals / adjustments during the year	-	-
As at March 31, 2018	13.78	13.78
Amortisation for the year	25.12	25.12
On disposals / adjustments during the year	-	-
As at March 31, 2019	38.90	38.90
Net book value		
As at April 1, 2017	-	-
As at March 31, 2018	37.51	37.51
As at March 31, 2019	12.39	12.39



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

6 Financial assets

	As at March 31, 2019	As at March 31, 2018
Investment		
Non-current		
Investment in equity shares	5,235.44	1,952.90
Investment in debentures	2,599.64	2,063.28
Deemed investment in subsidiaries	158.98	-
	7,994.06	4,016.18
Breakup of investments is as follows:		
Investment measured at Cost- unquoted equity shares in wholly owned subsidiaries-		
12,500,000 (March 31, 2018: 12,500,000) equity shares of Clean Solar Power (Chitradurga) Private Limited of Rs. 10 each fully paid up (refer note 31)	125.00	125.00
45,010,000 (March 31, 2018 : 45,010,000) equity shares of Clean Solar Power (Dhar) Private Limited of Rs. 10 each fully paid up (refer note 31)	450.10	450.10
13,750,000 (March 31, 2018 : 13,750,000) equity shares of Rajkot (Gujarat) Solar Energy Private Limited of Rs. 10 each fully paid up (refer note 31)	137.90	137.50
10,000 (March 31, 2018 : 10,000) equity shares of Clean Solar Power (Bellary) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
66,000,000 (March 31, 2018 : 66,000,000) equity shares of Clean Solar Power (Gulbarga) Private Limited of Rs. 10 each fully paid up (refer note 31)	660.00	660.00
95,000,000 (March 31, 2018 : 10,000) equity shares of Clean Solar Power (Bhadla) Private Limited of Rs. 10 each fully paid up (refer note 31)	950.00	0.10
58,000,000 (March 31, 2018 : 58,000,000) equity shares of Clean Solar Power (Tumkur) Private Limited of Rs. 10 each fully paid up (refer note 31)	580.00	580.00
10,000 (March 31, 2018 : 10,000) equity shares of Clean Solar Power (Jaipur) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
10,000 (March 31, 2018 : nil) equity shares of Clean Solar Power (Jodhpur) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	-
10,000 (March 31, 2018 : nil) equity shares of Clean Solar Power (Sirsar) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	-
10,000 (March 31, 2018 : nil) equity shares of Clean Solar Power (Konch) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	-
10,000 (March 31, 2018 : nil) equity shares of Clean Solar Power (Kadapa) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	-
100,450,000 equity shares of Rs. 8.31 each and 104,550,000 equity shares of Rs. 14.32 each of Waaneep Solar Private Limited fully paid (March 31, 2018 : nil) (refer note 31)	2,332.24	-
	5,235.44	1,952.90
Investment measured at Cost- unquoted optionally convertible cumulative debentures-		
34,500,000 (March 31, 2018 : 34,500,000) optionally convertible cumulative debentures of Rajkot (Gujrat) Solar Energy Private Limited of Rs. 10 each fully paid up (refer note 31)	345.00	345.00
	345.00	345.00
Investment measured at fair value through profit & loss- unquoted compulsorily convertible debentures-		
35,500,000 (March 31, 2018 : 35,500,000) compulsorily convertible debentures (CCD's) of Clean Solar Power (Chitradurga) Private Limited of Rs. 10 each fully paid up (refer note 31)	510.49	447.66
107,000,000 (March 31, 2018 : 107,000,000) compulsorily convertible debentures (CCD's) of Clean Solar Power (Gulbarga) Private Limited of Rs. 10 each fully paid up (refer note 31)	1,452.24	1,270.62
	1,962.73	1,718.28
Investment measured at amortised cost- unquoted compulsorily convertible debentures-		
45,00,000 (March 31, 2018 : nil) compulsorily convertible debentures (CCD's) of Clean Solar Power (Bhadla) Private Limited of Rs. 100 each fully paid up (refer note 31)	291.91	-
	291.91	-



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
7 Trade receivables		
Non-current		
Trade Receivables*	-	1.31
Current		
Trade receivables#		
- Unsecured considered good	1,347.73	1,199.09
- Unsecured considered doubtful	3.69	-
	1,351.42	1,199.09
Less: Provision for doubtful receivables	(3.69)	-
	1,347.73	1,199.09
* Trade receivable include the amount of unbilled revenue. Please refer accounting policy on trade receivable	13.19	37.50
#Includes receivable from related parties (refer note 31)	1,080.50	997.55
8 Cash and cash equivalents		
Balances with banks		
- Current account	33.58	26.61
	33.58	26.61
For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:		
Balances with banks:		
- Current account	33.58	26.61
	33.58	26.61
9 Other bank balance		
Deposits with original maturity for more than 3 months but less than or equal to 12 months	26.75	7.94
	26.75	7.94
10 Other financial assets		
Non-current		
Deposits with original maturity of more than 12 months	9.39	9.17
Loan to related parties (refer note 31)	6,754.93	2,439.63
Security deposits	2.24	7.84
	6,766.56	2,456.64
Current		
Deposits with original maturity of more than 12 months	0.35	-
Loan to related parties (refer note 31)	1,444.83	5,959.20
Accrued interest to related parties (refer note 31)	1,397.06	461.83
Other receivables*	307.48	168.42
Accrued Interest on fixed deposits	0.35	0.06
	3,150.07	6,589.51
Total (Non-current and current)	9,916.63	9,046.15
*Includes receivable from related parties (refer note 31)	119.71	168.33
a) Break up of financial assets carried at amortised cost:		
Trade Receivables (refer note 7)	1,347.73	1,199.09
Cash and cash equivalents (Refer to note 8)	33.58	26.61
Other Bank Balances (Refer to note 9)	26.75	7.94
Other financial assets (Refer to note 10)	9,916.63	9,046.15
Investment (Refer to note 6)	6,031.33	2,297.90
Total	17,356.01	12,577.69
b) Break up of financial assets carried at fair value through profit or loss:		
Investment (Refer to note 6)	1,962.73	1,718.28
	1,962.73	1,718.28
11 Other assets (Unsecured, considered good, unless otherwise stated)		
Non-current		
Capital advances	123.40	52.88
Prepaid expenses	0.66	1.86
Prepaid gratuity funded (Net of provision (refer note 36))	4.37	7.24
	128.43	61.98
Current		
Advance to employees	0.57	0.17
Advance to Vendors	20.56	4.72
Balance with government authorities	19.52	15.00
Prepaid expenses	2.05	-
	42.70	19.89



11A Non current tax asset (Net)

	As at March 31, 2019	As at March 31, 2018
Advance income tax*	219.99	92.77
* net of provision for tax	219.99	92.77

12 Inventories

	As at March 31, 2019	As at March 31, 2018
Raw Materials*	165.94	127.20
*lower of cost or net realisable value	165.94	127.20

13 Equity Share Capital

	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
50 million (March 31, 2018: 50 million) equity shares of Rs. 10 each	500.00	500.00
Issued, subscribed and paid up		
Equity Share capital	498.10	498.10
49.81 million (March 31, 2018: 49.81 million) equity shares of Rs. 10 each	498.10	498.10
a) Reconciliation of authorised, issued and subscribed share capital:		
i. Reconciliation of authorised share capital as at year/ period end :		
Balance as at April 1, 2017	50,000,000	500.00
Increase/(decrease) during the year	-	-
Balance as at March 31, 2018	50,000,000	500.00
Increase/(decrease) during the year	-	-
Balance as at March 31, 2019	50,000,000	500.00
ii. Reconciliation of issued and subscribed share capital as at year end :		
Balance as at April 1, 2017	49,810,000	498.10
Increase/(decrease) during the year	-	-
Balance as at March 31, 2018	49,810,000	498.10
Increase/(decrease) during the year	-	-
Balance as at March 31, 2019	49,810,000	498.10

b) Terms/ rights attached to equity shares:

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

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

c) Details of shareholders holding more than 5% shares in the company
As at March 31, 2019

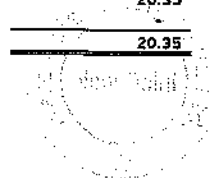
	No. of shares	Holding %
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited) along with its nominees*	49,810,000.00	100.00%
As at March 31, 2018	49,810,000.00	100.00%
	No. of shares	Holding %
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited) along with its nominees*	49,810,000.00	100.00%
	49,810,000.00	100.00%

* 6 equity share held by other shareholder as nominees on behalf of Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private 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. The Company has not bought back any shares.

14 Other Equity

	Amount
Retained Earnings	
Opening Balance (April 1, 2017)	105.46
Add:- Surplus in statement of profit and loss (net of OCI)	346.32
Less: Transfer to Debenture Redemption Reserve	(17.32)
Closing Balance (March 31, 2018)	434.46
Add:- Deficit in statement of profit and loss	(58.43)
Less: Transfer to Debenture Redemption Reserve	-
Closing Balance March 31, 2019	376.03
Debenture Redemption Reserve	
Opening Balance (April 1, 2017)	3.03
Add:- Addition during the year	17.32
Closing Balance (March 31, 2018)	20.35
Add:- Addition during the year	-
Closing Balance March 31, 2019	20.35



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

	Amount
Deemed capital contribution	0.03
Opening Balance (April 1, 2017)	1.21
Add:- Addition during the year	1.24
Closing Balance (March 31, 2018)	1.66
Add:- Addition during the year	2.90
Closing Balance March 31, 2019	4.56

	Amount
Equity component of compulsory convertible debentures	-
Opening Balance (April 1, 2017)	-
Add:- Addition during the year	228.22
Closing Balance (March 31, 2018)	65.82
Add:- Addition during the year	162.40
Less:- Tax impact	-
Closing Balance March 31, 2019	228.22

15 Borrowings

	As at March 31, 2019	As at March 31, 2018
Non-current		
Secured		
Term loan from banks	1,929.83	-
Non-Convertible Debentures	2,169.40	1,971.11
Unsecured		
Compulsory Convertible Debentures (refer note 31)	609.90	-
	<u>4,709.12</u>	<u>1,971.11</u>
Current		
Secured		
Buyer's credit	-	90.87
Unsecured		
Loan from related parties (refer note 31)	12,901.46	6,853.62
	<u>12,901.46</u>	<u>6,944.49</u>
Total	<u>17,610.58</u>	<u>8,915.60</u>

a) Non-Convertible Debentures

Terms attached to 9.995% Non-Convertible Debentures

Vide debenture trust deed dated December 21, 2016, the Company has issued and allotted 1,750 senior, secured, rated, unlisted, taxable, redeemable, non-convertible debentures of a face value of Rs 1.00 million each of the aggregate nominal value of Rs 1,750.00 million in accordance with terms and conditions of debenture trust deed. The same is issued by the company in dematerialized form on December 21, 2016 in 2 tranches of 875 Non-Convertible debentures of the Company for cash at a face value of Rs 1.00 million each at par.

Security -

Non-Convertible Debentures(Unlisted) are secured by way of first ranking and exclusive pledge on the Pledged Securities of the SPVs so as to ensure that the Security Cover ratio (1.1:1) is maintained in accordance with terms of "Share Pledge Agreement " and the "Debenture Trust Deed ".

Terms of Redemption -

9.995% Non-Convertible debentures are redeemable at the end of 54 months from the allotment date. The aggregate of the face value of debentures along with redemption premium calculated on XIRR basis shall be redeemed at the time of redemption on relevant Scheduled redemption date.

Tranches	Date of Allotment	Date of Redemption	Redemption amount (excluding interest accrued thereon)
I	December 21, 2016	June 21, 2021	875.00
II	December 21, 2016	June 21, 2022	875.00

b) Terms attached to loan from related parties

i) The Company has entered into a "Loan Agreement" dated March 11, 2016 (amended on June 15, 2018) with Hero Future Energy Private Limited (the holding company) for availing loan upto Rs. 13,000.00 million and accordingly till March 31, 2019 the Company has Rs 12,401.46 million (March 31, 2018: Rs. 5,857.50 million) outstanding balance against the sanctioned limit. The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45% (March 31, 2018 9.45%). The loan is repayable on demand.

ii) Vide Sanction letter dated January 14, 2019, the Company has taken short term loan amounting to Rs 500.00 million from Hero Fincorp Limited. The Loan amount was disbursed on January 16, 2019. The Short term Loan carries interest @ 9.5% as specified in sanction letter. The Loan is repayable at the end of 4 months from the date of first interest payment i.e. to be repaid on April 29, 2019.

c) Loan from banks

Vide letter dated March 18, 2019, IndusInd Bank Limited has sanctioned to the company the Indian Rupee Medium Term Loan facility amounting to Rs 2,000.00 million.

Against the said "Medium term Loan agreement" the Company has got full disbursement of Rs. 2,000.00 million. The medium term Loan from IndusInd Bank carries the rate of interest at IndusInd Bank 1 year MCLR (Marginal cost of funds based lending rate) plus spread of 0.10% i.e. 9.00% (Effective Interest rate is 10.00% p.a).

The Medium Term Loan is repayable in 6 quarterly structured instalments starting from December 20, 2020

The Loan amount is secured exclusively through hypothecation/Mortgage of identified roof top solar assets owned by company, 30% encumbered investment in form of shares/convertible equity instrument, Non-disposable-undertaking with POA of 19% unencumbered investment in form of shares/convertible equity instrument, Assignment/Hypothecation of shareholder loan given by company Clean solar power (Tumkur) Pvt Ltd and waaneep Solar Power Limited or any other SPV of HSEPL with minimum book value cover of 1.1x and post dated cheque signed by Director.



d) Compulsory convertible debentures

Terms attached to compulsory convertible debentures :

The Company has issued unsecured , unrated unlisted compulsory convertible debentures (CCD) to its Holding Company Hero Future Energies Private Limited (holding company) as per the details below:

Series of Debentures Issued	No. of Debentures Issued	Date of Issue	Redemption & Maturity Option	Ranking
Compulsory Convertible Debentures	8,350,000 of face value Rs 100 each	July 19, 2018	Subject to applicable law, CCD shall be convertible into equity shares either on occurrence of the conversion trigger events, or on mandatory conversion, or upon expiry of 20 years from the date of each CCD issuance	Debentures carry interest rate of 6% annualizes yield on face value of CCD plus any unpaid interest.

Pursuant to IND AS 109, the company has treated the Compulsory Convertible debentures as Compound financial instrument. As per the terms of agreement, the company has a contract obligation to pay interest @ 6% to debentures holders and Holder has right to convert all or some of the CCD upon occurrence of trigger event. From the above perspective, the entire instrument has been considered as compound financial instrument comprising two components i.e. a financial liability and an equity instrument. Accordingly, the company has adopted the split method of accounting under IND AS and discounted the expected cash outflows (interest payment for the period of 20 years) and determined the same as financial liability as on the date of issue of debentures amounting to Rs 506.78 million. The Company has allocated the residual value amounting to Rs 228.22 million to the equity component. Subsequently each year, the Company accrete the interest using EIR method to the liability component of the instrument. The Company has considered the deferred tax liability on the equity component of the instrument at its initial recognition on account of temporary difference between tax base and financial statements as per IND AS 32.

16 Trade payables

	As at March 31, 2019	As at March 31, 2018
Trade payables		
- Outstanding dues to micro and small enterprises*	-	-
- Outstanding dues to parties other than micro and small enterprises#	223.26	428.72
	<u>223.26</u>	<u>428.72</u>
*These have been identified by the Company from the available information , which has been relied upon by the auditors.		
# Includes payable to related parties (refer note 31)	3.39	400.29

17 Other Financial Liabilities

	As at March 31, 2019	As at March 31, 2018
Non-current		
Security Deposit	2.55	1.80
Interest accrued but not due on others	0.21	0.11
	<u>2.76</u>	<u>1.91</u>
Current		
Interest accrued but not due on borrowings	-	0.37
Interest accrued but not due to related parties (refer note 31)	1,317.15	440.24
Payables for fixed assets	261.76	59.32
Other payable*	187.22	-
	<u>1,766.13</u>	<u>499.93</u>
Total	<u>1,768.89</u>	<u>501.84</u>
*Includes other payable to related parties (refer note 31)	187.22	-

Breakup of financial liabilities at amortised cost:

	As at March 31, 2019	As at March 31, 2018
Borrowings (Refer to note 15)	17,610.58	8,915.60
Other financial liabilities (Refer to note 17)	1,768.89	501.84
Trade payables (Refer to note 16)	223.26	428.72
	<u>19,602.73</u>	<u>9,846.17</u>

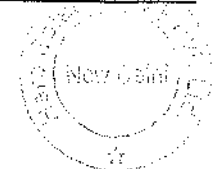
18 Provisions

	As at March 31, 2019	As at March 31, 2018
Non-current		
Provision for employee benefits:		
- Provision for compensated absences	4.45	1.83
	<u>4.45</u>	<u>1.83</u>
Current		
Provision for employee benefits:		
- Provision for compensated absences	0.18	0.20
	<u>0.18</u>	<u>0.20</u>



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
19 Other liabilities		
Non-current		
Deferred government grant	150.10	22.54
	150.10	22.54
Current		
Deferred government grant	9.69	1.11
Advance from customers*	9.37	4,496.01
Statutory dues	39.22	76.78
Other Payables	9.54	-
	67.82	4,573.90
Total	217.92	4,596.45
*Includes advance from related parties (refer note 31)	6.88	4,490.00
20 Revenue from operations	For the year ended	
	March 31, 2019	March 31, 2018
a) Revenue from Power Supply:		
Sale of Electricity	56.76	24.09
b) Revenue from other operating business:		
Income from Management and Development Services*	119.27	686.52
Income from Consultancy services*	3.85	253.34
Operation and Maintenance Fees*	142.34	37.65
Sale of Rooftop solar plant*	62.83	193.74
	385.07	1,195.34
*Includes receivable from related parties (refer note 31)	312.65	1,069.47
21 Other Income	For the year ended	
	March 31, 2019	March 31, 2018
Fair value gain on financial instruments measured at fair value through profit and loss	244.46	221.94
Interest income on debentures (refer note 31)	184.58	134.29
Interest income on loan to related parties (refer note 31)	855.60	295.06
Gain on Sale of mutual funds	5.92	1.21
Interest income on fixed deposits	8.83	0.78
Subsidy	9.54	0.73
Miscellaneous Income	1.00	(0.74)
	1,309.93	653.26
22 Cost of raw material and components consumed	For the year ended	
	March 31, 2019	March 31, 2018
Raw material and components consumed		
Balance at the beginning of the year	127.20	115.05
Add : Purchases during the year	103.16	151.52
	230.36	266.57
Less: Balance at the end of the year	(165.94)	(127.20)
Cost of Materials Consumed	64.42	139.37
23 Employee benefit expenses	For the year ended	
	March 31, 2019	March 31, 2018
Salaries, wages and bonus	70.98	50.04
Contribution to provident and other funds	3.87	2.75
Gratuity expense (refer note 36)	0.66	0.81
Staff welfare expenses	2.20	0.82
Employee stock option scheme (refer note 31(c))	1.66	1.21
	79.40	55.63
24 Finance cost	For the year ended	
	March 31, 2019	March 31, 2018
Interest on debts and borrowings	5.61	0.35
Interest on loan from related parties (refer note 31)	1,096.36	443.62
Interest on compulsory convertible debenture (refer note 31)	37.68	-
Interest on Non Convertible Debentures (refer note 31)	195.06	172.03
Other Finance Costs	25.94	5.04
	1,360.65	621.04
25 Depreciation and amortisation expense	For the year ended	
	March 31, 2019	March 31, 2018
Depreciation of tangible assets	35.88	14.56
Amortization of intangible assets	25.13	13.78
	61.01	28.34



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

26 Other expenses	For the year ended	
	March 31, 2019	March 31, 2018
Management Fees (refer note 31)	29.03	453.02
Operation and Maintenance expenses (refer note 31)	110.26	29.48
Legal and Professional Fees	41.24	15.48
Travelling and conveyance	11.09	5.15
Erection, commissioning and Installation	6.28	4.31
Bidding Fees	7.97	10.03
Rent, rates and taxes	1.60	7.39
Advertisement and sales promotion	0.01	0.04
Auditor's remuneration (Refer note (25a) below)	0.56	0.30
CSR expenditure (refer note (26b) below)	3.54	1.17
Exchange fluctuation expense (net)	1.13	0.31
Insurance	1.67	0.82
Power and fuel	-	0.61
Repair and maintenance	0.13	0.16
Miscellaneous expenses	22.50	6.69
Bad debts (doubtful)	3.69	-
	234.27	534.96

26 a) Details of payment made to auditors is as follows:	For the year ended	
	March 31, 2019	March 31, 2018
As Auditor:		
Statutory audit fees	0.29	0.28
Other matters	0.27	0.02
	0.56	0.30

26 b) Details of corporate social responsibility expenditure is as follows:	For the year ended	
	March 31, 2019	March 31, 2018
Amount required to be spend as per section 135 of the Companies Act, 2013	3.84	1.12
Total	3.84	1.12

	In cash	Yet to be paid in cash	Total
Amount spent during the year ending March 31, 2019			
(i) Construction/acquisition of an asset	3.54	0.30	3.84
Amount spent during the year ending March 31, 2018			
(i) Construction/acquisition of an asset	1.17	-	1.17

For the purpose of computing "average net profits made during last 3 years" as required under section 135 of the Companies Act, 2013, based on the expert legal view, the Company has adjusted loss incurred in one of the earlier years with profits in the other years. Accordingly, "average net profits made during last 3 years" is the arithmetic average mean of the profits as well as loss of last three years.

27 Tax expense	For the year ended	
	March 31, 2019	March 31, 2018
Current tax	-	100.13
Adjustment of tax relating to earlier periods	2.81	0.01
Deferred tax	(50.26)	22.82
	(47.45)	122.96

28 Other Comprehensive Income	For the year ended	
	March 31, 2019	March 31, 2018
Re-measurement gains/ (losses) on defined benefit plans	2.67	(0.02)
Re-measurement gains/ (losses) on defined benefit plans- Income Tax Effect	(0.77)	0.01
	1.90	(0.01)

29 Earnings per share (EPS)	As at	As at
	March 31, 2019	March 31, 2018
Profit/(Loss) attributable to the equity holders of the company	(56.53)	346.30
Interest on Compulsorily Convertible Debentures("CCD")	35.14	-
	(21.39)	346.30
Weighted average number of equity shares for basic and diluted EPS	49,810,000	49,810,000
Basic and diluted earnings per share (face value Rs. 10 per share)	(0.43)	6.95

Shares that will be issued upon conversion of a Compulsorily Convertible Debentures are included in the calculation of basis EPS from the date the contract entered.

It is assumed that one share will be issued against one debenture at face value of INR 10 each for the purpose of EPS computation as the number of shares that will be issued upon conversion of CCD are based on fair market value of the equity shares at the time of conversion of CCD's.



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
(Amount in Rupees million, unless otherwise stated)

30 : Deferred tax assets:

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

	As at March 31, 2019	As at March 31, 2018
Deferred tax asset:		
Carry forward tax loss and Unabsorbed depreciation	154.83	-
Provision for employee benefits	2.94	1.10
Others	1.17	0.52
Gross deferred tax asset	158.94	1.62
Deferred tax liability:		
Property, plant and equipment and other intangible assets	(137.60)	(67.27)
Borrowings (EIR)	0.19	(15.98)
Equity component of compulsory convertible debentures	(62.23)	-
Deferred Government Grant	18.64	4.66
Fair valuation of investment in debentures	(109.49)	(60.42)
Capital work in progress	(0.93)	(0.34)
Non-convertible debentures	(19.26)	-
Gross deferred tax liability	(310.68)	(139.35)
Net deferred tax liabilities	(151.74)	(137.73)
Minimum alternative tax credit entitlement [refer note (i) below]	114.61	117.29
Deferred tax Assets/liabilities (net) (including mat credit entitlement)	(37.13)	(20.44)

(i) The asset of Rs. 114.61 million (March 31, 2018: Rs 117.29 million) recognized by company as "Mat credit entitlement" represents that portion of MAT liability which can be set off in subsequent years based on provisions of Income Tax Act 1961. 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 company to utilize MAT credit assets.

(ii) 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 permanent differences.

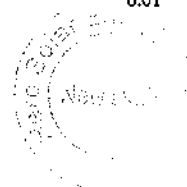
(iii) The Company offsets deferred tax assets and deferred tax liabilities; if and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxation authority.

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018 are as follows:

	As at March 31, 2019	As at March 31, 2018
Accounting profit before tax	(104.75)	469.26
Statutory Income Tax rate		
At India's statutory income tax rate of 28.84% (March 31, 2018: 28.84%)	(30.21)	135.33
Add: Effect of expenses that are not deductible in determining taxable profit		
Liability component of compulsory convertible debentures	0.90	-
CSR expense	1.02	-
Deferred tax not recognized on unabsorbed losses	-	5.04
Others	(0.00)	0.70
Less: Effect of income that are not taxable in determining taxable profit		
Equity component reversal of compulsory convertible debentures	(3.59)	-
Effect of change in tax rate	-	(0.80)
Deferred tax on investment recognized at long term capital gain rate	-	(17.31)
Less: Adjustments recognised in the current year in relation to the reversal of MAT credit entitlement and change in tax rate during the current year	1.51	-
Others	(17.85)	-
Income tax expense recognised in the statement of profit or loss	(48.22)	122.96

Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) issued subsequent to the balance sheet date, the tax rates have changed with effect from 1 Apr 2019, and the company in the process of evaluating the plans to pay tax at revised rate from next year considering the tax deduction under section 80IA.

	For the year ended	
	March 31, 2019	March 31, 2018
c) Deferred tax income relates to the following :		
Provision for employee benefits	(1.84)	(0.31)
MAT Credit Entitlement	-	(102.83)
Carry forward tax loss and Unabsorbed depreciation	(154.83)	26.07
Others	(1.08)	-
Deferred tax Expenses relates to the following :		
Property, plant and equipment and other intangible assets	70.33	41.07
Deferred Government Grant	(13.98)	(0.40)
Fair valuation of investment in debentures	49.07	45.72
Borrowings (EIR)	(0.88)	10.37
Reversal of equity component of compulsory convertible debentures	(3.59)	-
Capital work in progress	0.59	-
Non-Convertible Debentures	4.40	-
Others	0.77	1.14
	(51.03)	22.83
Recognised in statement of profit and loss	(50.26)	22.82
Recognised in other comprehensive income	(0.77)	0.01



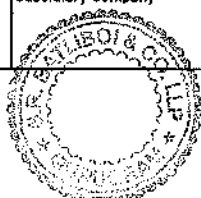
31 : Related Party Disclosures

a) List of related parties

Name of Related Party	Nature of relationship
B M Munjal Energies Private Limited	Ultimate holding company
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited)	Holding company
Clean Solar Power (Chitradurga) Private Limited	Subsidiary Company
Clean Solar Power (Dhar) Private Limited	Subsidiary Company
Rajkot (Gujarat) Solar Energy Private Limited	Subsidiary Company
Clean Solar Power (Gulbarga) Private Limited	Subsidiary Company
Clean Solar Power (Tumkur) Private Limited	Subsidiary Company
Clean Solar Power (Bellary) Private Limited	Subsidiary Company
Clean Solar Power (Bhadra) Private Limited	Subsidiary Company
Clean Solar Power (Jajpur) Private Limited	Subsidiary Company
Clean Solar Power (Jodhpur) Private Limited	Subsidiary Company
Clean Solar Power (Sirsar) Private Limited	Subsidiary Company
Clean Solar Power (Konch) Private Limited	Subsidiary Company
Clean Solar Power (Kadapa) Private Limited	Subsidiary Company
Waaneep Solar Private Limited (w.e.f. December 31, 2018)	Subsidiary Company
Clean Wind Power (Devgarh) Private Limited	Enterprise under common Control
Clean Wind Power (Manvi) Private Limited	Enterprise under common Control
Vayu Urja Bharat Private Limited	Enterprise under common Control
Rockman Industries Limited	Enterprises over which key management personnel and their relatives able to control
BML Educorp Services	Enterprises over which key management personnel and their relatives able to control
Hero Future Energies Limited Employees Group Gratuity Trust	Enterprises over which key management personnel and their relatives able to control
Hero Motocorp Limited	Enterprises over which key management personnel and their relatives able to control
Hero FinCorp Limited	Enterprises over which key management personnel and their relatives able to control
Hero Rooftop Energy Private Limited	Enterprises over which key management personnel and their relatives able to control
Neha Sethi	Key Managerial Personal (Company Secretary)

b) Transactions with related parties

Name of Related Party	Relationship	Nature of transaction	For the year ended March 31, 2019	For the year ended March 31, 2018
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited)	Holding Company	Management & Development fee	27.17	453.02
		Loan Repaid	10,564.50	9,020.00
		Loan Taken	14,906.10	5,874.50
		Investment in Compulsorily Convertible Debentures	835.00	-
		Sales of rooftop & Installation & Commissioning	-	0.60
		Expenses incurred on Company's behalf	42.27	44.86
B M Munjal Energies Private Limited	Ultimate Holding Company	Interest Expense	897.64	441.73
		Sales of rooftop & Installation & Commissioning	-	4.20
Clean Solar Power (Chitradurga) Private Limited	Subsidiary Company	Management & Development fee	-	72.15
		Loan Given	342.13	157.10
		Loan Repaid	-	21.30
		Interest Income	77.35	90.62
		Expenses incurred on behalf	0.19	3.20
Clean Solar Power (Dhar) Private Limited	Subsidiary Company	Expenses incurred on behalf	0.95	0.38
		Operation & Maintenance Fees	2.68	13.23
		Loan Given	-	15.00
		Loan Repaid	24.20	-
		Interest Income	2.35	2.83
Rajkot (Gujarat) Solar Energy Private Limited	Subsidiary Company	Loan Repaid	-	22.50
		Interest Income	40.23	38.97
		Expenses incurred on their behalf	1.53	6.96
		Loan Given	-	14.00
		Investment in Equity Shares	-	22.50
		Management, Development fee and Operation & Maintenance Fees	9.40	28.37
		Expenses incurred on their behalf	9.15	40.62
Clean Solar Power (Gulbarga) Private Limited	Subsidiary Company	Management, Development fee and Operation & Maintenance Fees	100.72	375.44
		Purchase of Solar Modules	-	3.39
		Loan Repaid	-	522.50
		Loan Given	980.00	974.00
		Interest Income	226.28	144.45
		Investment in Compulsorily Convertible Debentures	-	500.00
		Investment in Equity Shares	-	20.00
Clean Solar Power (Tumkur) Private Limited	Subsidiary Company	Expenses incurred on our behalf	27.12	4.72
		Management, Development fee and Operation & Maintenance Fees	71.30	457.03
		Investment in Equity Shares	-	579.90
		Sales of rooftop & Installation & Commissioning	-	85.74
		Interest Income	187.02	119.51
		Loan Given	2,314.00	1,894.00
		Loan Repaid	1,452.00	1,169.90
Clean Solar Power (Bellary) Private Limited	Subsidiary Company	Loan Given	223.00	849.10
		Loan Repaid	198.80	665.00
		Advance Against Supply	-	-
		Expenses incurred on behalf	0.44	3.90
		Management, Development fee and Operation & Maintenance Fees	28.00	52.03
		Interest Income	32.35	27.35



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
(Amount in Rupees million, unless otherwise stated)

Name of Related Party	Relationship	Nature of transaction	For the year ended March 31, 2019	For the year ended March 31, 2018
Clean Solar Power (Bhadla) Private Limited	Subsidiary Company	Expenses incurred on their behalf	5.07	0.00
		Investment in Equity Shares	949.90	-
		Investment in Compulsorily Convertible Debentures	450.00	-
		Loan Given	1,405.74	4,493.00
		Loan Repaid	5,640.00	-
		Advance Against Supply	4,490.00	4,490.00
		Repayment of Advance Against Supply	0.89	-
		Interest Income	275.37	28.65
		Corporate Guarantee given on behalf of the company	1,800.00	-
Clean Solar Power (Jaipur) Private Limited	Subsidiary Company	Bank Guarantee given on behalf of Subsidiary Company	-	300.00
		Expenses incurred on behalf	0.34	0.75
		Loan Repaid	6.75	-
		Loan Given	838.00	1,218.00
Clean Solar Power (Jodhpur) Private Limited	Subsidiary Company	Interest Income	182.03	15.84
		Investment in Equity Shares	0.10	-
		Loan Given	1,477.78	-
		Loan Repaid	1,005.16	-
Clean Solar Power (Sirsar) Private Limited	Subsidiary Company	Advance Against Supply	0.74	-
		Interest Income	13.17	-
		Investment in Equity Shares	0.10	-
		Loan Given	85.50	-
Clean Solar Power (Kadapa) Private Limited	Subsidiary Company	Interest Income	1.71	-
		Expenses incurred on their behalf	4.00	-
Clean Solar Power (Konch) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	-
		Expenses incurred on their behalf	0.06	-
Clean Wind Power (Devgarh) Private Limited	Enterprise under common control	Investment in Equity Shares	0.10	-
		Interest Expense	165.46	-
		Loan Taken	2,462.36	-
		Loan Repaid	260.00	-
Clean Wind Power (Manvi) Private Limited	Enterprise under common control	Sales of rooftop & Installation & Commissioning	-	0.60
		Shared services cost	61.48	65.00
Vayu Urja Bharat Private Limited	Enterprise under common control	Sales of rooftop & Installation & Commissioning	-	0.19
		Expenses incurred on their behalf	-	0.02
Hero Rooftop Energy Private Limited	Enterprises over which key management personnel and their relatives able to control	Sales of rooftop & Installation & Commissioning	8.52	-
		Expense incurred on behalf	0.00	-
Waaneep Solar Private Limited	Subsidiary Company	Investment in Equity Shares	2,332.24	-
		Loan Given	461.70	-
		Expense incurred on behalf	186.44	-
		Interest Income	1.41	-
Hero Motocorp Limited	Enterprises over which key management personnel and their relatives able to control	Sales of rooftop & Installation & Commissioning	41.79	0.63
		Operation & Maintenance Fees	1.41	-
Hero FinCorp Limited	Enterprises over which key management personnel and their relatives able to control	Loan Taken	500.00	1,000.00
		Loan Repaid	1,000.00	-
		Interest on Loan	86.65	21.80
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	-	2.09
Neha Sethi	Key Management Personnel	Remuneration Paid	0.55	0.44

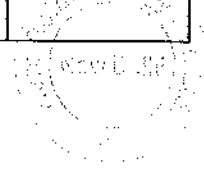
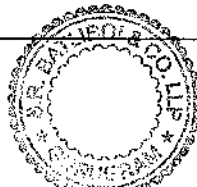
c) Closing Balance of related parties

Name of Related Party	Relationship	Nature of transaction	As at March 31, 2019	As at March 31, 2018
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited)	Holding Company	Investment in Compulsorily Convertible Debentures	835.00	-
		Investment in equity share capital	498.10	498.10
		Loan Outstanding	10,199.10	5,857.50
		Other Payables	-	396.90
		Current Account	0.54	43.43
		Interest Payable	1,168.24	433.94
B.M Munjal Energies Private Limited	Ultimate Holding Company	Other Receivable	-	4.20



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
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Name of Related Party	Relationship	Nature of transaction	As at March 31, 2019	As at March 31, 2018
Clean Solar Power (Chitradurga) Private Limited	Subsidiary Company	Investment in Equity Shares	125.00	125.00
		Investment in Compulsorily Convertible Debentures	355.00	355.00
		Loan Outstanding	657.93	315.80
		Current Account	3.49	3.30
		Other Receivable	82.70	82.70
Clean Solar Power (Dhar) Private Limited	Subsidiary Company	Interest Receivable	129.55	59.93
		Investment in Equity Shares	450.10	450.10
		Loan Outstanding	20.60	44.80
		Current Account	1.40	0.46
		Other Receivable	12.00	10.72
Rajkot (Gujarat) Solar Energy Private Limited	Subsidiary Company	Interest Receivable	17.19	15.07
		Investment in Equity Shares	137.50	137.50
		Investment in Optionally convertible cumulative debentures	345.00	345.00
		Loan Outstanding	67.60	67.60
		Current Account	16.30	14.81
Clean Solar Power (Gulbarga) Private Limited	Subsidiary Company	Other Receivable	36.24	28.31
		Interest Receivable	96.46	59.23
		Investment in Equity Shares	660.00	660.00
		Investment in Compulsorily Convertible Debentures	1,070.00	1,070.00
		Loan Outstanding	1,663.60	683.60
Clean Solar Power (Tumkur) Private Limited	Subsidiary Company	Current Account	82.21	73.06
		Other Receivable	499.91	404.82
		Other Payables	3.39	3.39
		Interest Receivable	343.73	140.08
		Loan Outstanding	2,189.83	1,327.83
Clean Solar Power (Bellary) Private Limited	Subsidiary Company	Current Account	0.99	28.11
		Other Receivable	405.35	340.06
		Interest Receivable	289.76	121.44
		Investment in Equity Shares	580.00	580.00
		Loan Outstanding	270.80	246.60
Clean Solar Power (Bhadra) Private Limited	Subsidiary Company	Current Account	4.83	4.39
		Other Receivable	27.78	56.45
		Interest Receivable	54.11	24.99
		Investment in Equity Shares	0.10	0.10
		Investment in Equity Shares	950.00	0.10
Clean Solar Power (Jaipur) Private Limited	Subsidiary Company	Investment in Compulsorily Convertible Debentures	450.00	-
		Loan Outstanding	259.64	4,493.90
		Current Account	5.08	0.01
		Other Receivable (Advance received)	3.75	4,490.00
		Interest Receivable	273.64	25.81
Clean Solar Power (Jodhpur) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	0.10
		Loan Outstanding	2,049.95	1,218.70
		Current Account	1.10	0.75
		Interest Receivable	178.09	14.26
		Investment in Equity Shares	0.10	-
Clean Solar Power (Sirsa) Private Limited	Subsidiary Company	Loan Outstanding	472.62	-
		Other Receivable (Advance received)	3.13	-
		Interest Receivable	11.86	-
		Investment in Equity Shares	0.10	-
		Loan Outstanding	85.50	-
Clean Solar Power (Kadapa) Private Limited	Subsidiary Company	Current Account	4.00	-
		Interest Receivable	1.54	-
		Investment in Equity Shares	0.10	-
Clean Solar Power (Konch) Private Limited	Subsidiary Company	Current Account	0.06	-
Clean Wind Power (Devgarh) Private Limited	Enterprise under common control	Investment in Equity Shares	0.10	-
		Loan Outstanding	2,202.36	-
		Interest Receivable	148.92	-
Waaneep Solar Private Limited	Subsidiary Company	Investment in Equity Shares	2,332.24	-
		Loan Outstanding	461.70	-
		Current Account	186.44	-
		Interest Receivable	1.27	-
Clean Wind Power (Manvi) Private Limited	Enterprise under common control	Other Receivable	8.00	70.20
Hero Rooftop Energy Private Limited	Enterprise under common control	Other Receivable	8.52	-
		Current Account	0.00	-
Vayu Urja Bharat Private Limited	Enterprise under common control	Current Account	0.02	0.02
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	9.92	8.63
Hero FinCorp Limited	Enterprises over which key management personnel and their relatives able to control	Loan Outstanding	500.00	1,000.00
		Interest Payable	0.12	6.30
Hero Motocorp Limited	Enterprises over which key management personnel and their relatives able to control	Receivables	33.58	-



c) Other Transactions:

i) As on March 31, 2019, Hero solar energy private limited, the holding company has pledged investments in equity share capital and debentures of its subsidiaries in connection with the non-convertible debentures issued by the company in following manner:

Name of the Subsidiary	Nature of Investment in shares	Number of Shares pledged- 31 March 2019	Total No. of Securities	% of securities
Rajkot (Gujarat) Solar Energy Private Limited	Equity Shares	5,770,620	13,750,000	41.97%
Rajkot (Gujarat) Solar Energy Private Limited	Optionally convertible Cumulative Debenture	16,905,000	34,500,000	49.00%
Clean Solar Power (Chitradurga) Private Limited	Equity Shares	6,124,994	12,500,000	49.00%
Clean Solar Power (Chitradurga) Private Limited	Compulsory Convertible Debenture	17,395,000	35,500,000	49.00%
Clean Solar Power (Dhar) Private Limited	Equity Shares	22,054,894	45,010,000	49.00%
Clean Solar Power (Gulbarga) Private Limited	Equity Shares	31,937,442	66,000,000	48.39%

(ii) The Company had pledged 51% of its investment in Equity shares with the lenders of its subsidiary company (Clean Solar Power (Dhar) Private Limited) as security against borrowings taken by such subsidiary

(iii) The Company has pledged 51% of its investment in equity shares with the lenders of its subsidiary company Rajkot (Gujarat) Solar Energy Private Limited as security against borrowings taken by such subsidiary

(iv) The Company has pledged 51% of its investment in equity shares with the lenders of its subsidiary company Clean Solar Power (Chitradurga) Private Limited as security against borrowings taken by such subsidiary

(v) The Company has pledged 51% of its investment in equity shares with the lenders of its subsidiary company (Clean Solar Power (Tumkur) Private Limited) as security against borrowings taken by such subsidiary

(vi) The Company has pledged 51% of its investment (Equity shares and Compulsorily Convertible Debentures) with the lenders of its subsidiary company (Clean Solar Power (Gulbarga) Private Limited) as security against borrowings taken by such subsidiary

(vii) The Company has pledged 30% of its investment in equity shares with the lenders of its subsidiary company (Clean Solar Power (Bhadra) Private Limited) as security against borrowings taken by such subsidiary

(viii) The Company has pledged 51% of its investment in equity shares with the lenders of its subsidiary company Waaneep Solar Private Limited as security against borrowings taken by such subsidiary

(ix) The Company has pledged 30% of its investment in equity shares with the lenders of its subsidiary company (Clean Solar Power (Bellary) Private Limited) as security against borrowings taken by such subsidiary

x) During the year, Hero Future Energies Private Limited, the holding company, has issued Post Dated Cheques (PDC) amounting to Rs. 2,418.48 (March 31, 2018 : Rs. 627.99) on behalf of the Company

xi) Pursuant to scheme of amalgamation, Stock option holders under erstwhile Hero Future Energies Private Limited (now amalgamated) and the Company are entitled to stock options in the Hero Future Energies Private Limited (earlier known as Clean Solar Power (Hiriyur) Private Limited) ("HFE"). HFE is under process to formulate the scheme of Employee Stock Option Plan (ESOP) for Stock option holders of Hero Future Energies Private Limited and determining the swap ratio for stock option. Based on legal opinion, management is of the view that non-implementation of the new ESOP policy till date should not be construed as a contravention of the provision of the Companies Act/ Court order as HFE has filed necessary Form CAA.8 with Registrar of Companies before October 31, 2018 (i.e. within 210 days from the end of the previous financial year) intimating the status of compliance of the Scheme and will continue doing the same until the Scheme has been fully implemented. Amalgamated Hero Future Energies Private Limited has granted following stock options to employees of the Company against which HFE Company will frame the new ESOP policy.

Name of the Company	No. of Employees	No. of Options	Expense charged to profit or loss (2018-19)	Expense charged to profit or loss (2017-18)
Hero Future Energies Private Limited (HFE)	3	399,543	1.66	1.21

In respect of stock options to be granted, the fair value of the options is treated as expenses and accounted as employee compensation over the vesting period. Further, in absence of ESOP policy of HFE, for the purpose of recording expenses and liability in financial statements management has used terms and conditions mentioned in ESOP plan of the Hero Future Energies Private Limited and has computed the swap ratio based on approved scheme of amalgamation. Accordingly, the Company has recorded an expense of Rs. 1.66 millions during the year ended March 31, 2019 (Rs. 1.21 million during the year ended March 31, 2018) which has been disclosed under Note 23 of the financial statements and deemed capital contribution from HFE as a credit to equity with a corresponding expense in the statement of profit and loss which has been disclosed under Note 14 of the financial statements. Further, management believes that upon finalisation of ESOP policy of HFE & swap ratio for ESOP granted by HFE the impact on these financial statement will not be material.

d) 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.

32: Segment Information

The Company is engaged in a single segment i.e., the business of "generation and sale of power" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the 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.



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
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33 : Fair values

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

a) Fair value of financial assets:

	Carrying values		Fair values	
	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets measured at fair value through profit & loss				
Investment in debentures of subsidiaries (refer note 6)	1,962.73	1,718.28	1,962.73	1,718.28
Financial assets measured at amortised cost				
Investment in equity shares of subsidiaries (refer note 6)	5,235.44	1,952.90	5,235.44	1,952.90
Investment in debentures of subsidiaries (refer note 6)	795.89	345.00	795.89	345.00
Security Deposits (refer note 10)	2.24	7.84	2.24	7.84
Trade receivables (refer note 7)	1,347.73	1,199.09	1,347.73	1,199.09
Cash and cash equivalents (refer note 8)	33.58	26.61	33.58	26.61
Other Bank Balances (Refer to note 9)	26.75	7.94	26.75	7.94
Other financial assets (Refer to note 10)	9,914.39	9,038.31	9,914.39	9,038.31
	19,318.74	14,295.97	19,318.74	14,295.97

b) Fair value of financial liabilities:

	Carrying values		Fair values	
	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial liabilities measured at amortised cost				
Term loan from banks (refer note 15)	1,929.83	-	1,929.83	-
Non-Convertible Debentures (refer note 15)	2,169.40	1,971.11	2,169.40	1,971.11
Compulsory Convertible Debentures (refer note 15)	609.90	-	609.90	-
Buyer's credit (refer note 15)	-	90.87	-	90.87
Loan from related parties (refer note 15)	12,901.46	6,853.62	12,901.46	6,853.62
Other financial liabilities (refer note 17)	1,768.89	501.84	1,768.89	501.84
Trade payables (refer note 16)	223.26	428.72	223.26	428.72
	19,602.72	9,846.17	19,602.72	9,846.17

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

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 company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

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

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

- Fair values of the 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, 2019 was assessed to be insignificant.
- Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.
- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



Hero Solar Energy Private Limited
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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 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	As at
		March 31, 2019	March 31, 2018
Financial assets measured at fair value through profit & loss			
Investment in debentures of subsidiaries (Refer note 6)	Level 2	1,962.73	1,718.28
Financial assets measured at amortised cost			
Investment in equity of subsidiaries (Refer note 6)	Level 2	5,235.44	1,952.90
Investment in debentures of subsidiaries (Refer note 6)	Level 2	795.89	345.00
Security Deposits (Refer note 10)	Level 2	2.24	7.84
		7,996.29	4,024.02

Quantitative disclosures fair value measurement hierarchy for liabilities

	Level Classification	As at	As at
		March 31, 2019	March 31, 2018
Financial liabilities measured at amortised cost			
Term loan from banks (refer note 16)	Level 2	1,929.83	-
Non-Convertible Debentures (refer note 16)	Level 2	2,169.40	1,971.11
Compulsory Convertible Debentures (refer note 16)	Level 2	609.90	-
Total		4,709.12	1,971.11

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

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

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

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

35 : Capital Management

For the purpose of Company's capital management, capital includes issued equity capital and equity reserves attributable to the equity holders 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.

	As at	As at
	March 31, 2019	March 31, 2018
Borrowings (Refer to note 15)	17,610.56	8,915.60
Less: Cash and cash equivalents (Refer to note 8)	(33.58)	(26.61)
Net debt	17,577.00	8,888.99
Equity share capital (Refer to note 13)	498.10	498.10
Other equity (Refer to note 14)	561.68	456.05
Total Capital	1,059.78	954.15
Capital and net debt	18,636.78	9,843.14
Gearing ratio	94.31%	96.31%

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2019 and March 31, 2018.

In order to achieve this overall objective, the Company'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.



36 : 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 recognized Rs. 3.87 million (March 31, 2018: Rs. 2.75 million) during the year as expense towards contribution to the plan.

	For the year ended	
	March 31, 2019	March 31, 2018
Provident fund	3.87	2.75
Total	3.87	2.75

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" recognizes each year of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

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

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 summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences).

	As at March 31, 2019	As at March 31, 2018
	Gratuity (Funded)	Gratuity (Funded)
Change in benefit obligation		
1 Present value of obligation as at the beginning of the year	1.77	1.17
2 Add: Current service cost	1.21	0.87
3 Add: Past service cost	-	(0.06)
4 Add: Interest cost	0.13	0.09
5 Add: Actuarial (gain) / loss	2.89	(0.12)
6 Add: Transfer in	-	-
7 Less: Benefits paid	(0.46)	(0.18)
Present value of obligation as at the end of the year	5.54	1.77

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:

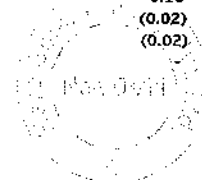
	For the year ended	
	March 31, 2019	March 31, 2018
	Gratuity (Funded)	Gratuity (Funded)
Cost for the year included under employee benefit		
Add: Current service cost	1.21	0.87
Add: Past service cost	-	(0.06)
Add: Interest cost	0.13	(0.40)
Less: Investment Income	0.68	-
Add: Actuarial (gain) / loss	2.89	-
Less: Return on plan assets	0.22	-
Net cost	5.14	0.41

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

	For the year ended	
	March 31, 2019	March 31, 2018
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning	9.01	6.54
Add: Investment income	0.68	0.48
Add: Expected return on plan assets	0.22	(0.10)
Add: Employer's Contribution	-	2.09
Fair value of plan assets at the end	9.92	9.01

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

	For the year ended	
	March 31, 2019	March 31, 2018
	Gratuity (Funded)	Gratuity (Funded)
1 Actuarial gain / (loss) for the year - obligation	(2.89)	(0.12)
2 Actuarial gain / (loss) for the year - plan assets	0.22	0.10
3 Total gain / (loss) for the year	(2.67)	(0.02)
4 Actuarial gain / (loss) recognised in the year	(2.67)	(0.02)
5 Unrecognised actuarial gains / (losses) at the end of year		



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g) Principal actuarial assumptions at the balance sheet date are as follows:

	For the year ended	
	March 31, 2019	March 31, 2018
	Gratuity (Funded)	Gratuity (Funded)
Economic assumptions		
1 Discount rate	7.75%	7.60%
2 Rate of Increase in compensation levels	12.00%	7.00%
Demographic assumptions		
1 Expected average remaining working lives of employees (years)	25.79	27.22
2 Retirement Age (years)	60.00	60.00
3 Mortality Rate	100%	100%
	Indian Assured Lives Mortality (2006-08) (modified) ultimate	Indian Assured Lives Mortality (2006-08) (modified) ultimate
Withdrawal Rate		
1 Ages up to 30 Years	5.34%	9.50%
2 Ages from 31-44	4.58%	6.42%
3 Above 44 years	0.00%	0.82%

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

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

	For the year ended	
	March 31, 2019	March 31, 2018
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation	5.54	1.77
Less: Fair value of plan assets	(9.92)	(9.01)
Net (assets) / liability	(4.37)	(7.24)

	For the year ended	
	March 31, 2019	March 31, 2018
	Gratuity (Funded)	Gratuity (Funded)
A. Discount rate		
Effect on DBO due to 1% increase in Discount Rate	0.16	0.12
Effect on DBO due to 1% decrease in Discount Rate	(0.20)	(0.15)
B. Salary escalation rate		
Effect on DBO due to 1% increase in Salary Escalation Rate	(0.19)	(0.15)
Effect on DBO due to 1% decrease in Salary Escalation Rate	0.15	0.12
C. Withdrawal Rate		
Effect on DBO due to 50% increase in Withdrawal Rate	0.07	0.00
Effect on DBO due to 50% decrease in Withdrawal Rate	(0.08)	0.00
D. Mortality Rate		
Effect on DBO due to 50% increase in Mortality Rate	0.00	(0.00)
Effect on DBO due to 50% decrease in Mortality Rate	(0.00)	0.00

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

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Gratuity (Funded)	Gratuity (Funded)	Gratuity (Funded)
1 year		0.08		0.09
2 to 5 years		0.49		0.47
6 to 10 years		1.19		0.47
More than 10 years		25.11		5.27



37: Financial risk management objectives and policies

The Company principal financial liabilities comprise trade and other payables, borrowings, current maturity of 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, deposit with original maturity of 12 months, trade receivables, cash and cash and interest accrued thereon.

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 effects 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 policies 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. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. Derivatives are used exclusively for hedging purposes and not for trading and speculative purposes.

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, 2019 and March 31, 2018.

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.

B. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk. The Company 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 Company may enter into currency rate swap arrangements and/or interest rate swap arrangements, which allows the company to exchange periodic payments based on a notional amount and agreed upon fixed and floating 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

Particulars	Increase/decrease in basis points	Effect on profit before tax
March 31, 2019		
Borrowings	+50	(16.93)
Borrowings	-50	16.93
March 31, 2018		
Borrowings	+50	(10.31)
Borrowings	-50	10.31

1D 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 Company is not exposed to foreign currency risk in current year.

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.

D 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. There are no outstanding receivable as on the balance sheet date, hence no ageing of trade receivables is given.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2019	-	130.80	112.74	76.00	1,028.18	1,347.73
Trade Receivables as of March 31, 2018	-	277.34	223.95	302.90	396.20	1,200.40

1E 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

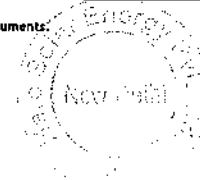
Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

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 table below summarizes the maturity profile of the company financial liabilities based on contractual undiscounted payments.

As at March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	12,901.46	500.00	-	4,585.00	-	17,986.46
Trade payables	-	-	223.26	-	-	223.26
Other financial liabilities	1,317.15	-	451.74	-	2.55	1,771.44
Total	14,218.61	500.00	675.00	4,585.00	2.55	19,981.16
As at March 31, 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	6,853.62	90.87	-	1,750.00	-	8,694.49
Trade payables	-	-	426.72	-	-	426.72
Other financial liabilities	440.24	-	59.80	-	1.80	501.84
Total	7,293.86	90.87	486.52	1,750.00	1.80	9,623.05

*The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities that will be paid on those liabilities upto the maturity of the instruments.



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
(Amount in Rupees million, unless otherwise stated)

38. (a) The Company has exposure of Rs. 2769.83 million (March 31, 2018: Rs. 1,907.82 million) in Clean Solar Power (Tumkur) Private Limited in form of investment in equity share capital and loans and advances of Rs. 580.00 million and Rs. 2189.83 million respectively (March 31, 2018: Rs 580.00 million and Rs 1327.82 million respectively). The said subsidiary has entered into 9 Power Purchase Agreements ('PPA') with various Discorn's between May 26, 2016 to May 28, 2016 for selling entire solar energy from proposed 180 MW solar power plant (20MW x 9) for a period of 25 years. Per the terms of PPA, the scheduled commissioning date was May 27, 2017, with a maximum extendable delay year upto September 26, 2017 with penalties of Rs. 1,098.00 million (i.e. Rs. .05 million per MW per day), post which the PPA will stand terminated. The Subsidiary has commissioned the project on various dates from September 26, 2017 till March 30, 2018.

Further as per the terms of PPA, in case of delay in commissioning of project, if there is a change in KERC applicable Tariff the revised tariff will be applicable to the project and on April 12, 2017 KERC vide order no. S/03/1 has notified the revised applicable tariff of Rs. 4.36 per/kwh and has clarified that this tariff is applicable on PPA's which are not commissioned within Scheduled date of commissioning. Accordingly, applicable tariff on project may come down from Rs. 4.69-4.86 per/kwh to Rs. 4.36 per/kwh.

However, based on legal opinion, the management believes that the delay in commissioning due to factors like connectivity issues and conversion of land for Non- Agricultural use (Non Agricultural Conversion), are Force Majeure events (being beyond the control of the said subsidiary) and believes that the said subsidiary company will get extension of scheduled date of commissioning and thus, reduction of tariff or levy of material penalties are highly unlikely. However, owing to prudence, the said subsidiary has recognised the liquidated damages of Rs. 283.90 million and has recognised the revenue at reduced tariff of Rs. 4.36 per kwh in the Financial Statements as on March 31, 2019.

Further, as per the clause 5.6 "Rights to Contracted Capacity & Energy" of PPA, the said subsidiary is required to generate a minimum energy ranging from 28.03 million to 29 million units from its each projects during a contracted year, non-compliance of which, will make the said subsidiary liable to pay the compensation computed at a rate equal to the compensation payable by the respective Discoms, subject to a minimum of 25% of the applicable tariff. The said subsidiary had a shortfall of 18.12 million units and 27.12 million units for the year ended March 31, 2018 and March 31, 2019 respectively, the liability for which as per the provisions of PPA is Rs 29.57 million for the year ended March 31, 2019 (March 31, 2018: Rs 19.75 million).

(b) The Company has exposure of Rs. 2,323.60 million (March 31, 2018: Rs. 1,343.60 million) in Clean Solar Power (Gulbarga) Private Limited in form of investment in equity share capital and loans and advances of Rs. 660.00 million and Rs. 1,663.60 million respectively (March 31, 2018: Rs 660.00 million and Rs 683.60 million respectively). The said subsidiary has entered into Power Purchase Agreements ('PPA') with Solar Energy Corporation of India Limited ('SECI') on August 2, 2016 for selling entire solar energy from proposed 200 MW solar power plant for a period of 25 years. Per the terms of PPA, the scheduled commissioning date was September 17, 2017, with a maximum extendable delay period upto 25 months from the date of PPA i.e. August 22, 2018 with certain penalties, post which the PPA will stand terminated. As per the terms of PPA, if delay is beyond 3 months from the Schedule commissioning date, the pre-fix tariff of Rs 4.43/kwh shall be reduced at the rate of half paisa (0.05 paisa) per Kwh per day of delay.

During the year, SECI vide letter dated September 28, 2018 has declared Provisional Commercial Operation Date (CoD) for all five plants with effect from 30 days (per the terms of PPA) from the dates mentioned in Provisional Commissioning Certificate issued by Karnataka Renewable Energy Development Limited i.e. March 9, 2018 to August 3, 2018, reserving the right to revise tariff upon issuance of Final CoD, which will be received upon conversion of Agriculture land into Non-Agriculture (NA Conversion).

Due to delay in commissioning, Buying Utility has reduced the tariff by Rs. 0.14 per/ kwh and accordingly, there has been a deduction in receivables of Rs. 9.11 million. SECI has filed an appeal against Karnataka Electricity Regulatory Commission (KERC) with Appellate Tribunal for Electricity (APTEL). APTEL vide order dated November 2, 2018 has admitted the appeal and has granted stay on reduction of tariff (which has been extended till September 26, 2019), further vide order dated July 25, 2019 APTEL has directed the Discom to pay the full tariff and accordingly, SECI has released the payment against recent invoices at the tariff mentioned in PPA i.e. Rs. 4.43 per kwh.

However, the management, based on legal opinion, believes that the delay in commissioning was due to factors beyond the control of the subsidiary company and thus, no reduction in final applicable tariff or material penalties/liquidated damages are expected, which are required to be accrued in the financial statements or considered for Impairment assessment in this regard and accordingly management has recognised the revenue at initial PPA rate of Rs. 4.43 per /kwh in the financial statements as on March 31, 2019.

(c) The Company has exposure of Rs. 2,050.05 million (March 31, 2018: Rs. 1,218.80 million) in Clean Solar Power (Jaipur) Private Limited in form of investment in equity share capital and loans and advances of Rs. 0.10 million and Rs. 2,049.95 million respectively (March 31, 2018: Rs. 0.10 million and Rs. 1,218.70 million). The said subsidiary has assets classified as held for sale amounting of Rs. 17,46.33 million as at March 31, 2019 (capital work in progress as at March 31, 2018: Rs. 1,850.61 million) which comprises solar module purchase cost and balance of quantity (BOQ). The said subsidiary is in the process of setting up 100 MW solar power project in Jaipur location. Vide letter dated October 18, 2017 Rajasthan Renewable Energy Corporation Limited ('RRECL') has registered application for 100 MW Solar Photovoltaic Power project for captive use in Rajasthan in the name of erstwhile Hero Future Energies Private Limited. Subsequently this project has been transferred in the name of the said subsidiary vide letter dated November 11, 2017 from RRECL. Accordingly, the said subsidiary has purchased 386 acres of land in Gadna and material for project. Further vide letter dated December 28, 2017 Rajasthan Rajya Vdhyut Prasaran Nigam Limited ('RRVPNL') has asked equity structure of the Company to ensure that the project qualify as captive generating power plants as per definition given in Electricity Act 2003.

In Jan 2018 the said subsidiary entered into non-binding LOIs with customers and vide letter dated on April 4, 2018, the said subsidiary has received a letter from RRVPNL stating that they are considering the application and will revert. The said subsidiary is awaiting connectivity approval for said project. The project has been delayed due to the delay in obtaining connectivity from RVPNL. Government of Rajasthan is planning to roll-out new Renewable Energy (RE) policy soon. The said subsidiary is in discussion with RVPNL and hoping to get the connectivity approval by September 2019 post release of new RE policy.

Vide agreement dated May 27, 2019, the said subsidiary has agreed to sale the modules of 58.13 MW to clean solar power (bhadla) private limited for Rs. 1,361.16 million, accordingly capital work in progress has been re-classified as asset held for sale as on March 31, 2019.



(d) The Company has exposure of Rs. 2,793.94 million (March 31, 2018: Nil) in Waaneep Solar Private Limited in form of investment in equity share capital and loans and advances of Rs. 2,332.24 million and Rs. 461.70 million respectively (March 31, 2018: Nil). The said subsidiary has entered into Power Purchase agreement ('PPA') with Southern Power Distribution Company of Andhra Pradesh Limited ('APDISCOM') for 50MW (2 PPA of 25 MW each at Gurramkonda and Nagari), for sale of power at an approved tariff of Rs. 5.76 per unit for Gurramkonda and Rs. 3.74 (refer APERC order dated June 14, 2018 for revised tariff) for Nagari with an escalation of 3% p.a. from 2nd year onwards till 10th year and then same is fixed for the remaining term of PPA dated December 6, 2014.

Vide letter dated July 12, 2019 from APDISCOM in relation to Government Order Rt. No.63 Energy (Power H) Department dated July 01, 2019 ('Government Order'), the said subsidiary has been asked to revise the reply on its offer tariffs of long term PPA. Further, the said letter stated that APDISCOM have been suffering huge financial crisis and consequently APDISCOM could not even pay monthly power supply bills to the said subsidiary and if the tariff is not reduced to Rs.2.43 / Rs. 2.44 per unit, the APDISCOM, in view of their financial position, has no other alternative than to terminate the PPAs. Therefore, APDISCOM has requested the company to reduce the tariff to Rs. 2.43/2.44 per kwh from the date of commissioning of the respective projects.

Against the said matters, the said subsidiary has filed writ petition to the High Court of Andhra Pradesh dated on July 23, 2019 and prayed to order or direction to set aside and/or quash the Government order and impugned letter dated July 12, 2019 issued by APDISCOM. Vide common order dated July 25, 2019, High Court of Andhra Pradesh found that the issuance of impugned Government Order is contrary to the provisions of Section 86 of the Electricity Act, 2003 and Power Purchase Agreements (PPAs) and the consequential APDISCOM Letter dated July 12, 2019 are also contrary to Regulation No.1 of 2015. Accordingly, High Court has granted interim stay of operation on the said order.

Based on internal assessment, the management believes that reduction of tariff is highly unlikely. Thus, no provision is required in relation to said matters in the financial statements.

As per the PPA dated December 6, 2014 for Gurramkonda project read together with amendment dated June 4, 2015, the scheduled commissioning date of project was March 31, 2016, however the project got commissioned on September 29, 2016 due to various factors which were beyond the control of the of the company. Consequence of delay in commissioning of the project, bank guarantee amount of Rs 62.50 millions has been encashed by the APDISCOM which the company accounted as an expenses in the financial statements for the year ended March 31, 2017 and further vide letter dated December 18, 2018, Liquidated Damages amount of Rs. 187.47 millions has been levied on the company, which are to be collected from the payments due on account of sale of power to APDISCOM.

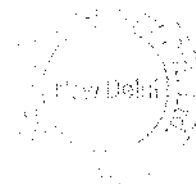
As per the Share Purchase Agreement (SPA) dated July 11, 2018 with subsequent amendment of the same on December 31, 2018 in respect of the purchase of 205,000,000 shares (100%) of said subsidiary from Waaree Energies Limited ("Seller"), Liquidated Damages related to said project will be incurred by Seller. Accordingly, the said subsidiary has accounted liquidated damages as liability under "other financial liability-current" and corresponding receivable have been booked from Waaree Energies Limited under 'Other Financial Assets-current'.

(e) The Company has exposure of Rs. 782.93 million (March 31, 2018 Rs. 440.80 million) in Clean Solar Power (Chitradurga) Private limited in form of investment in equity share capital and loans and advances of Rs. 125.00 million and Rs. 657.93 million respectively (March 31, 2018: Rs 125.00 million and Rs 315.80 million respectively). The said subsidiary is carrying plant, property & equipment of Rs. 2,701.67 (March 31, 2018 Rs. 169.00 million) million and capital work in progress of Rs.182.58 millions (March 31, 2018 Rs. 2,569.58 million) as at March 31, 2019, has entered into Power Purchase Agreement ('PPA') with Southern Power Distribution Company of Telangana Limited ('SPDCTL') on February 22, 2016 for selling entire solar energy from proposed 40MW solar power plant for a year of 25 years. Per the terms of PPA, the scheduled commissioning date was May 22, 2017, with a maximum extendable delay year upto November 22, 2017 with certain penalties, post which the PPA will stand terminated.

Subsequent to the year end, the subsidiary has filed petition on July 19, 2018 in TSERC for considering the delay in commissioning the project under force majeure wherein condonation of delay of 12 months and 23 days was requested. TSERC vide order dated October 15, 2018 directed for the synchronization of the 40 MW and subsequently the project got synchronized on November 30, 2018 and accordingly said subsidiary capitalised the plant w.e.f November 30, 2018, though the said subsidiary has not received final Commissioning Certificate. Further, TSERC passed the final order dated January 2, 2019 allowing the PPA at same tariff, condoned the delay from June 5, 2018 to November 28, 2018 under force majeure and levied the Liquidated Damages for 155 days from January 1, 2018 to June 5, 2018 at tariff of Rs. 5.59 per kwh. Accordingly, SPDCTL vide letter dated April 24, 2019 issued demand letter amounting to Rs. 81.60 million (excluding GST), out of which Rs. 80.00 million has been paid by the Company to SPDCTL on May 7, 2019 and remaining amount of Rs. 16.29 million (including 14.69 million of GST) will be adjusted against the regular energy invoices. The said subsidiary has filed an appeal before the APTEL challenging the liquidated damages of Rs. 81.60 million levied by TSERC.

Based on discussion with the concerned discom, the management is of the view that post the decision by Telangana State Power Coordination Committee on the matter, the subsidiary will get the final certificate of commissioning, the date for which is not yet confirmed. Further based on expert legal opinion and internal assessment of the management, the management believes that the delay in commissioning was due to factors beyond the control of the subsidiary company and the said subsidiary has good case on merits to seek extension of time under the PPA without any penalty / liquidated damages/ reduction in tariff. However, the liquidated damages of Rs. 96.29 million has been accordingly provided in the financial statements on account of prudence.

(f) The Company has exposure of Rs. 1,209.64 million (March 31, 2018: Rs. 4,494.10 million) in Clean Solar Power (Bhadla) Private Limited in form of investment in equity share capital and loans and advances of Rs. 950.00 million and Rs. 259.64 million respectively (March 31, 2018: Rs 0.10 million and Rs 4,494.00 million respectively). The said subsidiary carrying Property, Plant and equipment of Rs. 10.22 million and Capital Work in Progress ("CWIP") of Rs. 2,062.58 million as at March 31, 2019, has won 3 solar power projects of 100 MW each on December 21, 2017 and accordingly, have entered into Power Purchase Agreements dated April 27, 2018 with Solar Energy Corporation of India Limited (SECI) and as per the terms of tender, the said subsidiary has entered into Implementation Support Agreement on June 21, 2018 with Saurya Urja Company of Rajasthan Limited (SUCRL), which is developer of the Solar Park. Due to various land related issues and delays in allotment of land by SUCRL, the Company has got interim extension from SECI on January 14, 2019 wherein Scheduled date of commissioning has been extended upto August 15, 2019. Due to consistent delay in handover of land and quality of work done by SUCRL, the Company has got further extension from SECI on September 25, 2019 wherein Scheduled date of commissioning has been further extended upto October 27, 2019, February 18, 2020 and February 29, 2020 for 3 projects without any penalty/liquidated damages/ reduction in tariff.

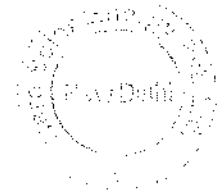


(g) The Company has exposure of Rs. 472.72 million (March 31, 2018: Nil) in Clean Solar Power (Jodhpur) Private Limited in form of investment in equity share capital and loans and advances of Rs. 0.10 million and Rs. 472.62 million respectively (March 31, 2018: Nil). The said subsidiary has filed petition before Central Electricity Regulatory Commission ('CERC') for seeking permission for extension of the year of infusion of 10% funds to Power Grid Corporation of India Limited ('PGCIL') as Equity towards execution of 250 MW solar power project located at Jodhpur, Rajasthan for further year of five months i.e. from August 25, 2019 to January 25, 2020. Subsequently, CERC heard the matter on August 29, 2019 and passed order that the PGCIL shall not take any coercive steps with regard to Stage-II Connectivity of the project which is due on as well as the Connectivity Bank Guarantee, till the matter is listed in due course for hearing.

(h) During the year Company has entered into a Share Purchase Agreement (SPA) dated July 11, 2018 with subsequent amendment of the same on December 31, 2018 in respect of the purchase of 205,000,000 shares (100%) of Waaneep Solar Private Limited ('Waaneep' or 'Acquiree') from Waaree Energies Limited ('Seller') for an effective purchase consideration of Rs. 2,332.20 million. As per the SPA, the acquisition of Waaneep has been done in steps. On July 12, 2018 (First Closing Date), The company purchased 49% non-controlling equity share capital in Waaneep and thereafter, on December 31, 2018 (Second Closing Date), Waaneep management was changed and the company become holding Co. by virtue of management control. Thereafter on March 02, 2019 further 49% share of waaneep was aquired from Waaree Energies Limited & remaining 2% of shares was acquired on March 13, 2019. Henceforth from March 13, 2019 Waaneep become wholly owned subsidiary of HSEPL.

Acquired business has a solar power project of 100 MW.

(i) Per RBI Press Release no. 1998-99/1269 dated April 8, 1999 ('Press Release'), the Company will be treated as NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) ('Asset Test') and income from financial assets is more than 50 per cent of the gross income ('Income Test'). The Company has made significant investments and has given loans to its subsidiaries and accordingly, satisfies the asset test and for the purpose Income test, company has significant Interest Income on loan given subsidiaries which satisfies the Income Test per the requirements of Press Release. Since the company satisfies both the criteria to treat NBFC, the Company is in the process of seeking registration as required under section 45-IA of the Reserve Bank of India Act, 1934. As of September 30, 2019, the same has not yet been obtained.



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

39 : Commitments and contingencies

a. Commitments

i. Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to 64.54 million (March 31, 2018: 21.63 million).

ii. The Company has entered into various Power Purchase Agreements for 15 to 25 years from date of commissioning (i.e. between March 31, 2016 to March 31, 2019) cumulative for 12.31 MW solar rooftop power plant with various private parties, wherein the Company has committed to sell and aforementioned private parties has committed to purchase agreed generation from installed capacity of 12.31 MW.

b. Contingencies

	As at March 31, 2019	As at March 31, 2018
Bank Guarantees Outstanding	175.52	625.16
Letter of credit's Outstanding	20.71	19.44
	196.23	644.60

c. Income tax contingencies

1) Assessment of the company was completed for AY 2015-16 under Section 143(3) vide order dated June 30, 2017. AO has made a total addition of Rs. 23.23 million (Rs. 3.37 million under Rule 8D and Rs.19.86 million for disallowance of set off of carried forward losses). Subsequently an appeal was filed by the subsidiary with Commissioner of Income Tax (Appeals) which is currently pending. The outcome of appeals depends upon outcome of Income Tax Appellate Tribunal (ITAT) order for AY 2014-15, wherein decision of carry forward of loss of Rs.19.86 million is yet to be made by ITAT in respect of appeal filed by the subsidiary.

2) For the Assessment year 2016-17, assessment was completed under Section 143(3) vide order dated December 9, 2018 in case of the company, wherein the Assessing Officer has made a total addition of Rs. 17.90 million under section 14A, read with Rule 8D of Income Tax Rules. Subsequently, an appeal was filed by the Company with the Commissioner of Income Tax Appeals, wherein CIT(A) vide appeal order dated May 02, 2019 allowed Rs. 17.56 million. Remaining amount of Rs. 0.34 million were disallowed.

c. Other contingencies

3) Suit Dated August 30, 2017, One plaintiff has filed suit in the High Court of Delhi for recovery and enforcement of contract. The company has executed a lease deed which has been duly registered with Sub Registrar for the period of 9 years w.e.f. July 22, 2015 till July 21, 2018 initially for 3 years to the tune of Rs. 5,10,000/ per month and thereafter an increase of 15% extended for further period of 3 years. Subsequently the Company has sent notice to plaintiff for terminating the lease deed dated on July 22, 2016. Hence the company has stopped making payment to him from May 05, 2017. The said suit for enforcement of the contract/ lease dated May 19, 2015 with recovery of sum of Rs. 18.15 million towards dues to expenses, rental, Damages together with penalties and future interest @ 18% per annum till the amount be realised in full under section 2(C) VII of Commercial Court Establishment Act 2015.

The Company has filed its written statement in court dated on November 23, 2017 and prayed before court pass a decree of Rs.15.26 million in the favour of the company towards the refund of Security Deposit Amount along with future interest @24% per annum and further a decree of Rs.45.00 million in the favour of the Company as, a compensation for the mental agony, trauma caused due to the absence of smooth Working environment & for other factors. Subsequently High Court vide its order dated May 8, 2018, disallowed claim for recovery of rent of remaining lock-in period which was in favour of the subsidiary. Accordingly, now the claim made by the plaintiff stands at Rs. 6.50 million. The next date of hearing is December 03, 2019. The management is contesting the same and believes that there is no likelihood of any unfavourable outcome. Accordingly, no provision has been made in these financial statements and security deposit of Rs. 1.46 million has been considered good of recovery.

(4) The company has filed a criminal complaint dated August 26, 2019 against land aggregator, Solar Solution Hub with whom outstanding balance as at March 31, 2019 is Rs. 6.13 million, in District Court, Saket for dishonour of cheque of Rs. 99.60 million in relation to 250 MW project in Jodhpur. The Court has given the hearing date of October 11, 2019. Subsequent to the year end the Company has given advance of Rs. 18.31 million open exposure as of date is Rs. 12.19 million. The management is of the opinion that the current receivable of Rs. 12.19 million as of date is fully recoverable and no provision is required there against.

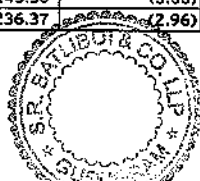
(5) Rs 55.42 million is receivable from five of the rooftop capex customers which is outstanding for a period of more than 1 years due to various reasons like non achieving desired generation, wrongly deduction by customer etc. for which the Company is in the process of discussion with the customers. The Company believes that Rs 3.69 million related to SBIO Education Trust is doubtful and accordingly has made a provision for the same in the books and believes that the remaining amount of Rs 51.50 million is good and recoverable and no provision is required against the same.

(6) Rs. 144.24 million is receivable as subsidy by company as at March 31, 2019. Company has received Rs 0.26 million subsequent to the period end and Rs 143.98 million is still outstanding as of date. The Company believes that this amount is outstanding is due to the various reasons like non disbursement of subsidy fund by MNRE to the tendering body, delay in the project due to site availability and other factors which are beyond the control of the Company. The Company has already submitted the required documents to the relevant authority for the release of the subsidy and is following up rigorously. The Company believes that the amount is fully recoverable and will be realised by March 31, 2020, accordingly no provision is required in the book of account for the same.

40 : Disclosure pursuant to amendment to Ind AS 7 (Cash flow statement)

Particulars	Opening balance (April 01, 2018)	Cash flows	Non-cash transactions			Closing balance (March 31, 2019)
			Processing cost	Interest accrual	Others	
Non-convertible debentures	1,971.10	-	1.18	197.12	-	2,169.40
Buyer's credit	90.87	(90.87)	-	-	-	-
Loan from Bank's	-	2,000.00	(70.17)	-	-	1,929.83
Compulsory convertible debentures	-	835.00	-	-	(225.10)	609.90
Loan from related parties	6,853.62	6,043.96	3.88	-	-	12,901.46
	8,915.59	8,788.09	(65.11)	197.12	(225.10)	17,610.59

Particulars	Opening balance (April 01, 2017)	Cash flows	Non-cash transactions			Closing balance (March 31, 2018)
			Processing cost	Interest accrual	Others	
Non-convertible debentures	1,790.94	-	0.92	179.24	-	1,971.10
Buyer's credit	-	90.87	-	-	-	90.87
Loan from related parties	2,712.00	4,145.50	(3.88)	-	-	6,853.62
	4,502.94	4,236.37	(2.96)	179.24	-	8,915.59

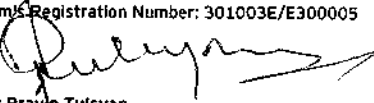


Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2019
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

Note 41 : Previous year figures have been regrouped wherever considered necessary

As per our report of even date

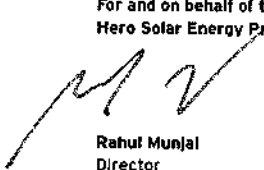
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration Number: 301003E/E300005


per Pravin Tulsyan
Partner
Membership Number: 108044

Place of Signature: Gurugram
Date : September 30, 2019



For and on behalf of the Board of Directors of
Hero Solar Energy Private Limited


Rahul Munjal
Director
DIN: 00118339


Neha Sethi
Company Secretary
ACS- 35392

Place of Signature: New Delhi
Date : September 30, 2019


Sunil Jain
Director
DIN: 02967042



INDEPENDENT AUDITOR'S REPORT

To the Members of Hero Solar Energy Private Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Hero Solar Energy Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 32A in the Financial Statements which indicate that the company has incurred losses of Rs. 703.99 million during the current year, owing to accumulated losses of Rs. 356.13 million as at the year end and the Company's current liabilities of Rs. 9,680.51 million exceeded its current assets of Rs. 7,503.94 million as at the balance sheet date. The ability of the Company to continue as going concern is solely dependent on the material uncertain events including but not limited to raising additional borrowings equity from the market, replacement of loans maturing in next one year with long term tenure, which are not wholly within the control of the Company. These conditions, along with other matters set forth in Note 32A to the Financial Statements, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Emphasis of Matter

a. We draw attention to note 38(d) to the financial statements of the company, whereas it has been mentioned that the Company has exposure in a subsidiary amounting to Rs. 2,821.17 million (including investment in form of equity share capital and Loans and advances of Rs. 2,413.77 million and Rs. 407.40 million respectively). In said subsidiary Government of Andhra Pradesh has issued a Government Order and accordingly, APDISCOM (the customer) has asked the Company to reduce the tariffs. The Hon'ble High Court has set aside the Government Order and has directed APDISCOM (the customer) to make payment at interim tariff. Based on internal assessment and legal advice, the management believes that reduction of tariff is highly unlikely as issuance of impugned Government Order is contrary to the provisions of Section 86 of the Electricity Act, 2003 and Power Purchase Agreement (PPA). Thus, consequential impact in relation to said matters has not been recorded in these Financial statements.

S.R. Batliboi & Co. LLP, Chartered Accountants
2nd Floor, 22, Sector 42A, Gurgaon, Haryana

b. We draw attention to note 38(a) to the financial statements of the company, whereas it has been mentioned that the Company has exposure in a subsidiary amounting to Rs. 2,622.87 million (including investment in form of equity share capital and Loans and advances of Rs. 580.00 million and Rs. 2,042.87 million respectively). The said subsidiary has been unable to obtain commissioning certificate due to various reasons, within time period specified in Power Purchase Agreement (PPA), which may result into reduction of tariff and/or liquidated damages. However, based on internal assessment, expert legal advice, order from appellate authorities and management's internal plan for alternative use of these assets, management believes that delay in commissioning was due to factors beyond the control of the said subsidiary and will not lead to reduction of tariff, cancellation of project and/or liquidated damages.

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

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 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 Ind AS financial statements.



As part of an audit in accordance with 5As, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Ind AS 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 system 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.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



S.R. BATLIBOI & Co. LLP

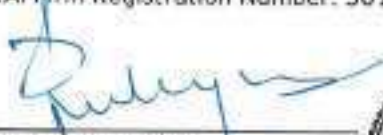
Chartered Accountants

- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;
- (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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 39 (c) to the Ind AS financial statements;
 - ii. The Company did not have any long-term 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.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005


per Pravin Tulsyan
Partner

Membership Number: 108044
UDIN: 20108044AAAAFQ3710
Place of Signature: Gurgaon
Date: June 29, 2020



Annexure 1 referred to in paragraph 1 to report on other legal and regulatory requirements of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed 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 by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(ii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to employees' state insurance, duty of custom and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	Amount* (Rs. In Million)	Period to which the amount relates	Forum where the dispute is pending
Income-Tax Act 1961	Income Tax	7.68	2015-16	Commissioner of Income Tax Appeals (CIT (A))



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Income-Tax Act 1961	Income Tax	0.16	2014-15	Income Tax Appellate Tribunal (ITAT)
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* Amount under dispute after netting of payment against total demand.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to bank. The Company did not have any outstanding dues in respect of loans or borrowing to government, financial institution or debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of Non-Convertible Debenture and term loan for the purposes for which they were raised. The Company did not raise money by way of initial public offer / further public offer during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partly convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) As indicated in Note 38(i) to the financial statements, based on Memorandum of Association, the Company is not set up to carry out financial activity as its principal business. The management, basis legal opinion obtained, is of the view that registration under section 45- IA of the Reserve Bank of India Act, 1934 is not required.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 20108044AAAAFQ3710

Place of Signature: Gurugram

Date: June 29, 2020



Annexure 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THESE IND AS FINANCIAL STATEMENTS OF HERO SOLAR ENERGY PRIVATE LIMITED

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

We were engaged to audit the internal financial controls over financial reporting of Hero Solar Energy Private Limited ("the Company") as of March 31, 2020, in conjunction with our audit of these Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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"). 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS 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 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 over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS 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



S.R. BATLIBOI & CO. LLP

Chartered Accountants

as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting 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.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 20108044AAAAFQ3710

Place of Signature: Gurugram

Date: June 29, 2020



Hero Solar Energy Private Limited
Balance Sheet as at Mar 31, 2020
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,086.43	764.71
(b) Capital work-in-progress	4	112.04	269.28
(c) Intangible assets	5	0.76	12.39
(d) Financial assets			
(i) Investment	6	11,729.07	8,075.59
(ii) Other financial assets	10	5,624.08	6,766.54
(e) Other non-current assets	11	10.39	128.43
(f) Non-current tax assets (net)	11A	320.23	219.99
		<u>18,892.60</u>	<u>16,336.95</u>
Current assets			
(a) Inventories	12	41.74	185.94
(b) Financial assets			
(i) Trade receivables	7	1,057.44	1,347.73
(ii) Cash and cash equivalents	8	30.11	33.38
(iii) Other bank balance	9	1,820.13	26.75
(iv) Other financial assets	10	3,696.58	3,190.07
(c) Other current assets	11	55.94	42.70
		<u>7,502.94</u>	<u>4,766.77</u>
		<u>26,395.54</u>	<u>21,003.72</u>
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	5,047.51	498.10
(b) Other equity	14		
(i) Retained earnings		(356.13)	376.03
(ii) Debenture redemption reserve		20.35	20.35
(iii) Deemed capital contribution		5,038.00	2.90
(iv) Equity component of compulsory convertible debentures		170.78	162.40
		<u>9,920.51</u>	<u>1,059.78</u>
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	6,422.44	6,911.48
(ii) Other financial liabilities	17	2.06	2.76
(b) Provisions	16	7.97	4.45
(c) Deferred tax liabilities (net)	20	100.29	37.13
(d) Other non-current liabilities	19	173.96	150.10
		<u>6,795.52</u>	<u>7,105.92</u>
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	7,157.22	10,690.10
(ii) Trade payables	16		
- total outstanding dues of micro enterprises and small enterprises		0.79	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		205.17	223.25
(iii) Other financial liabilities	17	2,348.25	1,947.65
(b) Provisions	18	0.26	6.18
(c) Other current liabilities	19	59.82	67.82
		<u>9,601.51</u>	<u>12,878.02</u>
		<u>26,395.54</u>	<u>21,003.72</u>
Total equity and liabilities			
Summary of significant accounting policies			
The accompanying notes form an integral part of these Financial Statements			
As per our report of even date			

For S.R. Batliboi & Co., LLP

Chartered Accountants

Firm's Registration Number: 3010036/E300005

Dr. Pravin Tuleyan
Partner
Membership Number: 108044



Place of Signature: Gurugram
Date: June 29, 2020

For and on behalf of the Board of Directors of
Hero Solar Energy Private Limited

Rahul Munja
Director
DIN: 00118339

Sunil Jain
Director
DIN: 02967042

Neha Sethi
Company Secretary
ACS- 29392

Place of Signature: New Delhi
Date: June 29, 2020



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Hera Solar Energy Private Limited
 Statement of Profit and Loss for the year ended March 31, 2020
 (All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from contracts with customers	20	964.53	385.07
II Other income	21	890.20	1,109.93
III Total Income (I + II)		<u>1,854.73</u>	<u>1,695.00</u>
IV Expenses			
Cost of materials consumed	22	27.66	64.42
Employee benefits expense	23	92.86	79.40
Finance costs	24	1,247.03	1,360.65
Depreciation and amortization expense	25	68.09	61.01
Impairment of financial assets	25A	498.01	-
Other expenses	26	501.81	234.17
Total expenses		<u>2,535.45</u>	<u>1,739.75</u>
V Profit/(Loss) before tax (III-IV)		<u>(680.72)</u>	<u>(104.75)</u>
VI Tax expense:	27		
a) Current tax		-	-
b) Adjustment of tax relating to earlier periods		-	2.01
c) Deferred Tax		22.59	(51.03)
Total tax expense/(credit)		<u>22.59</u>	<u>(48.22)</u>
VII Loss for the year (V-VI)		<u>(703.31)</u>	<u>(56.53)</u>
VIII Other Comprehensive Income	28		
Other comprehensive income not to be reclassified to statement of profit and loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		(0.91)	(2.67)
Re-measurement gains/(losses) on defined benefit plans-income tax effect		0.23	0.77
Net other comprehensive loss not to be reclassified to statement of profit and loss in subsequent periods		<u>(0.68)</u>	<u>(1.90)</u>
IX Total comprehensive loss for the year, net of tax (VII+VIII)		<u>(703.99)</u>	<u>(58.43)</u>
X Earnings/(Loss) per equity share: (Face Value Rs. 10 per share)	29		
1) Basic (Amount in Rs.)		(2.94)	(5.20)
2) Diluted (Amount in Rs.)		(2.94)	(5.20)

Summary of significant accounting policies

The accompanying notes form an integral part of these Financial Statements

2.1

As per our report of even date

For S.R. Batliboi & Co. LLP
 Chartered Accountants
 Firm's Registration Number: 3010036/3300005


 per Pravin Talwar
 Partner
 Membership Number: 108044



Place of Signature: Gurugram
 Date: June 29, 2020

For and on behalf of the Board of Directors of
 Hera Solar Energy Private Limited


 Rahul Munjat
 Director
 DIN: 00119339


 Sushil Jain
 Director
 DIN: 02967042


 Neha Sethi
 Company Secretary
 ACS- 38392

Place of Signature: New Delhi / London
 Date: June 29, 2020



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Hero Solar Energy Private Limited
Statement of Changes in Equity for the year ended March 31, 2020
 (All amounts are in Indian Rupees in millions), unless otherwise stated)

A. Equity Share Capital

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

As at April 01, 2018
 Changes in equity share capital during the year
 As at March 31, 2019
 Changes in equity share capital during the year
 As at March 31, 2020

Number of Equity Shares	Amount
49,810,000.00	498.10
49,810,000.00	498.10
498,941,179.00	4,549.41
504,751,179.00	5,047.51

B. Other Equity

	Debiture Redemption Reserve	Retained Earnings	Deemed capital contribution	Equity component of compulsory convertible debentures	Total
As at April 1, 2018					
Loss for the period	20.35	434.46	1.24	-	456.05
Other comprehensive expense for the year	-	(56.53)	-	-	(56.53)
Total comprehensive expense for the year	-	(1.90)	-	-	(1.90)
Additions during the year	-	-	1.66	162.40	164.06
As of March 31, 2019	20.35	376.03	2.90	162.40	561.68
Loss for the period	-	(703.31)	-	-	(703.31)
Other comprehensive expense for the year	-	(0.68)	-	-	(0.68)
Total comprehensive expense for the year	-	(703.99)	-	-	(703.99)
Additions during the year (Refer note 14)	-	-	5,172.27	-	5,172.27
Share issue expenses	-	(28.17)	-	-	(28.17)
Impact of change in tax rate	-	-	(137.17)	6.38	(128.79)
As at March 31, 2020	20.35	(256.13)	5,038.60	170.78	4,873.00

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
 Chartered Accountants
 Firm's Registration Number: 3010038/E300005

per *Pravin Tuleyan*
 Partner
 Membership Number: 109044



Place of Signature: Gurugram
 Date: June 29, 2020

For and on behalf of the Board of Directors of
 Hero Solar Energy Private Limited

Rahul Maral
 Rahul Maral
 Director
 DIN: 00118339

Sunil Jain
 Sunil Jain
 Director
 DIN: 02967042

Neeta Setti
 Neeta Setti
 Company Secretary
 ACS- 35392

Place of Signature: New Delhi / London
 Date: June 29, 2020



Handwritten initials: *uj* and *Om*

Hero Solar Energy Private Limited
Statement of Cash Flows for the year ended March 31, 2020
(All amounts are in Indian Rupees (In millions), unless otherwise stated)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
I. Cash flow from operating activities			
Profit/(loss) before tax		(680.72)	(104.75)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortization		68.09	61.01
Impairment of assets		498.01	-
Balances written off		0.08	-
Amortisation of government grant		(10.83)	-
Gain on sale of units of mutual funds		(1.37)	(5.92)
Unwinding of discount on deposits		(0.38)	(0.19)
Fair value loss on financial assets measured at fair value through profit and loss		58.02	(244.46)
Finance costs		1,247.02	1,360.65
Finance income		(860.23)	(8.83)
Provision for doubtful receivables		0.23	-
Loss on amortisation of inventory		2.31	-
Expense on employee stock option plan		4.29	-
Deemed capital contribution		-	1.66
		<u>1,005.24</u>	<u>1,163.92</u>
Operating profit/(loss) before working capital changes		324.52	1,059.17
Change in working capital:			
(Excluding cash and cash equivalent)			
Increase in trade and other receivables		(509.94)	(147.33)
(Increase)/ decrease in inventories		121.89	(38.74)
Decrease in trade and other payables		(8.30)	(205.46)
Increase/ (decrease) in provisions		2.69	2.60
(Increase)/ decrease in other financial assets		973.54	(869.15)
Increase) in other assets		(10.95)	(216.48)
Increase/ (decrease) in other Financial liabilities		(35.67)	522.41
Decrease in other liabilities		(9.83)	(4,378.52)
Change in working capital		523.43	(5,330.66)
Cash generated from operations		847.95	(4,271.49)
Less : Taxes paid (net of refund)		(108.24)	(2.81)
Net cash flow from operating activities		739.71	(4,274.30)
II. Cash flow from investing activities:			
Proceeds from sale of mutual funds		1.37	-
Investment in Subsidiaries		(3,449.99)	(3,732.57)
Purchase of property, plant and equipment		(744.06)	(287.27)
Proceeds from sale of property, plant and equipment		0.01	-
Fixed deposits with banks		(1,822.51)	(17.45)
Proceeds from Government grant		36.52	-
Interest received		246.98	14.47
Net cash generated/(used) in investing activities:		(5,731.68)	(4,022.82)
III. Net cash flow from financing activities: *			
Proceeds from equity share capital		4,549.41	-
Share issue expenses		(28.17)	-
Repayment of borrowings		(13,973.86)	(6,000.87)
Proceeds from borrowings		15,143.96	8,788.09
Interest paid		(702.84)	(484.00)
Net cash generated/(used) from financing activities:		4,988.50	8,304.09



Hera Solar Energy Private Limited
 Statement of Cash Flows for the year ended March 31, 2020
 (All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Net change in Cash & cash equivalents (I+II+III)		(3.47)	6.97
Cash and cash equivalents as at the beginning of the year	8	33.90	26.61
Cash and cash equivalents as at the end of the year	8	30.11	33.58
NET CHANGE IN CASH & CASH EQUIVALENTS		(3.47)	6.97

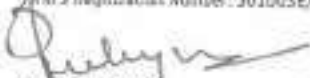
Note:

The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
 *Refer note 40 for change in financing activities disclosure pursuant to amendment to Ind AS 7.

The accompanying notes form an integral part of these financial statements
 As per our report of even date

As per our report of even date

For S.R. Batliboi & Co. LLP
 Chartered Accountants
 Firm's Registration Number: 3010032/E/300005


 per Manish Tulayan
 Partner
 Membership Number: 108044



Place of Signature: Gurugram
 Date: June 29, 2020

For and on behalf of the Board of Directors of
 Hera Solar Energy Private Limited


 Rahul Munjal
 Director
 DIN: 00118339


 Sunil Jain
 Director
 DIN: 02967042


 Neha Sethi
 Company Secretary
 ACS- 35392



Place of Signature: New Delhi/London
 Date: June 29, 2020

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1 Corporate Information

Hero Solar Energy Private Limited ('the Company') domiciled in India and was incorporated under the provisions of the Companies Act, applicable in India. The Company is primarily engaged in the implementation of power projects and generation of power through renewable sources of energy on its own and through its direct or indirect subsidiaries.

The registered office of the Company is located at Plot No. 201, First Floor, Okhla Industrial Estate, Phase - III New Delhi - 110020.

The financials statements were authorised for issue in accordance with a resolution of the directors on June 29, 2020.

2 Basis of preparation

The financial statements of the Company 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 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 the Schedule III of the Companies Act 2013. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities 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 financial statements for the year ended March 31, 2019 unless otherwise stated in Note 2.1 (v).

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

2.1 Significant accounting policies

40 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

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

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

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The 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. Refer note 20.

Sale of power

Revenue from sale of power is recognised net of estimated rebates and other similar allowances over the time when the units of electricity is delivered.

Development and management fees

Revenue from development and management fees is recognised over a time, in accordance with the terms of the respective contract with customers.

Application of Interpretation for Service Concession Arrangements (SCA):

Management has assessed applicability of Appendix C of Indian Accounting Standards 115: Service Concession Arrangements 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.



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 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.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset or right-of-use asset, as applicable, if the recognition criteria for a provision 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 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.

d) Intangible asset

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 period in which the expenditure is incurred.

e) Depreciation/amortization

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 (d) 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.

Fixed asset	Useful life (years)
Plant & Equipment*	25 years
Electrical installation and equipment	10 years
Furniture & Fixtures	5-10 years
Office equipment	5 years
Computers and Data Processing	3 years

*Based on internal technical assessment, the management believes that the useful lives best represent the period over which management expects the use of the assets.

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

Intangible assets with finite lives are amortized over the useful life i.e. 3-5 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization year and the amortization method for an intangible asset with finite life are reviewed at least at the end of each reporting year.



f) Borrowing costs

Borrowing costs consists of interest and amortization 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.

g) Foreign currencies

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.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company 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.

h) 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 asset

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.

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 ₹. 100,000 per annum). Lease payments on short-term leases and leases of low-value assets are recognised as expense as they are incurred.



C) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, where by employees render services as consideration for equity instruments (equity-settled transactions or cash-settled transactions) of the amalgamated company Hero Future Energies Private Limited (earlier known as Clean Solar Power (Hiriyur) Private Limited ("CSPHiriyur")) (HFE). Until the time the company gets listed on any recognised stock exchange in India, the Company evaluates its Employees stock option plan (hereinafter called the 'Plan') as cash-settled stock option plan in accordance Ind AS 102 by using fair value model.

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Black Scholes model, further details of which are given in Note 31(xv). This fair value is expensed over the year until the vesting date with recognition of 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.

D) Employee's benefits

Short term employee benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund is a defined contribution scheme and contributions paid/payable towards Provident Fund are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity is 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 as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

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 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.

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.



k) Provisions

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 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.

l) 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.

m) 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 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.

Equity instruments

All equity investments in the scope of Ind AS 109 are measured at fair value.

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



De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the 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.

Reclassification of financial assets

The Company 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. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The Company determines security deposit under other financial assets and disclosed in financial statements of the Company accordingly.

Dividend and Interest Income:

Dividend income is recognised when the right of the Company to receive dividend is established by the reporting date.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, 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 statement of profit and loss.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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 recognized 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.



Financial liabilities at amortized 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 and 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.

This is the category most relevant to the Company. 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. Refer note 15.

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.

Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that, from the issuer's perspective, contains both a liability and an equity component.

On issuance of the mandatorily redeemable preference shares with dividends paid at the issuer's discretion, the fair value of the liability component is measured by determining the net present value of redemption amount, discounted at the market rate of interest prevailing at the time of issue. This amount is classified as a borrowing measured at amortised cost until it is extinguished on redemption. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole, the amount separately determined for the liability component.

After initial measurement, on the liability component, interest is accrued using EIR and is recognised in the statement of profit and loss as finance costs. Any dividends paid are related to the equity component and are recognised directly in the equity.

Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

a) 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 initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.

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.

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 a practical expedient, 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. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.



o) 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, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, 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 a year of five years. For longer years, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond years covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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 and Loss.

p) 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 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.

q) 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized 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 recognized 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 period is recognized 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 realized. 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.

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 Company will pay normal income tax during the specified period. 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 period 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.

In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred taxes in respect of temporary differences which reverse after the tax holiday period are recognized in the year in which the temporary differences originate. However, the Company restrict the recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

f) 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.

g) Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

h) Events occurring after the balance sheet date

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

The 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 statements in cases of significant events.



u) **Government grant**

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

When the Company receive grants of non-monetary assets, 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.

v) **Changes in accounting policies and disclosures**

New and amended standards

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 116 Leases

Ind AS 116 Leases was notified on March 31, 2019 and it supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet, similar to the accounting for finance leases under Ind AS 17.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The standard did not have an impact on these financial statements.

Amendments to Ind AS 109 'Prepayment Features with Negative Compensation'

The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments did not have an impact on these financial statements.

Appendix C to Ind AS 12 'Uncertainty over Income Tax Treatments'

Appendix C to the Ind AS 12 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of the said standard.

The Company does not apply any significant judgment in identifying uncertainties over income tax treatments. Adoption of this appendix did not have an impact on these financial statements.

Amendments to Ind AS 19 'Plan amendment, Curtailment or Settlement'

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period.

The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

There was no amendment, curtailment or settlement occurred to the defined benefit plan during the period and hence the amendment had no impact on these financial statements.

Amendments to Ind AS 28 'Long-term Interests in associates and joint ventures'

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests).

These amendments had no impact on these financial statements as the Company does not have any long-term interests in associate or joint venture.

Annual Improvements to Ind AS

Amendments to Ind AS 111

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

These amendments had no impact on these financial statements as there is no transaction where a joint control is obtained.



Amendments to Ind AS 103

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

These amendments had no impact on these financial statements as there is no transaction where a joint control is obtained.

Amendments to Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. These amendments had no impact as the Company's policies are in line with these amendments.

Amendments to Ind AS 23

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

No borrowing costs were capitalised during the year ended March 31, 2020 and hence these amendments had no impact on these financial statements.

w) Standards, amendments and Interpretations issued but not yet effective

None

2.2 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.

i) Revenue recognition and presentation - Note 20

ii) Assessment of useful life and residual value of property, plant and equipment and intangible asset - Note 3 and 5

iii) Fair Value measurement of financial instruments - Note 33

iv) Recognition and estimation of tax expense including deferred tax - Note 30

v) Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) - Note 37

vi) Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources - Note 39



3 Property, plant and equipment

	Leasehold Improvement	Plant & Equipment	Electrical Installation and equipment	Office equipment	Computers and data processing machines	Total
Gross Block						
(At cost)						
As at April 01, 2018	0.97	368.97	62.80	1.66	12.95	447.35
Additions made during the year	-	309.93	59.99	0.30	2.98	373.20
As at March 31, 2019	0.97	678.90	122.79	1.96	15.93	820.55
Additions made during the period	-	320.78	54.56	0.16	2.69	378.19
Disposals / adjustments during the year	-	-	-	(0.03)	(0.16)	(0.19)
As at March 31, 2020	0.97	999.68	177.35	2.09	18.46	1,198.55
Depreciation						
As at April 01, 2018	0.79	10.25	3.67	0.52	4.73	19.96
Depreciation charge for the year	0.18	21.98	8.28	0.33	3.11	35.88
As at March 31, 2019	0.97	34.23	11.95	0.85	7.84	55.84
Depreciation charge for the period	-	38.06	14.78	0.36	3.26	56.46
On disposals / adjustments during the year	-	-	-	(0.02)	(0.16)	(0.18)
As at March 31, 2020	0.97	72.29	26.73	1.19	10.94	112.12
Net book value						
As at April 01, 2018	0.18	358.72	59.13	1.14	8.22	427.39
As at March 31, 2019	-	644.67	110.84	1.11	8.09	764.71
As at March 31, 2020	-	927.39	150.62	0.90	7.52	1,086.43

For charges created on Company's assets, refer note 15.

4 Capital work-in-progress

	As at March 31, 2020	As at March 31, 2019
Project purchase	76.48	185.20
Erection and commissioning	2.72	5.10
Salaries, wages & bonus	6.67	15.85
Interest & finance cost*	10.27	29.98
Administrative and other expenses	15.90	33.15
	112.04	269.28

Movement in capital work-in-progress

	As at March 31, 2020	As at March 31, 2019
Opening balance	269.28	355.20
Additions during the year	218.09	296.28
Transfer to Property, plant and equipment	(375.33)	(382.20)
Closing balance	112.04	269.28

*The amount of borrowing costs capitalised during the year ended March 31, 2020 was Rs. 10.27 million (March 31, 2019: 29.98 million). Refer note 15 for capitalisation rate.

5 Intangible assets

	Intangible Asset- Rooftop	Total
Gross Block		
(At cost)		
As at April 01, 2018	51.29	51.29
Additions made during the year	-	-
As at March 31, 2019	51.29	51.29
Additions made during the period	-	-
As at March 31, 2020	51.29	51.29
Amortisation		
As at April 01, 2018	13.78	13.78
Amortisation for the year	25.12	25.12
As at March 31, 2019	38.90	38.90
Amortisation for the year	11.63	11.63
As at March 31, 2020	50.53	50.53
Net book value		
As at April 01, 2018	37.51	37.51
As at March 31, 2019	12.39	12.39
As at March 31, 2020	0.76	0.76



6 Financial assets	As at March 31, 2020	As at March 31, 2019*
Investment**		
Non-current		
Investment in equity shares	8,767.17	5,316.97
Less: Provision for impairment of investment in equity share of subsidiaries (Refer note 38(i) and (c))	(0.20)	-
Investment in debentures	2,543.92	2,599.64
Deemed investment in subsidiaries***	418.98	158.98
	11,729.87	8,075.59
Breakup of investments is as follows:		
Investment measured at Cost- unquoted equity shares in wholly owned subsidiaries**-		
12,500,000 (March 31, 2019: 12,500,000) equity shares of Clean Solar Power (Chitrardurga) Private Limited of Rs. 10 each fully paid up (refer note 31)	125.00	125.00
45,010,000 (March 31, 2019 : 45,010,000) equity shares of Clean Solar Power (Dhar) Private Limited of Rs. 10 each fully paid up (refer note 31)	450.10	450.10
13,750,000 (March 31, 2019 : 13,750,000) equity shares of Rajkot (Gujarat) Solar Energy Private Limited of Rs. 10 each fully paid up (refer note 31)	137.50	137.50
10,000 (March 31, 2019 : 10,000) equity shares of Clean Solar Power (Bellary) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
66,000,000 (March 31, 2019 : 66,000,000) equity shares of Clean Solar Power (Gulbarga) Private Limited of Rs. 10 each fully paid up (refer note 31)	660.00	660.00
305,000,000 (March 31, 2019 : 95,000,000) equity shares of Clean Solar Power (Bhadla) Private Limited of Rs. 10 each fully paid up (refer note 31)	3,050.00	950.00
58,000,000 (March 31, 2019 : 58,000,000) equity shares of Clean Solar Power (Tumkur) Private Limited of Rs. 10 each fully paid up (refer note 31)	580.00	580.00
10,000 (March 31, 2019 : 10,000) equity shares of Clean Solar Power (Jaipur) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
135,010,000 (March 31, 2019 : 10,000) equity shares of Clean Solar Power (Jodhpur) Private Limited of Rs. 10 each fully paid up (refer note 31)	1,350.10	0.10
10,000 (March 31, 2019 : 10,000) equity shares of Clean Solar Power (Sirsad) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
10,000 (March 31, 2019 : 10,000) equity shares of Clean Solar Power (Kanch) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
10,000 (March 31, 2019 : 10,000) equity shares of Clean Solar Power (Kadapa) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
100,450,000 equity shares of Rs. 8.31 each and 104,550,000 equity shares of Rs. 15.72 each of Waanep Solar Private Limited fully paid (March 31, 2019 : 205,000,000) (refer note 31 and 42)	2,413.77	2,413.77
10,000 (March 31, 2019 : nil) equity shares of Clean Solar Power (Bhainsada) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	-
10,000 (March 31, 2019 : nil) equity shares of Clean Solar Power (Baniyasa) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	-
	8,767.17	5,316.97
Investment measured at cost- unquoted optionally convertible cumulative debentures-		
34,500,000 (March 31, 2019 : 34,500,000) optionally convertible cumulative debentures of Rajkot (Gujrat) Solar Energy Private Limited of Rs. 10 each fully paid up (refer note 31)	345.00	345.00
	345.00	345.00
Investment measured at fair value through profit & loss- unquoted compulsorily convertible debentures-		
35,500,000 (March 31, 2019 : 35,500,000) compulsorily convertible debentures (CCD's) of Clean Solar Power (Chitrardurga) Private Limited of Rs. 10 each fully paid up (refer note 31)	356.42	510.49
107,000,000 (March 31, 2019 : 107,000,000) compulsorily convertible debentures (CCD's) of Clean Solar Power (Gulbarga) Private Limited of Rs. 10 each fully paid up (refer note 31)	1,548.29	1,452.24
	1,904.71	1,962.73
Investment measured at amortised cost- unquoted compulsorily convertible debentures-		
4,500,000 (March 31, 2019 : 4,500,000) compulsorily convertible debentures (CCD's) of Clean Solar Power (Bhadla) Private Limited of Rs. 100 each fully paid up (refer note 31)	294.21	291.91
	294.21	291.91
Aggregate value of unquoted investments	11,730.07	8,075.59
Aggregate amount of impairment in value of investments	(0.20)	-
Aggregate value of unquoted investments (net of impairment)	11,729.87	8,075.59

*Refer note 42 for adjustment of previous year financial statements

**All the investees are incorporated in India. The Company holds 100% equity in all the investees.



***Further, with effect from April 01, 2019, the Company has revised certain terms and conditions attached to the loans given to its subsidiaries (Rs. 200.00 millions to Clean Solar Power (Tumkur) Private Limited and Rs. 60.00 millions to Rajkot (Gujarat) Solar Energy Private Limited). Post revision, these loans carry 0% interest and are repayable at the discretion of borrower. Accordingly, the same has been reclassified from 'Loan to related parties' to 'Deemed investment in subsidiaries'.

7 Trade receivables

	As at March 31, 2020	As at March 31, 2019
Current		
Trade receivables**		
- Unsecured considered good	1,857.44	1,347.73
- Unsecured considered doubtful	3.92	3.69
	<u>1,861.36</u>	<u>1,351.42</u>
Impairment Allowance (allowance for bad and doubtful debts)		
- Receivables - credit impaired	(3.92)	(3.69)
Total trade receivables	<u>1,857.44</u>	<u>1,347.73</u>
*Trade receivable include the amount of unbilled revenue. Please refer note 2.1(b)	10.87	13.19
**Includes receivable from related parties (refer note 31)	1,598.53	1,080.50

a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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.

8 Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- Current account	30.10	33.58
Cash on hand	0.01	-
	<u>30.11</u>	<u>33.58</u>

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

	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
- Current account	30.10	33.58
Cash on hand	0.01	-
	<u>30.11</u>	<u>33.58</u>

9 Other bank balance

	As at March 31, 2020	As at March 31, 2019
Deposits under lien	1,820.13	26.75
	<u>1,820.13</u>	<u>26.75</u>

Deposit under lies against Bank Guarantee and short term loan from HSBC Bank

10 Other financial assets

	As at March 31, 2020	As at March 31, 2019
Non-current		
Deposits with original maturity of more than 12 months	0.64	9.39
Loan to related parties (refer note 31)	5,980.31	6,754.93
Less: Provision for impairment of loan to subsidiaries (Refer note 38(i))	(358.59)	-
Security deposits	2.52	2.24
	<u>5,624.88</u>	<u>6,766.56</u>
Current		
Deposits with original maturity of more than 12 months	38.23	0.35
Loan to related parties (refer note 31)	1,620.49	1,444.83
Accrued interest to related parties (refer note 31)	2,007.06	1,397.06
Less: Provision for doubtful assets (Refer note 38 (c) and (d))	(139.22)	-
Other receivables*	170.72	307.48
Accrued Interest on fixed deposits	1.30	0.35
	<u>3,698.58</u>	<u>3,150.07</u>
Total (Non-current and current)	<u>9,323.46</u>	<u>9,916.63</u>
*Includes receivable from related parties (refer note 31)	170.63	119.71



	As at March 31, 2020	As at March 31, 2019
a) Break up of financial assets carried at amortised cost:		
Trade Receivables (refer note 7)	1,857.44	1,347.73
Cash and cash equivalents (Refer note 8)	30.11	33.58
Other Bank Balances (Refer note 9)	1,820.13	26.75
Other financial assets (Refer note 10)	9,323.46	9,916.63
Investment in optional and compulsorily convertible debentures (Refer note 6)	639.21	636.21
Total	13,670.35	11,961.60
b) Break up of financial assets carried at fair value through profit or loss:		
Investment in compulsorily convertible debentures (Refer note 6)	1,904.71	1,962.73
	1,904.71	1,962.73
11 Other assets: (Unsecured, considered good, unless otherwise stated)		
Non-current		
Capital advances	7.65	123.40
Other non-current assets		
Prepaid expenses	0.99	0.66
Prepaid gratuity funded (Net of provision (refer note 37))	1.75	4.37
	10.39	128.43
Current		
Advances other than capital advances		
Advance to employees	1.38	0.57
Advance to Vendors	3.24	20.56
Other current assets		
Balance with government authorities	50.44	19.52
Prepaid expenses	0.88	2.05
	55.94	42.70
11A Non current tax asset (Net)		
Advance income tax*	328.23	219.99
	328.23	219.99
* net of provision for tax	-	-
12 Inventories		
Raw Materials*	41.74	165.94
	41.74	165.94
* carried at lower of cost or net realisable value		
13 Equity Share Capital		
Authorised share capital 600 million (March 31, 2019: 50 million) equity shares of Rs. 10 each	6,000.00	500.00
Issued, subscribed and paid up Equity Share capital 504.75 million (March 31, 2019: 49.81 million) equity shares of Rs. 10 each	5,047.51	498.10
	5,047.51	498.10
a) Reconciliation of authorised, issued and subscribed share capital		
I. Reconciliation of authorised share capital as at year end :	No. of shares	Amount
Balance as at April 1, 2018	50,000,000	500.00
Increase/(decrease) during the year	-	-
Balance as at March 31, 2019	50,000,000	500.00
Increase/(decrease) during the year	550,000,000	5,500.00
Balance as at March 31, 2020	600,000,000	6,000.00
II. Reconciliation of issued and subscribed share capital as at year end :	No. of shares	Amount
Balance as at April 1, 2018	49,810,000	498.10
Increase/(decrease) during the year	-	-
Balance as at March 31, 2019	49,810,000	498.10
Increase/(decrease) during the year	454,941,179	4,549.41
Balance as at March 31, 2020	504,751,179	5,047.51



b) Terms/ rights attached to equity shares:

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

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

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

As at March 31, 2020 :

Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited) along with its nominees*

No. of shares	Holding %
504,751,179	100.00%
504,751,179	100.00%

As at March 31, 2019

Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited) along with its nominees*

No. of shares	Holding %
49,810,000	100.00%
49,810,000	100.00%

* 6 equity share held by other shareholder as nominees on behalf of Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private 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. The Company has not bought back any shares.

14 Other Equity

Retained Earnings

	Amount
Opening Balance April 1, 2018	434.46
Add:- Deficit in statement of profit and loss (net of OCI)	(58.43)
Closing Balance March 31, 2019	376.03
Add:- Deficit in statement of profit and loss	(703.99)
Less:- Share issue expenses	(28.17)
Closing Balance March 31, 2020	(356.13)

Debenture Redemption Reserve (refer below note a)

	Amount
Opening Balance April 1, 2018	20.35
Add:- Addition during the year	-
Closing Balance March 31, 2019	20.35
Add:- Addition during the year	-
Closing Balance March 31, 2020	20.35

Deemed capital contribution (refer below note b)

	Amount
Opening Balance April 1, 2018	1.24
Add:- Addition during the year	1.66
Closing Balance March 31, 2019	2.90
Add:- Addition during the year	5,172.27
Less:- Tax Impact	(137.17)
Closing Balance March 31, 2020	5,038.00

Equity component of compulsory convertible debentures (refer note 15(f))

	Amount
Opening Balance April 1, 2018	-
Add:- Addition during the year	228.22
Less:- Tax impact	65.82
Closing Balance March 31, 2019	162.40
Add:- Addition during the year	-
Add:- Tax impact	8.38
Closing Balance March 31, 2020	170.78

a) Debenture Redemption Reserve

Debenture Redemption Reserve has been created on issue of debentures, in accordance with applicable laws. The amount will be used for the purpose of redemption of debentures.

b) Deemed capital contribution

Deemed capital contribution comprises of equity component of interest free loan given by related parties and expense on account of ESOP borne by the holding company.



Hero Solar Energy Private Limited
 Notes to financial statements for the year ended March 31, 2020
 (All amounts are in Indian Rupees (In millions), unless otherwise stated)

15 Borrowings	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured		
Term loan from banks (refer note (a) below)	1,582.39	1,929.83
Non-Convertible Debentures (refer note (d) and (e) below)	-	2,169.40
Unsecured		
Compulsory Convertible Debentures (refer note (f) below and note 31)	614.63	609.90
Loan from Related Parties (refer note (g) below and note 31)	4,225.42	2,202.36
	<u>6,422.44</u>	<u>6,911.49</u>
Current		
Secured		
Term loan from banks (refer note (b & c) below)	1,965.85	-
Non-Convertible Debentures (refer note (d) and (e) below)	4,387.67	-
Current maturities of long term loan from banks	372.71	-
Unsecured		
Loan from related parties (refer note (g) below and note 31)	803.70	10,699.10
	<u>7,529.93</u>	<u>10,699.10</u>
Less: Amount clubbed under "other financial liabilities" (Refer note 17)	<u>(372.71)</u>	<u>-</u>
Total	<u>13,579.66</u>	<u>17,610.59</u>

a) Terms attached to Loan from IndusInd Bank Limited

Vide letter dated March 18, 2019, IndusInd Bank Limited has sanctioned to the company the Indian Rupee Medium Term Loan facility amounting to Rs 2,000.00 million.

Against the said "Medium term Loan agreement" the Company has got full disbursement of Rs. 2,000.00 million. The medium term Loan from IndusInd Bank carries the rate of interest at IndusInd Bank 1 year MCLR (Marginal cost of funds based lending rate) plus spread of 0.10% i.e. 10.00% p.a (March 31, 2019: 10.00% p.a) (Effective interest rate is 11.61% p.a (March 31, 2019: 11.61% p.a)).

The Medium Term Loan is repayable in 6 quarterly structured instalments starting from December 20, 2020

The Loan amount is secured exclusively through hypothecation/Mortgage of identified roof top solar assets owned by company, 30% encumbered investment in form of shares/convertible equity instrument, Non-disposable undertaking with POA of 10% unencumbered investment in form of shares/convertible equity instrument, Assignment/Hypothecation of shareholder loan given by company Clean solar power (Tumkur) Private Limited and Weanep Solar Power Limited or any other SPV of HSEPL with minimum book value cover of 1.1x and post dated cheque signed by Director.

b) Terms attached to Loan from Hongkong and Shanghai Banking Corporation Limited "HSBC Bank"

Vide "Sanction letter" dated January 23, 2020 and further amendment letter dated February 20, 2020 and March 30, 2020, the Company has been sanctioned short term loan Bridge Loan facility amounting to Rs 1,850.00 million from The Hongkong and Shanghai Banking Corporation Limited for general corporate purpose. Out of the sanction limit, the Company has got the disbursement of Rs 1,806.00 million for the year ended March 31, 2020. The maximum tenor of loan is 12 months with initial tenor of 01 months put/call option which is payable as a bullet repayment at the end of the tenor. The loan carries the rate of interest of 6.60% p.a. to 7.45% p.a which is payable monthly. The loan is secured against the fixed deposit amounting to Rs. 1,820.00 million.

c) Terms attached to Loan from Kotak Bank

Vide "Sanction letter" dated March 17, 2020, the Company has been sanctioned short term loan facility amounting to Rs 500.00 million from Kotak Mahindra Bank Limited for working capital requirement. Out of the sanction limit, the Company has got the disbursement of Rs 160.00 million during the year ended March 31, 2020. The loan is repayable on demand. The loan carries the rate of interest of 8.35% p.a. payable monthly. The loan is fully secured against the fixed deposit amount given by borrower or any group company and corporate guarantee by security provider "Clean Solar Power (Jodhpur) Private Limited".

d) Terms attached to 9.995% Non-Convertible Debentures

Vide debenture trust deed dated December 21, 2016, the Company has issued and allotted 1,750 senior, secured, rated, unlisted, taxable, redeemable, non-convertible debentures of a face value of Rs 1.00 million each of the aggregate nominal value of Rs 1,750.00 million in accordance with terms and conditions of debenture trust deed. The same is issued by the company in dematerialized form on December 21, 2016 in 2 tranches of 875 Non-Convertible debentures of the Company for cash at a face value of Rs 1.00 million each at par.

Security -

Non-Convertible Debentures(Unlisted) are secured by way of first ranking and exclusive pledge on the Pledged Securities of the SPVs so as to ensure that the Security Cover ratio (1.1:1) is maintained in accordance with terms of "Share Pledge Agreement" and the "Debenture Trust Deed".



Terms of Redemption -

9.995% Non-Convertible debentures are redeemable at the end of 54 months from the allotment date. The aggregate of the face value of debentures along with redemption premium calculated on XIRR basis shall be redeemed at the time of redemption on relevant Scheduled redemption date.

Tranches	Date of Allotment	Date of Redemption	Redemption amount (excluding interest accrued thereon)
I	December 21, 2016	June 21, 2021	875.00
II	December 21, 2016	June 21, 2022	875.00

a) Terms attached to 11.84% Non-Convertible Debentures

Vide debenture trust deed dated June 20, 2019, the Company has issued and allotted 2,000 senior, secured, rated, unlisted, taxable, redeemable, non-convertible debentures of a face value of Rs 1.00 million each of the aggregate nominal value of Rs 2,000.00 million in accordance with terms and conditions of debenture trust deed. The same is issued by the company in 2 tranches of 1000 Non-Convertible debentures of the Company for cash at a face value of Rs 1.00 million each at par.

Interest -

Fixed interest rate shall not be less than 11.84% p.a. for each notch of downgrade or upgrade in credit rating of the debentures by any of the rating agencies shall be increased or decreased by 30 basis points.

Security -

Non-Convertible Debentures(Unlisted) are secured by way of first ranking and i) exclusive pledge over original Pledged Securities of the SPVs, such that security cover based on book value of the assets secured of 1.12 times the principle amounts of debentures & the assets over which security is created is free from all other encumbrances.

Terms of Redemption -

Non-Convertible debentures "Tranche-I" is repaid on April 03, 2020 and "Tranche-II" is repaid on May 02, 2020.

Classification -

As per the terms of debenture trust deed entered into between the Company and the lender, the lender, upon expiry of three years from date of allotment and every six months thereafter, may give written notice requiring the Company to redeem all 'Non-convertible debentures' ('NCDs') issued under the deed, within 45 days from date of such notice.

The NCDs were issued on December 21, 2016 and with effect from December 22, 2019, the Company does not have an unconditional right to defer settlement of this liability for more than one accounting period. Accordingly, the same has been reclassified to 'Current borrowings'.

D) Compulsorily convertible debentures

Terms attached to Compulsorily convertible debentures :

The Company has issued unsecured, unrated unlisted Compulsorily convertible debentures (CCD) to its Holding Company Hero Future Energies Private Limited* Earlier know as Clean Solar Power Hiriya Private Limited (holding company) as per the details below:

Series of Debentures Issued	No. of Debentures Issued	Date of Issue	Redemption & Maturity Option	Ranking
Compulsorily Convertible Debentures	8,350,000 of face value Rs 100 each	July 19, 2018	Subject to applicable law, CCD shall be convertible into equity shares either on occurrence of the conversion trigger events, or on mandatory conversion, or upon expiry of 20 years from the date of each CCD issuance	Debentures carry interest rate of 6% annualizes yield on face value of CCD plus any unpaid interest.

Pursuant to IND AS 109, the company has treated the Compulsorily Convertible debentures as Compound financial instrument. As per the terms of agreement, the company has a contract obligation to pay interest @ 6% to debentures holders and Holder has right to convert all or some of the CCD upon occurrence of trigger event. From the above perspective, the entire instrument has been considered as compound financial instrument comprising two components i.e. a financial liability and an equity instrument. Accordingly, the company has adopted the split method of accounting under IND AS and discounted the expected cash outflows (interest payment for the period of 20 years) and determined the same as financial liability as on the date of issue of debentures amounting to Rs 606.78 million. The Company has allocated the residual value amounting to Rs 228.22 million to the equity component. Subsequently each year, the Company accrete the interest using EIR method to the liability component of the instrument. The Company has considered the deferred tax liability on the equity component of the instrument at its initial recognition on account of temporary difference between tax base and financial statements as per IND AS 32.



g) Terms attached to loan from related parties

i) The Company has entered into a "Loan Agreement" dated March 11, 2016 (amended on June 15, 2018) with Hero Future Energies Private Limited (the holding company) for availing loan upto Rs. 13,000.00 million and accordingly till March 31, 2020 the Company has Rs. 2,303.70 million (March 31, 2019: Rs. 10,199.10 million) outstanding balance against the sanctioned limit. The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45% (March 31, 2019: 9.45%). The loan is repayable on demand except below.

With effect from April 01, 2019, vide amendment agreement dated December 20, 2019, the Company has revised certain terms and conditions attached to:

- Loans worth Rs. 4,623.00 million now carries 0% interest and are repayable at the discretion of the Company. The same have been reclassified from 'Loan from related parties' to 'Deemed capital contribution'.

- Loan worth Rs. 1,500 million from Hero Future Energies Private Limited. This loan now carries 0% interest and is repayable at the end of 5 years from the date of revision. Fair value loss on initial recognition of this loan amounting to Rs. 544.98 million has been recognised as 'Deemed capital contribution'.

ii) The Company has entered into a "Loan Agreement" dated May 21, 2018 with Clean Wind Power (Devgarh) Private Limited for availing loan upto Rs. 2,500.00 million and accordingly till March 31, 2020 the Company has Rs. 2,178.86 million (March 31, 2019: Rs. 2,202.36 million) outstanding balance against the sanctioned limit. The applicable interest on the said loan is 10.25% (March 31, 2019: 10.25%). The loan is granted for a period of 21 years unless extended/reduced by mutual agreement of the parties.

iii) The Company has entered into a "Loan Agreement" dated April 01, 2019 with Clean Wind Power (Maewl) Private Limited for availing loan upto Rs. 500.00 million and accordingly till March 31, 2020 the Company has Rs. 320.00 million outstanding balance against the sanctioned limit. The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45%. The loan is granted for a period of 21 years unless extended/reduced by mutual agreement of the parties.

iv) The Company has entered into a "Loan Agreement" dated March 04, 2019 with Clean Wind Power (Rablam) Private Limited for availing loan upto Rs. 1,000.00 million and accordingly till March 31, 2020 the Company has Rs. 680.00 million outstanding balance against the sanctioned limit. The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45%. The loan is granted for a period of 21 years unless extended/reduced by mutual agreement of the parties.

v) Vide Sanction letter dated January 14, 2019, the Company has taken unsecured short term loan of Rs. 500.00 million from Hero Fincorp Limited. The Loan is disbursed on January 16, 2019. The Short term Loan carries interest @ 9.50% as specified in sanction letter. The Loan is repayable at the end of 4 months from the date of disbursement on bullet repayment basis i.e. the loan is to be repaid on April 30, 2019. Under the said facility Rs. 500.00 million was repaid on April 30, 2019. The outstanding balance as on March 31, 2020 is Nil (March 31, 2019: Rs. 500.00 million).

16 Trade payables

	As at March 31, 2020	As at March 31, 2019
Trade payables		
- Outstanding dues to micro and small enterprises*	8.79	-
- Outstanding dues to parties other than micro and small enterprises†	206.17	223.26
	214.96	223.26

*These have been identified by the Company from the available information, which has been relied upon by the auditors.

† Includes payable to related parties (refer note 31)

60.96 3.39

For explanations on the Company's credit risk management processes, refer to note 36.

17 Other Financial Liabilities

	As at March 31, 2020	As at March 31, 2019*
Non-current		
Security Deposit	2.55	2.55
Interest accrued but not due on others	0.31	0.21
	2.86	2.76
Current		
Current maturities of long term borrowings	372.71	-
Interest accrued but not due on others	199.74	-
Interest accrued but not due to related parties (refer note 31)	1,321.82	1,317.15
Payables for property, plant and equipment (Refer note 42)	202.43	343.29
Other payable**	151.55	187.22
	2,248.25	1,847.66
Total	2,251.11	1,850.42

*Refer note 42 for adjustment of previous year financial statements

**Includes other payable to related parties (refer note 31)

51.19 187.22



	As at	As at
	March 31, 2020	March 31, 2019
Breakup of financial liabilities at amortised cost:		
Borrowings (Refer to note 15)	13,579.66	17,610.58
Other financial liabilities (Refer to note 17)	2,251.11	1,850.42
Trade payables (Refer to note 16)	214.96	223.26
	<u>16,045.73</u>	<u>19,684.26</u>
18 Provisions		
Non-current		
Provision for employee benefits:		
- Provision for compensated absences	7.97	4.45
	<u>7.97</u>	<u>4.45</u>
Current		
Provision for employee benefits:		
- Provision for compensated absences	0.26	0.18
	<u>0.26</u>	<u>0.18</u>
19 Other liabilities		
Non-current		
Deferred government grant (refer note 41)	173.96	150.10
	<u>173.96</u>	<u>150.10</u>
Current		
Deferred government grant (refer note 41)	11.52	9.69
Advance from customers*	9.22	9.37
Statutory dues	25.39	39.22
Other Payables	13.69	9.54
	<u>59.82</u>	<u>67.82</u>
Total	<u>233.78</u>	<u>217.92</u>
*Includes advance from related parties (refer note 31)	7.09	6.88
20 Revenue from contracts with customers		
a) Revenue from Power Supply:		
Sale of Electricity	103.12	56.76
b) Revenue from other operating business:		
Income from Management and Development Services*	604.30	119.27
Income from Consultancy services*	-	3.85
Operation and Maintenance Fees*	227.91	142.34
Sale of Rooftop solar plant*	29.20	62.83
Scrap sales	-	0.02
	<u>964.53</u>	<u>385.07</u>
*Includes revenue from related parties (refer note 31)	844.62	312.65
21 Other income		
Fair value gain on financial instruments measured at fair value through profit and loss	-	244.46
Interest income on financial assets measured at amortised cost using effective interest rate		
Interest income on debentures (refer note 31)	209.22	184.58
Interest income on loan to related parties (refer note 31)	642.15	855.60
Interest income on account of business combination	9.80	-
Interest income on fixed deposits	8.86	8.83
Interest income on income tax refund	5.71	-
Subsidy (refer note 41)	10.83	9.54
Gain on Sale of mutual funds	1.37	5.92
Miscellaneous Income	2.26	1.00
	<u>890.20</u>	<u>1,309.93</u>



	For the year ended	
	March 31, 2020	March 31, 2019
22 Cost of raw material and components consumed		
Raw material and components consumed		
Cost of Materials Consumed	27.66	64.42
	<u>27.66</u>	<u>64.42</u>
23 Employee benefit expenses		
Salaries, wages and bonus	81.63	70.98
Contribution to provident and other funds (refer note 37)	4.02	3.87
Gratuity expense (refer note 37)	2.16	0.66
Staff welfare expenses	0.76	2.20
Employee stock option scheme (refer note 31(c))	4.29	1.66
	<u>92.86</u>	<u>79.40</u>
24 Finance cost		
Interest expense on financial liabilities measured at amortised cost using effective interest rate		
Interest on debts and borrowings	242.15	5.61
Interest on loan from related parties (refer note 31)	512.74	1,096.36
Interest on compulsory convertible debenture (refer note 31)	54.58	37.68
Interest on Non Convertible Debentures	416.54	195.06
Other Finance Costs	21.01	25.94
	<u>1,247.02</u>	<u>1,360.65</u>
25 Depreciation and amortisation expense		
Depreciation of tangible assets	56.46	35.88
Amortization of intangible assets	11.63	25.13
	<u>68.09</u>	<u>61.01</u>
25A Impairment of financial assets		
Impairment of loan given to subsidiaries (Refer note 38 (i) and (c))	358.59	-
Impairment of interest receivable from subsidiary (Refer note 38 (i) and (c))	139.22	-
Impairment of equity shares of subsidiaries (Refer note 38 (i) and (c))	0.20	-
	<u>498.01</u>	<u>-</u>
26 Other expenses		
Management Fees (refer note 31)	243.11	23.03
Operation and Maintenance expenses (refer note 31)	215.90	110.26
Fair value loss on financial instruments measured at fair value through profit and loss (Refer note 26 (c) below)	58.02	-
Legal and Professional Fees	64.01	39.30
Travelling and conveyance	1.77	11.09
Erection, commissioning and installation	1.78	6.28
Bidding Fees	0.84	7.57
Rent, rates and taxes	0.90	1.60
Auditor's remuneration (Refer note 26 (a) below)	1.50	2.50
CSR expenditure (refer note 26 (b) below)	0.30	3.54
Exchange fluctuation expense (net)	0.96	1.13
Insurance	1.34	1.67
Loss on amortisation of inventory	2.31	-
Balance written off/Provision written back	0.08	-
Miscellaneous expenses	8.76	22.63
Bad debts (doubtful)	0.23	3.69
	<u>601.81</u>	<u>234.27</u>



	For the year ended	
	March 31, 2020	March 31, 2019
26 a) Details of payment made to auditors is as follows:		
As Auditor:		
Audit fees	1.45	0.46
As Other capacity:		
Certification fee	-	1.94
Out of pocket expenses	0.05	0.56
	<u>1.50</u>	<u>2.96</u>

	For the year ended	
	March 31, 2020	March 31, 2019
26 b) Details of corporate social responsibility expenditure is as follows:		
Amount required to be spend as per section 135 of the Companies Act, 2013	-	3.84
Total	<u>-</u>	<u>3.84</u>

	In cash	Yet to be paid in cash	Total
Amount spent during the year ending March 31, 2020			
(i) Construction/acquisition of an asset	0.30	-	0.30
Amount spent during the year ending March 31, 2019			
(i) Construction/acquisition of an asset	3.54	0.30	3.84

For the purpose of computing "average net profits made during last 3 years" as required under section 135 of the Companies Act, 2013, based on the expert legal view, the Company has adjusted loss incurred in one of the earlier years with profits in the other years. Accordingly, "average net profits made during last 3 years" is the arithmetic average mean of the profits as well as loss of last three years.

	For the year ended	
	March 31, 2020	March 31, 2019
26 c) Fair value loss on financial instruments measured at fair value through profit and loss		
Fair Value gain/(Loss) of Compulsorily convertible debenture of subsidiaries		
(i) Clean solar power (Chitradurga) private Limited	(154.07)	-
(ii) Clean solar power (Gulbarga) private Limited	96.05	-
Total	<u>(58.02)</u>	<u>-</u>

	For the year ended	
	March 31, 2020	March 31, 2019
27 Tax expense		
Current tax	-	-
Adjustment of tax relating to earlier periods	-	2.81
Deferred tax	22.59	(51.03)
	<u>22.59</u>	<u>(48.22)</u>

	For the year ended	
	March 31, 2020	March 31, 2019
28 Other Comprehensive income		
Re-measurement (gains)/ losses on defined benefit plans	0.91	2.67
Re-measurement (gains)/ losses on defined benefit plans-Income Tax Effect	(0.23)	(0.77)
	<u>0.68</u>	<u>1.90</u>

	For the year ended	
	March 31, 2020	March 31, 2019
29 Earnings per share (EPS)		
Loss attributable to the equity holders of the company	(703.31)	(56.53)
Interest on Compulsorily Convertible Debentures('CCD')	54.58	35.14
Profit/(Loss) considered for calculation of EPS	<u>(648.73)</u>	<u>(21.39)</u>
Weighted average number of equity shares for basic and diluted EPS	220,413,504	108,374,384
Basic and diluted earnings/(loss) per share (face value Rs. 10 per share)	<u>(2.94)</u>	<u>(0.20)</u>

Shares that will be issued upon conversion of a Compulsorily Convertible Debentures are included in the calculation of basis EPS from the date the contract entered.

It is assumed that one share will be issued against one debenture at face value of Rs. 10 each for the purpose of EPS computation as the number of shares that will be issued upon conversion of CCD are based on fair market value of the equity shares at the time of conversion of CCD's.



30 Income tax

a) Component of Deferred tax Assets/(Liabilities) (net):

	Opening Balance April 01, 2019	Charged / (credited) to Profit or Loss	Charged / (credited) to OCI	Charged / (credited) in Other Equity	Closing Balance March 31, 2020
Higher depreciation and amortization for tax purposes	(137.60)	15.25	-	-	(152.85)
Deferred Government Grant	18.64	(18.66)	-	-	37.50
Capital work in progress	(0.93)	(0.93)	-	-	-
Effective interest rate adjustments for borrowings (including compound financial instruments)	(81.30)	(13.61)	-	128.80	(196.49)
Provision of doubtful investment in subsidiary	-	(35.04)	-	-	35.04
Carry forward tax loss and Unabsorbed depreciation	154.83	(7.93)	-	-	162.76
Investment in Compulsorily convertible debenture	(109.49)	(27.96)	-	-	(81.53)
MAT Credit entitlement	114.61	114.61	-	-	-
Others	4.11	(2.94)	(0.23)	-	7.28
Net Deferred tax asset / (liability)	(37.13)	22.59	(0.23)	128.80	(188.29)

	Opening Balance April 01, 2018	Charged / (credited) to Profit or Loss	Charged / (credited) to OCI	Charged / (credited) in Other Equity	Closing Balance March 31, 2019
Higher depreciation and amortization for tax purposes	(67.27)	70.33	-	-	(137.60)
Deferred Government Grant	4.66	(13.98)	-	-	18.64
Capital work in progress	(0.34)	0.59	-	-	(0.93)
Effective interest rate adjustments for borrowings (including compound financial instruments)	(15.98)	(0.50)	-	65.82	(81.30)
Carry forward tax loss and Unabsorbed depreciation	-	(154.83)	-	-	154.83
Provision for doubtful debts	0.52	(0.65)	-	-	1.17
Investment in Compulsorily convertible debenture	(60.42)	49.07	-	-	(109.49)
MAT Credit entitlement	117.29	2.68	-	-	114.61
Others	1.10	(1.07)	(0.77)	-	2.94
Net Deferred tax asset / (liability)	(20.44)	(48.36)	(0.77)	65.82	(37.13)

(i) The asset of Rs. NIL (March 31, 2019: Rs. 114.61 million) recognized by company as "Mat credit entitlement" represents that portion of MAT liability which can be set off in subsequent years based on provisions of Income Tax Act 1961. 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 company to utilize MAT credit assets.

(ii) 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 permanent differences.

(iii) 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.

(iv) On September 20, 2019, vide the 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 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, 2020.

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 a decrease of deferred tax liabilities by Rs. 11.39 million on account of re-measurement of deferred tax assets as at March 31, 2020, the effect of which was considered during the year ended March 31, 2020.

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for Mar 31, 2020 and March 31, 2019 are as follows:

	As at Mar 31, 2020	As at March 31, 2019
Accounting profit before tax	(680.72)	(104.75)
Statutory Income Tax rate at India's statutory income tax rate of 25.17% (March 31, 2019: 28.84%)	(171.34)	(30.12)
Add: Effect of expenses that are not deductible in determining taxable profit		
Liability component of compulsorily convertible debentures	1.19	0.90
CSR expense	0.06	1.20
ESOP Expenses	1.08	-
Sundry balance written off	0.58	-
Provision for doubtful investment in subsidiary	90.31	-
Less: Effect of income that are not taxable in determining taxable profit		
Equity component reversal of Compulsorily convertible debenture	1.98	(3.59)
Effect of change in tax rate	(11.39)	1.51
Adjustments recognised in the current year in relation to the reversal of MAT credit entitlement and change in tax rate during the current year	114.61	-
Others	(4.34)	(19.03)
Income tax expense recognised in the statement of profit or loss	22.36	(49.13)



31 Related Party Disclosures

a) List of related parties

Name of Related Party	Nature of relationship
B M Musal Energies Private Limited	Ultimate holding company
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hriyur) Private Limited)	Holding company
Clean Solar Power (Chitradurga) Private Limited	Subsidiary Company
Clean Solar Power (Dhar) Private Limited	Subsidiary Company
Rajkot (Gujarat) Solar Energy Private Limited	Subsidiary Company
Clean Solar Power (Golbarga) Private Limited	Subsidiary Company
Clean Solar Power (Tumkur) Private Limited	Subsidiary Company
Clean Solar Power (Bellary) Private Limited	Subsidiary Company
Clean Solar Power (Bhadra) Private Limited	Subsidiary Company
Clean Solar Power (Jaipur) Private Limited	Subsidiary Company
Clean Solar Power (Jodhpur) Private Limited	Subsidiary Company
Clean Solar Power (Sirsa) Private Limited	Subsidiary Company
Clean Solar Power (Kanchi) Private Limited	Subsidiary Company
Clean Solar Power (Kadapa) Private Limited	Subsidiary Company
Clean Solar Power (Bhainsada) Private Limited w.e.f October 20, 2019	Subsidiary Company
Clean Solar Power (Banjara) Private Limited w.e.f May 14, 2019	Subsidiary Company
Clean Wind Power (Raikot) Private Limited	Enterprise under common Control
Wanooop Solar Private Limited (w.e.f. December 31, 2018)	Subsidiary Company
Clean Wind Power (Davgarh) Private Limited	Enterprise under common Control
Clean Wind Power (Mamr) Private Limited	Enterprise under common Control
Vayu Urja Bharat Private Limited	Enterprise under common Control
BML Educorp Services	Enterprises over which key management personnel and their relatives able to control
Hero Future Energies Limited Employees Group Gratuity Trust	Enterprises over which key management personnel and their relatives able to control
Hero Motocorp Limited	Enterprises over which key management personnel and their relatives able to control
Hero FinCorp Limited	Enterprises over which key management personnel and their relatives able to control
Hero Rooftop Energy Private Limited	Enterprises over which key management personnel and their relatives able to control
Neha Sethi	Key Managerial Personnel (Company Secretary)

b) Transactions with related parties

Name of Related Party	Relationship	Nature of transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hriyur) Private Limited)	Holding Company	Management, Development fee & Cross Charge*	243.11	27.17
		Loan Repaid	13,227.90	10,564.50
		Loan Taken	5,332.50	14,906.10
		Investment in Equity Share Capital	4,549.41	-
		Investment in Compulsorily Convertible Debentures	-	835.00
		Expenses incurred on Company's behalf	0.33	42.27
		Interest Expense	129.61	897.64
Clean Solar Power (Chitradurga) Private Limited	Subsidiary Company	Management & Operation & Maintenance Fees*	21.31	-
		Loan Given	334.37	342.13
		Interest Income	120.11	77.35
		Expenses incurred on behalf	62.04	0.19
Clean Solar Power (Dhar) Private Limited	Subsidiary Company	Expenses incurred on behalf	0.17	0.95
		Operation & Maintenance Fees*	14.99	2.68
		Loan Repaid	12.20	24.20
		Interest Income	0.87	2.35
Rajkot (Gujarat) Solar Energy Private Limited	Subsidiary Company	Loan Repaid	60.00	-
		Interest Income	36.41	40.23
		Expenses incurred on their behalf	0.28	1.53
		Loan Given	25.00	-
		Management, Development fee and Operation & Maintenance Fees*	29.47	9.40



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2020
(Amount in Rupees million, unless otherwise stated)

Name of Related Party	Relationship	Nature of transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
Clean Solar Power (Gulbarga) Private Limited	Subsidiary Company	Expenses incurred on their behalf	6.11	9.15
		Management, Development fee and Operation & Maintenance Fees*	112.96	100.72
		Loan Repaid	100.00	-
		Loan Given	5.65	980.00
Clean Solar Power (Tumkur) Private Limited	Subsidiary Company	Interest Income	258.68	226.28
		Expenses incurred on our behalf	1.45	27.12
		Management, Development fee and Operation & Maintenance Fees*	114.48	71.30
		Interest Income	142.74	187.02
Clean Solar Power (Bellary) Private Limited	Subsidiary Company	Loan Given	848.05	2,314.00
		Loan Repaid	995.00	1,452.00
		Loan Given	5.00	223.00
		Loan Repaid	-	198.80
Clean Solar Power (Bellary) Private Limited	Subsidiary Company	Expenses incurred on behalf	1.56	0.44
		Management, Development fee and Operation & Maintenance Fees*	12.86	28.00
		Interest Income	25.95	32.35
		Expenses incurred on their behalf	0.75	5.07
Clean Solar Power (Bhadra) Private Limited	Subsidiary Company	Investment in Equity Shares	2,100.00	949.90
		Investment in Compulsorily Convertible Debentures	-	450.00
		Loan Given	339.10	1,405.74
		Loan Repaid	-	5,640.00
		Development Fees*	450.00	-
		Repayment of Advance Against Supply	-	0.89
		Advance Against Supply	-	4,450.00
		Interest Income	73.59	275.37
Clean Solar Power (Jaipur) Private Limited	Subsidiary Company	Expenses incurred on behalf	1.11	0.34
		Loan Repaid	2,885.35	6.75
		Loan Given	2,100.40	838.00
		Interest Income	99.02	182.03
Clean Solar Power (Jodhpur) Private Limited	Subsidiary Company	Investment in Equity Shares	1,350.00	0.10
		Loan Given	50.33	1,477.78
		Advance Against Supply	-	0.74
		Loan Repaid	488.50	1,005.16
		Expenses incurred on behalf	0.40	-
Clean Solar Power (Sirsa) Private Limited	Subsidiary Company	Interest Income	38.19	33.17
		Investment in Equity Shares	-	0.10
		Loan Given	4.30	85.50
		Interest Income	8.43	1.71
Clean Solar Power (Kadapa) Private Limited	Subsidiary Company	Reimbursement of expenses incurred on their behalf	4.00	4.00
		Investment in Equity Shares	-	0.10
Clean Solar Power (Baniyana) Private Limited	Subsidiary Company	Expenses incurred on their behalf	-	0.06
Clean Solar Power (Konch) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	-
		Investment in Equity Shares	-	0.10
		Loan Given	3.60	-
Clean Wind Power (Devgarh) Private Limited	Enterprise under common control	Interest Income	0.26	-
		Interest Expense	237.21	165.46
		Loan Taken	639.00	2,462.36
Clean Wind Power (Masvi) Private Limited	Enterprise under common control	Loan Repaid	652.50	260.00
		Loan Taken	320.00	-
		Interest Expense	33.23	-
Hero Rooftop Energy Private Limited	Enterprises over which key management personnel and their relatives able to control	Management fees*	29.53	61.48
		Sales of rooftop & Installation & Commissioning*	14.23	8.52
		Expense incurred on their behalf	2.07	0.00



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2020
(Amount in Rupees million, unless otherwise stated)

Name of Related Party	Relationship	Nature of transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
Waareep Solar Private Limited	Subsidiary Company	Investment in Equity Shares	-	2,332.24
		Loan Repaid	300.50	-
		Loan Given	246.20	461.70
		Expense incurred on their behalf	126.55	186.44
		Management & Operation & Maintenance Fees*	56.69	-
		Interest Income	36.73	1.41
		Interest Income on account of business combination	9.80	-
Clean Solar Power (Bhainsada) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	-
		Loan Repaid	33.42	-
		Loan Given	314.00	-
		Interest Income	8.08	-
Clean Wind Power (Ratlam) Private Limited	Enterprise under common control	Loan Taken	680.00	-
		Interest Expense	70.62	-
Hero Motecorp Limited	Enterprises over which key management personnel and their relatives able to control	Sales of rooftop & Installation & Commissioning*	-	41.79
		Operation & Maintenance Fees*	1.01	1.41
Hero FinCorp Limited	Enterprises over which key management personnel and their relatives able to control	Loan Taken	-	500.00
		Loan Repaid	500.00	1,000.00
		Interest on Loan	3.70	86.65
Neha Sethi	Key Management Personnel	Remuneration Paid	0.87	0.55

*All numbers are exclusive of GST

c) Closing Balance of related parties

Name of Related Party	Relationship	Nature of transaction	As at March 31, 2020	As at March 31, 2019
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited)	Holding Company	Investment in Equity Shares	498.10	498.10
		Investment in Compulsorily Convertible Debentures	835.00	835.00
		Investment in equity share capital	5,047.51	498.10
		Loan Receivable*	2,303.70	10,199.10
		Other Payable	58.44	0.54
B.M. Munjal Energies Private Limited	Ultimate Holding Company	Interest Payable	865.72	1,168.24
Clean Solar Power (Chitradurga) Private Limited	Subsidiary Company	Investment in Equity Shares	125.00	125.00
		Investment in Compulsorily Convertible Debentures	355.00	355.00
		Loan Receivable	992.30	657.93
		Other Payable	65.33	3.49
		Other Receivable	107.10	82.70
		Interest Receivable	237.65	129.55
Clean Solar Power (Dhar) Private Limited	Subsidiary Company	Investment in Equity Shares	450.10	450.10
		Loan Receivable	8.40	20.60
		Current Account	1.57	1.40
		Other Payable	-	12.00
Rajkot (Gujarat) Solar Energy Private Limited	Subsidiary Company	Interest Receivable	0.78	17.19
		Investment in Equity Shares	137.50	137.50
		Investment in Optionally convertible cumulative debentures	345.00	345.00
		Loan Receivable**	32.60	67.60
		Other Payable	16.02	16.30
		Other Receivable	42.08	36.24
		Interest Receivable	129.23	96.46



Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2020
(Amount in Rupees million, unless otherwise stated)

Name of Related Party	Relationship	Nature of transaction	As at March 31, 2020	As at March 31, 2019
Clean Solar Power (Gubarga) Private Limited	Subsidiary Company	Investment in Equity Shares	660.00	660.00
		Investment in Compulsorily Convertible Debentures	1,070.00	1,070.00
		Loan Receivable	1,369.25	1,663.60
		Other Payable	79.49	85.60
		Other Receivable	407.24	499.91
		Interest Receivable	576.54	343.73
Clean Solar Power(Tumkur) Private Limited	Subsidiary Company	Loan Receivable***	2,042.88	2,189.83
		Other Payable	0.46	0.99
		Other Receivable	446.19	405.35
		Interest Receivable	418.23	289.76
		Investment in Equity Shares	580.00	580.00
Clean Solar Power(Belary) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	0.10
		Other Payable	3.27	4.83
		Other Receivable	16.81	27.78
		Interest Receivable	77.46	54.11
		Loan Receivable	275.80	270.80
Clean Solar Power (Bhadla) Private Limited	Subsidiary Company	Investment in Equity Shares	3,050.00	950.00
		Investment in Compulsorily Convertible Debentures	450.00	450.00
		Loan Receivable	998.74	259.64
		Other Payable	5.83	5.08
		Other Receivable (Advance received)	-	3.75
		Other Receivable	491.83	-
Clean Solar Power (Jaipur) Private Limited	Subsidiary Company	Interest Receivable	339.87	273.64
		Investment in Equity Shares	0.10	0.10
		Loan Receivable	1,265.00	2,049.95
		Other Payable	0.02	1.10
		Interest Receivable	130.09	178.09
Clean Solar Power (Jodhpur) Private Limited	Subsidiary Company	Investment in Equity Shares	1,350.10	0.10
		Loan Receivable	34.44	472.62
		Other Receivable (Advance received)	3.13	3.13
		Other Payable	0.40	-
		Interest Receivable	46.22	11.86
Clean Solar Power (Sirsa) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	0.10
		Loan Receivable	89.80	85.50
		Other Payable	-	4.00
		Interest Receivable	9.13	1.54
Clean Solar Power (Kadapa) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	0.10
		Other Payable	0.06	0.06
Clean Solar Power (Konch) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	0.10
		Loan Receivable	3.60	-
		Interest Receivable	0.24	-
Clean Wind Power (Devgarh) Private Limited	Enterprise under common control	Loan Receivable	2,178.86	2,202.36
		Interest Receivable	362.40	148.92
Waaneep Solar Private Limited	Subsidiary Company	Investment in Equity Shares	2,413.77	2,413.77
		Loan Receivable	407.40	461.70
		Other Payable	50.09	-
		Receivable on account of Management fee	35.50	186.44
		Interest Receivable	34.33	1.27
Clean Wind Power (Marvt) Private Limited	Enterprise under common control	Loan Receivable	320.00	-
		Interest Receivable	29.91	-
		Other Receivable	34.06	8.00
Hero Rooftop Energy Private Limited	Enterprise under common control	Other Receivable	23.46	8.52
		Other Payable	2.07	0.00
Vayu Urja Bharat Private Limited	Enterprise under common control	Current Account	0.02	0.02
Clean Solar Power (Bhainsoda) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	-
		Interest Receivable	7.28	-
		Loan Receivable	280.58	-
Clean Wind Power (Rafaan) Private Limited	Enterprise under common control	Loan Receivable	680.00	-
		Interest Payable	63.56	-



Name of Related Party	Relationship	Nature of transaction	As at March 31, 2020	As at March 31, 2019
Clean Solar Power (Baniyana) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	-
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	10.33	9.92
Hero FinCorp Limited	Enterprises over which key management personnel and their relatives able to control	Loan Receivable	-	500.00
		Interest Payable	-	0.12
Hero Motocorp Limited	Enterprises over which key management personnel and their relatives able to control	Other Receivables	0.94	33.58

* Of which, Rs. 4,623.00 million classified as 'Deemed capital contribution'

** Of which, Rs. 60.00 million recognised as 'Deemed investment in subsidiary'

*** Of which, Rs. 200.00 million recognised as 'Deemed investment in subsidiary'

d) Other Transactions:

i) As on March 31, 2020, Hero solar energy private limited, the holding company has pledged investments in equity share capital and debentures of its subsidiaries in connection with the non-convertible debentures issued by the company in following manner:

Name of the Subsidiary	Nature of Investment in shares	Number of Shares pledged- 31 March 2020	Total No. of Securities	% of securities
Rajkot (Gujarat) Solar Energy Private Limited	Equity Shares	5,770,620	13,750,000	41.97%
Rajkot (Gujarat) Solar Energy Private Limited	Optionally convertible Cumulative Debenture	16,905,000	34,500,000	49.00%
Clean Solar Power (Chitradurga) Private Limited	Equity Shares	6,124,994	12,500,000	49.00%
Clean Solar Power (Chitradurga) Private Limited	Compulsorily Convertible Debenture	17,395,000	35,500,000	49.00%
Clean Solar Power (Dhar) Private Limited	Equity Shares	22,054,894	45,010,000	49.00%
Clean Solar Power (Gulbarga) Private Limited	Equity Shares	31,937,442	66,000,000	48.39%
Clean Solar Power (Bhadra) Private Limited	Equity Shares	46,549,999	305,000,000	15.26%
Clean Solar Power (Bhadra) Private Limited	Compulsorily Convertible Debenture	2,205,000	4,500,000	49.00%

(i) The Company had pledged 51% of its investment in Equity shares with the lenders of its subsidiary company (Clean Solar Power (Dhar) Private Limited) as security against borrowings taken by such subsidiary

(ii) The Company has pledged 51% of its investment in equity shares with the lenders of its subsidiary company Rajkot (Gujarat) Solar Energy Private Limited as security against borrowings taken by such subsidiary

(iv) The Company has pledged 51% of its investment in equity shares with the lenders of its subsidiary company Clean Solar Power (Chitradurga) Private Limited as security against borrowings taken by such subsidiary

(v) The Company has pledged 51% of its investment in equity shares with the lenders of its subsidiary company (Clean Solar Power (Tumkur) Private Limited) as security against borrowings taken by such subsidiary

(vi) The Company has pledged 30% of its investment in equity shares with the lenders of its subsidiary company (Clean Solar Power (Tumkur) Private Limited) as security against borrowings taken by company from IndusInd Bank

(vii) The Company has pledged 51% of its investment (Equity shares and Compulsorily Convertible Debentures) with the lenders of its subsidiary company (Clean Solar Power (Gulbarga) Private Limited) as security against borrowings taken by such subsidiary

(viii) The Company has pledged 29.21% of its investment in equity shares with the lenders of its subsidiary company (Clean Solar Power (Bhadra) Private Limited) as security against borrowings taken by such subsidiary

(ix) The Company has pledged 51% of its investment in equity shares with the lenders of its subsidiary company Waaneep Solar Private Limited as security against borrowings taken by such subsidiary

(x) The Company has pledged 25% of its investment in equity shares with the lenders of its subsidiary company Waaneep Solar Private Limited as security against borrowings taken by company itself from IndusInd Bank



- (xi) The Company has pledged 24% of its investment in equity shares with the lenders of its subsidiary company Waareep Solar Private Limited as security for payment of waaree energies limited
- (xii) The Company has pledged 30% of its investment in equity shares with the lenders of its subsidiary company (Clean Solar Power (Bellary) Private Limited) as security against borrowings taken by such subsidiary
- (xiii) During the year, Clean Solar Power (Jodhpur) Private Limited, the subsidiary company, has provided corporate guarantee of Rs. 500.00 million on behalf of company
- (xiv) The company has provided corporate guarantee of Rs. 1,800.00 million (March 31, 2019: Rs. 1,800.00 million) on behalf Clean Solar Power (Bhadra) Private Limited, the subsidiary company
- (xv) Hero Future Energies Private Limited, the holding company, has issued Post Dated Cheques (PDC) amounting to Rs. 240.08 million (March 31, 2019 : Rs. 239.17 million) on behalf of the Company
- (xvi) Pursuant to scheme of amalgamation, Stock option holders under erstwhile Hero Future Energies Private Limited (now amalgamated) are entitled to stock options in Hero Future Energies Private Limited (earlier known as Clean Solar Power (Hiriyur) Private Limited) ('HFE'). The Company was in process of formulating its ESOP Policy which got drafted subsequent to the year end. The revised ESOP Policy was approved by the Nomination and Remuneration Committee and is yet to be approved by the Board of Directors of HFE. The no. of ESOPs granted to each employee are unchanged, however the Swap ratio (No. and nature of securities to be issued under revised scheme as against no. and nature of securities to be issued as per erstwhile scheme) has been determined basis valuation done by an independent valuer. For every 1,000 options, the employees are granted 0.535 Equity share of Hero Future Energies Global Limited and 165 Compulsorily Convertible Cumulative Preference Shares ('CCPS') of HFE. As per the Scheme of amalgamation, the expense under revised scheme can not be lesser than the erstwhile scheme. Accordingly, ESOP expense, with a corresponding credit to deemed capital contribution, for the year ended March 31, 2020 has been recognised on the basis of the revised draft ESOP scheme. Upon approval of scheme by Board of Directors, the management do not expect any material change in these financial statements.

Name of the Company	No. of Employees	No. of Options	Expense charged to profit or loss (2019-March 20)	Expense charged to profit or loss (2018-19)
Hero Future Energies Private Limited (HFE)	3	399,543	4.29	1.66

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.

32 Segment Information

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 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.

32A Going Concern

The Company has incurred a loss of Rs. 703.99 million during the year ended March 31, 2020 (March 31, 2019: Rs. 58.43 million) , owing to accumulated losses of Rs. 356.13 million as at period end and the Company's current liabilities of Rs. 9,680.51 million (including impact of loan covenant breaches) exceeded its current assets of Rs. 7,503.94 million as at the balance sheet date. However, based on approved business plan and cash flow projections (after considering impact of COVID pandemic) approved by the Board of Directors, raising additional borrowings/ equity, replacement of loans maturing in next one year with long term tenure, possibility of obtaining waiver/ deferral letter for covenant breaches as at next financial year, history of no recall of loans in past periods for covenant breaches and the support provided by the holding company, the management believes that company have sustainable cash flows addressing any uncertainties around the going concern assumption. Accordingly, the financial statements continues to be prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.



33 Fair values

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

a) Fair value of financial assets:

	Carrying values		Fair values	
	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets measured at fair value through profit & loss				
Investment in debentures of subsidiaries (refer note 6)	1,904.71	1,962.73	1,904.71	1,962.73
Financial assets measured at amortised cost				
Investment in debentures of subsidiaries (refer note 6)	639.21	636.91	639.21	636.91
Security Deposits (refer note 10)	2.52	2.24	2.52	2.24
Trade receivables (refer note 7)	1,857.44	1,347.73	1,857.44	1,347.73
Cash and cash equivalents (refer note 8)	30.11	33.58	30.11	33.58
Other Bank Balances (Refer to note 9)	1,820.13	26.75	1,820.13	26.75
Other financial assets (Refer to note 10)	9,320.94	9,914.39	9,320.94	9,914.39
	15,575.06	13,924.33	15,575.06	13,924.33

b) Fair value of financial liabilities:

	Carrying values		Fair values	
	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial liabilities measured at amortised cost				
Term loan from banks (refer note 15)	3,548.24	1,929.83	3,548.24	1,929.83
Non-Convertible Debentures (refer note 15)	4,387.67	2,169.40	4,387.67	2,169.40
Compulsory Convertible Debentures (refer note 15)	614.63	609.90	614.63	609.90
Loan from related parties (refer note 15)	5,029.12	12,901.46	5,029.12	12,901.46
Other financial liabilities (refer note 17)	2,251.11	1,850.42	2,251.11	1,850.42
Trade payables (refer note 16)	214.96	223.26	214.96	223.26
	16,045.73	19,684.27	16,045.73	19,684.26

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

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 company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

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

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

- Fair values of the 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, 2020 was assessed to be insignificant.
- Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.
- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



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 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	As at
		March 31, 2020	March 31, 2019
Financial assets measured at fair value through profit & loss			
Investment in debentures of subsidiaries (Refer note 6)	Level 2	1,904.71	1,962.73
Financial assets measured at amortised cost			
Investment in debentures of subsidiaries (Refer note 6)	Level 2	639.21	636.91
Security Deposits (Refer note 10)	Level 2	2.52	2.24
Deposits with original maturity of more than 12 months (Refer note 10)	Level 2	0.64	1,347.73
Loan to related parties (Refer note 10)	Level 2	5,980.31	33.58
		8,527.39	3,983.19

Quantitative disclosures fair value measurement hierarchy for liabilities

	Level Classification	As at	As at
		March 31, 2020	March 31, 2019
Financial liabilities measured at amortised cost			
Term loan from banks (refer note 15)	Level 2	1,582.39	1,929.83
Non-Convertible Debentures (refer note 15)	Level 2	-	2,169.40
Compulsory Convertible Debentures (refer note 15)	Level 2	614.63	609.90
Loan from Related Parties (refer note 15)	Level 2	4,225.42	2,202.36
Security Deposit (refer note 17)	Level 2	2.55	2.55
Interest accrued but not due on others (refer note 17)	Level 2	0.31	0.21
Total		6,425.30	6,914.25

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

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

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 Capital Management

For the purpose of Company's capital management, capital includes issued equity capital and equity reserves attributable to the equity holders 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.

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Borrowings (Refer to note 15)	13,952.37	17,610.58
Less: Cash and cash equivalents (Refer to note 8)	(30.11)	(33.58)
Net debt	13,922.26	17,577.00
Equity share capital (Refer to note 13)	5,047.51	498.10
Other equity (Refer to note 14)	4,873.00	561.68
Total Capital	9,920.51	1,059.78
Capital and net debt	23,842.77	18,636.78
Gearing ratio	58.39%	94.31%

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2020 and March 31, 2019.

In order to achieve this overall objective, the Company'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.

36 Financial risk management objectives and policies

The Company principal financial liabilities comprise trade and other payables, borrowings, current maturity of 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, deposit with original maturity of 12 months, trade receivables, cash and cash equivalent and interest accrued thereon.

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 policies 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. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. Derivatives are used exclusively for hedging purposes and not for trading and speculative purposes.

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, 2020 and March 31, 2019.

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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk. The Company 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 Company may enter into currency rate swap arrangements and/ or interest rate swap arrangements, which allows the company to exchange periodic payments based on a notional amount and agreed upon fixed and floating 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, 2020		
Borrowings	+50	(14.63)
Borrowings	-50	14.63
March 31, 2019		
Borrowings	+50	(5.05)
Borrowings	-50	5.05

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 Company is not exposed to foreign currency risk in current year.

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.

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 ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Total
As at March 31, 2020	10.87	224.10	19.40	471.79	1,131.28	1,857.44
As at March 31, 2019	-	130.80	112.75	75.00	1,028.18	1,347.73

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 table below summarises the maturity profile of the company financial liabilities based on contractual undiscounted payments.

As at March 31, 2020	On demand	Less than 3	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	2,963.70	-	2,206.00	4,850.00	4,693.00	14,712.70
Trade payables	-	-	214.96	-	-	214.96
Other financial liabilities	1,321.82	197.68	356.04	-	2.86	1,878.40
Total	4,285.52	197.68	2,777.00	4,850.00	4,695.86	16,806.06
As at March 31, 2019	On demand	Less than 3	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	12,901.46	500.00	-	4,585.00	-	17,986.46
Trade payables	-	-	223.26	-	-	223.26
Other financial liabilities	1,317.15	-	451.74	-	2.55	1,771.44
Total	14,218.61	500.00	675.00	4,585.00	2.55	19,981.16

*The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities that will be paid on those liabilities upto the maturity of the instruments.



37 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 recognized Rs. 4.02 million (March 31, 2019: Rs. 3.87 million) during the year as expense towards contribution to the plan.

	For the year ended	
	March 31, 2020	March 31, 2019
Provident fund	4.02	3.87
Total	4.02	3.87

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" recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build 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 summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences).

	As at March 31, 2020	As at March 31, 2019
	Gratuity (Funded)	Gratuity (Funded)
Change in benefit obligation		
1 Present value of obligation as at the beginning of the year	5.54	1.77
2 Add: Current service cost	2.50	1.21
3 Add: Past service cost	-	-
4 Add: Interest cost	0.44	0.13
5 Add: Actuarial (gain) / loss	0.55	2.89
6 Add: Transfer in	(0.42)	-
7 Less: Benefits paid	(0.03)	(0.46)
Present value of obligation as at the end of the year	8.58	5.54

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, 2020	March 31, 2019
	Gratuity (Funded)	Gratuity (Funded)
Cost for the year included under employee benefit		
Add: Current service cost	2.50	1.21
Add: Past service cost	-	-
Add: Interest cost	0.44	0.13
Less: Investment income	0.77	0.68
Add: Actuarial (gain) / loss	0.55	2.89
Less: Return on plan assets	(0.36)	0.22
Net cost	3.90	5.13



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

Fair value of plan assets at the beginning
 Add: Investment income
 Add: Expected return on plan assets
 Add: Employer's Contribution
 Fair value of plan assets at the end

For the year ended	
March 31, 2020	March 31, 2019
Gratuity (Funded)	Gratuity (Funded)
9.92	9.02
0.77	0.68
(0.36)	0.22
-	-
10.33	9.92

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

1 Actuarial gain / (loss) for the year - obligation
 2 Actuarial gain / (loss) for the year - plan assets
 3 Total gain / (loss) for the year
 4 Actuarial gain / (loss) recognised in the year
 5 Unrecognised actuarial gains / (losses) at the end of year

For the year ended	
March 31, 2020	March 31, 2019
Gratuity (Funded)	Gratuity (Funded)
(0.55)	(2.89)
(0.36)	0.22
(0.91)	(2.67)
(0.91)	(2.67)
-	-

c) Principal actuarial assumptions at the balance sheet date are as follows:

Economic assumptions

- Discount rate
- Rate of increase in compensation levels

Demographic assumptions

- Expected average remaining working lives of employees (years)
- Retirement Age (years)
- Mortality Rate

Withdrawal Rate

- Ages up to 30 Years
- Ages from 31-44
- Above 44 years

For the year ended	
March 31, 2020	March 31, 2019
Gratuity (Funded)	Gratuity (Funded)
6.85%	7.75%
12.00%	12.00%
25.55	25.79
60.00	60.00
100%	100%
Indian Assured Lives Mortality (2006-08) (modified) ultimate	Indian Assured Lives Mortality (2006-08) (modified) ultimate
5.34%	5.34%
4.58%	4.58%
0.00%	0.00%

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.

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

Present value of obligation
 Less: Fair value of plan assets
 Net (assets) / liability

For the year ended	
March 31, 2020	March 31, 2019
Gratuity (Funded)	Gratuity (Funded)
8.58	5.54
(10.33)	(9.92)
(1.75)	(4.37)



Hiero Solar Energy Private Limited
 Notes to financial statements for the year ended March 31, 2020
 (Amount in Rupees million, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
	Gratuity (Funded)	Gratuity (Funded)
A. Discount rate		
Effect on DBO due to 1% increase in Discount Rate	0.16	0.16
Effect on DBO due to 1% decrease in Discount Rate	(0.20)	(0.20)
B. Salary escalation rate		
Effect on DBO due to 1% increase in Salary Escalation Rate	(0.19)	(0.19)
Effect on DBO due to 1% decrease in Salary Escalation Rate	0.15	0.15
C. Withdrawal Rate		
Effect on DBO due to 50% increase in Withdrawal Rate	0.07	0.07
Effect on DBO due to 50% decrease in Withdrawal Rate	(0.09)	(0.08)
D. Mortality Rate		
Effect on DBO due to 50% increase in Mortality Rate	0.00	0.00
Effect on DBO due to 50% decrease in Mortality Rate	(0.00)	(0.00)
D) Maturity profile of defined benefit obligation is as follows:		
	As at March 31, 2020	As at March 31, 2019
	Gratuity (Funded)	Gratuity (Funded)
1 year	0.13	0.08
2 to 5 years	0.61	0.49
6 to 10 years	1.11	1.19
More than 10 years	32.02	29.11



(This space has been left blank intentionally)

38. (a) The Company has exposure of Rs. 2,622.87 million (March 31, 2019: Rs. 2,769.83 million) in Clean Solar Power (Tumkur) Private Limited in form of investment in equity share capital and loans and advances of Rs. 580.00 million and Rs. 2,042.87 million respectively (March 31, 2019: Rs. 580.00 million and Rs. 2,189.83 million respectively). The said subsidiary has entered into 9 Power Purchase Agreements ('PPA') with various Discom's between May 26, 2016 to May 28, 2016 for selling entire solar energy from proposed 180 MW solar power plant (20MW x 9) for a period of 25 years. Per the terms of PPA, the scheduled commissioning date was May 27, 2017, with a maximum extendable delay year upto September 26, 2017 with penalties of Rs. 1,098.00 million (i.e. Rs. .05 million per MW per day), post which the PPA will stand terminated. The Subsidiary has commissioned the project on various dates from September 26, 2017 till March 30, 2018.

Further as per the terms of PPA, in case of delay in commissioning of project, if there is a change in KERC applicable Tariff the revised tariff will be applicable to the project and on April 12, 2017 KERC order no. 5/03/1 has notified the revised applicable tariff of Rs. 4.36 per/kwh and has clarified that this tariff is applicable on PPA's which are not commissioned within Scheduled date of commissioning. Accordingly, applicable tariff on project may come down from Rs. 4.69-4.86 per/kwh to Rs. 4.36 per/kwh.

However, based on legal opinion, the management believes that the delay in commissioning due to factors like connectivity issues and conversion of land for Non-Agricultural use (Non Agricultural Conversion), are Force Majeure events (being beyond the control of the said subsidiary) and believes that the said subsidiary company will get extension of scheduled date of commissioning and thus, reduction of tariff or levy of material penalties are highly unlikely. However, owing to prudence, the said subsidiary has recognised the liquidated damages of Rs. 30.00 million (March 31, 2019: 283.90 million) and has recognised provision for doubtful debts of Rs. 91.93 million, in the Financial Statements as on March 31, 2020.

Further, as per the clause 5.6 "Rights to Contracted Capacity & Energy" of PPA, the said subsidiary is required to generate a minimum energy ranging from 28.03 million to 29.00 million units from its each projects during a contracted year, non-compliance of which, will make the said subsidiary liable to pay the compensation computed at a rate equal to the compensation payable by the respective Discoms, subject to a minimum of 25% of the applicable tariff. The said subsidiary had a shortfall of 67.27 million units as at March 31, 2020 (March 31, 2019: Rs. 45.24 million), the liability for which as per the provisions of PPA is Rs. 73.33 million as at year ended March 31, 2020 (March 31, 2019: Rs. 49.32 million).

(b) The Company has exposure of Rs. 2,229.25 million (March 31, 2019: Rs. 2,323.60 million) in Clean Solar Power (Galberga) Private Limited in form of investment in equity share capital and loans and advances of Rs. 660.00 million and Rs. 1,569.25 million respectively (March 31, 2019: Rs. 660.00 million and Rs. 1,663.60 million respectively). The said subsidiary has entered into Power Purchase Agreements ('PPA') with Solar Energy Corporation of India Limited ('SECI') on August 2, 2016 for selling entire solar energy from proposed 200 MW solar power plant for a period of 25 years. Per the terms of PPA, the scheduled commissioning date was September 17, 2017, with a maximum extendable delay period upto 25 months from the date of PPA i.e. August 22, 2018 with certain penalties, post which the PPA will stand terminated. As per the terms of PPA, if delay is beyond 3 months from the Schedule commissioning date, the pre-fix tariff of Rs. 4.43/kwh shall be reduced at the rate of half paise (0.05 paise) per Kwh per day of delay.

During the last year, SECI vide letter dated September 28, 2018 has declared Provisional Commercial Operation Date (CoD) for all five plants with effect from 30 days (per the terms of PPA) from the dates mentioned in Provisional Commissioning Certificate issued by Karnataka Renewable Energy Development Limited i.e. March 9, 2018 to August 3, 2018, reserving the right to revise tariff upon issuance of Final CoD, which will be received upon conversion of Agriculture land into Non-Agriculture (NA Conversion).

Due to delay in commissioning, Buying Utility has reduced the tariff by Rs. 0.14 per/ kwh and accordingly, there has been a deduction in receivables of Rs. 9.11 million in the last year which have been released by buying utility in the current year. SECI has filed an appeal against Karnataka Electricity Regulatory Commission (KERC) with Appellate Tribunal for Electricity (APTEL). APTEL vide order dated November 2, 2018 has admitted the appeal and has granted stay on reduction of tariff (which has been extended till September 26, 2019), further vide order dated July 25, 2019 APTEL has directed the Discom to pay the full tariff and accordingly, SECI has released the payment against recent invoices at the tariff mentioned in PPA i.e. Rs. 4.43 per kwh.

However, the management, based on legal opinion, believes that the delay in commissioning was due to factors beyond the control of the subsidiary company and thus, no reduction in final applicable tariff or material penalties/liquidated damages are expected, which are required to be accrued in the financial statements or considered for impairment assessment in this regard and accordingly management has recognised the revenue at initial PPA rate of Rs. 4.43 per /kwh in the financial statements as on March 31, 2020.

(c) The Company has exposure of Rs. 1,265.10 million (March 31, 2019: Rs. 2,050.05 million) in Clean Solar Power (Jaipur) Private Limited in form of investment in equity share capital and loans and advances of Rs. 0.10 million and Rs. 1,265.00 million respectively (March 31, 2019: Rs. 0.10 million and Rs. 2,049.95 million). The said subsidiary is having Solar Panel amounting of Rs. 1,746.28 million (classified as asset held for sale) as at March 31, 2019 which comprises solar module purchase cost and balance of quantity (BOQ). The subsidiary was in the process of setting up 100 MW solar power project in Jaipur location, in 2 phases, with phase -1 having planned capacity of 40 MW. Vide letter dated October 18, 2017, Rajasthan Renewable Energy Corporation Limited ('RRECL') has registered application for 100 MW Solar Photovoltaic Power project for captive use in Rajasthan in the name of erstwhile Hero Future Energies Private Limited. Subsequently, this project was transferred in the name of the subsidiary vide letter dated November 11, 2017 from RRECL. Accordingly, the subsidiary has purchased 386 acres of land and material for project. Further vide letter dated December 28, 2017, Rajasthan Rajya Vidyut Prasaran Nigam Limited ('RRVPL') has asked equity structure of the subsidiary to ensure that the project qualify as captive generating power plants as per definition given in Electricity Act 2003.



RRVPL has not granted the approval to the Company due to plan of Government of Rajasthan to rollout new Renewable Energy (RE) policy. Subsequent to the period end, considering the ongoing delays in starting the work at site, the said subsidiary has sold solar panel amounting to Rs. 1,400.79 million to three entities of the Group namely Clean Solar Power (Bhadra) Private Limited, Rajkot (Gujarat) Solar Energy Private Limited and Solar Power (Gubarga) Private Limited for a consideration of Rs. 1,342.30 million and has recognised loss of Rs. 58.49 million on sale of solar panel in Statement of Profit and Loss.

In Jan 2018, the subsidiary entered into non-binding LOIs with certain prospective customers and the subsidiary has received a letter from RRVPL dated April 04, 2018 stating that their application is under consideration. As of now, the subsidiary is awaiting connectivity approval for said project and Group is of the view that will get connectivity approval and shall proceed with construction of power plant and PPA is expected to be signed in near future.

Vide agreement dated May 27, 2019, the said subsidiary has sold the solar modules of 58.13 MW to its fellow subsidiary Clean Solar Power (Bhadra) Private Limited.

The management has carried out impairment assessment of investment in subsidiaries as per Ind AS 36 "Impairment of Assets" during the year and has provided for Rs. 488.79 million (Rs. 0.10 million against investment in equity, Rs. 358.59 million against loan and advances and Rs. 130.09 million against interest receivable on loan and advances) as provision of impairment to the Statement of Profit & Loss.

(d) The Company has exposure of Rs. 2,821.17 million (March 31, 2019: Rs. 2,793.94 million) in Waaree Solar Private Limited in form of investment in equity share capital and loans and advances of Rs. 2,413.77 million and Rs. 407.40 million respectively (March 31, 2019: Rs. 2,413.77 million and Rs. 461.70 million respectively). The said subsidiary has entered into Power Purchase agreement (PPA) with Southern Power Distribution Company of Andhra Pradesh Limited (APDISCOM) for 50MW (2 PPA of 25 MW each at Gurrankonda and Nagari), for sale of power at an approved tariff of Rs. 5.76 per unit for Gurrankonda and Rs. 3.74 (refer APERC order dated June 14, 2018 for revised tariff) for Nagari with an escalation of 3% p.a. from 2nd year onwards till 10th year and then same is fixed for the remaining term of PPA dated December 6, 2014.

Vide letter dated July 12, 2019 from APDISCOM in relation to Government Order Rt. No.63 Energy (Power H) Department dated July 01, 2019 ('Government Order'), the said subsidiary has been asked to revise the reply on its offer tariffs of long term PPA. Further, the said letter stated that APDISCOM have been suffering huge financial crisis and consequently APDISCOM could not even pay monthly power supply bills to the said subsidiary and if the tariff is not reduced to Rs.2.43 / Rs. 2.44 per unit, the APDISCOM, in view of their financial position, has no other alternative than to terminate the PPAs. Therefore, APDISCOM has requested the company to reduce the tariff to Rs. 2.43/2.44 per kwh from the date of commissioning of the respective projects.

Against the said matters, the said subsidiary has filed writ petition to the High Court of Andhra Pradesh dated on July 23, 2019 and prayed to order or direction to set aside and/or quash the Government order and impugned letter dated July 12, 2019 issued by APDISCOM. Vide common order dated July 25, 2019, High Court of Andhra Pradesh found that the issuance of impugned Government Order is contrary to the provisions of Section 86 of the Electricity Act, 2003 and Power Purchase Agreements (PPAs) and the consequential APDISCOM Letter dated July 12, 2019 are also contrary to Regulation No.1 of 2015. Accordingly, High Court has granted interim stay of operation on the said order.

Based on internal assessment, the management believes that reduction of tariff is highly unlikely. Thus, no provision is required in relation to said matters in the financial statements.

As per the PPA dated December 6, 2014 for Gurrankonda project read together with amendment dated June 4, 2015, the scheduled commissioning date of project was March 31, 2016, however the project got commissioned on September 29, 2016 due to various factors which were beyond the control of the company. Consequence of delay in commissioning of the project, bank guarantee amount of Rs 62.50 million has been encashed by the APOISCOM which the company accounted as an expenses in the financial statements for the year ended March 31, 2017 and further vide letter dated December 18, 2016, Liquidated Damages amount of Rs. 187.47 million has been levied on the company, which are to be collected from the payments due on account of sale of power to APDISCOM.

Further vide letter dated September 18, 2019, additional liquidated damages amount of Rs. 36.20 million has been levied on the company, which are to be collected from the payments due on account of sale of power to APDISCOM. The said amount is recoverable from the company which in turn will recover it from Waaree Energies Private Limited (Seller).

(e) The Company has exposure of Rs. 1,117.30 million (March 31, 2019 Rs. 782.93 million) in Clean Solar Power (Chitradurga) Private limited in form of investment in equity share capital and loans and advances of Rs. 125.00 million and Rs. 992.30 million respectively (March 31, 2019: Rs 125.00 million and Rs 657.93 million respectively). The said subsidiary is carrying plant, property & equipment of Rs. 2,749.63 (March 31, 2019 Rs. 2,701.67 million) million and capital work in progress of Rs. 122.91 millions (March 31, 2019 Rs. 182.58 million) as at March 31, 2019, has entered into Power Purchase Agreement (PPA) with Southern Power Distribution Company of Telangana Limited (SPDCTL) on February 22, 2016 for selling entire solar energy from proposed 40MW solar power plant for a year of 25 years. Per the terms of PPA, the scheduled commissioning date was May 22, 2017, with a maximum extendable delay year upto November 22, 2017 with certain penalties, post which the PPA will stand terminated.



Subsequent to the year end, the subsidiary has filed petition on July 19, 2018 in TSERC for considering the delay in commissioning the project under force majeure wherein condonation of delay of 12 months and 23 days was requested. TSERC vide order dated October 15, 2018 directed for the synchronization of the 40 MW and subsequently the project got synchronized on November 30, 2018 and accordingly said subsidiary capitalised the plant w.e.f November 30, 2018. Subsequently TSSPDCL vide letter dated June 27, 2019 granted COD certificate. Further, TSERC passed the final order dated January 02, 2019 allowing the PPA at same tariff, condoned the delay from June 5, 2018 to November 28, 2018 under force majeure and levied the Liquidated Damages for 155 days from January 1, 2018 to June 5, 2018 at tariff of Rs. 5.59 per kwh. Accordingly, SPDCTL vide letter dated April 24, 2019 issued demand letter amounting to Rs. 81.60 million (excluding GST), out of which Rs. 80.00 million has been paid by the Company to SPDCTL on May 7, 2019 and remaining amount of Rs. 16.29 million (including Rs. 14.69 million of GST) will be adjusted against the regular energy invoices. The said subsidiary has filed an appeal before the APTEL challenging the liquidated damages of Rs. 81.60 million levied by TSERC. The matter is listed for hearing on February 17, 2020.

Further based on expert legal opinion and internal assessment of the Company, the Company believes that the delay in commissioning was due to factors beyond the control of the subsidiary company and the said subsidiary has good case on merits to seek extension of time under the PPA without any penalty / liquidated damages/ reduction in tariff. However, the liquidated damages of Rs. 96.29 million has been accordingly provided in the financial statements on account of prudence.

(f) The Company has exposure of Rs. 3,389.10 million (March 31, 2019: Rs. 1,209.64 million) in Clean Solar Power (Bhadla) Private Limited in form of investment in equity share capital and loans and advances of Rs. 3,050.00 million and Rs. 339.10 million respectively (March 31, 2019: Rs 950.00 million and Rs 259.64 million respectively). The said subsidiary carrying Property, Plant and equipment of Rs. 15,437.25 million (March 31, 2019: Rs. 10.22 million) and Capital Work in Progress ("CWIP") is Nil (March 31, 2019: Rs. 2,062.58 million) as at March 31, 2020, has won 3 solar power projects of 100 MW each on December 21, 2017 and accordingly, have entered into Power Purchase Agreements dated April 27, 2018 with Solar Energy Corporation of India Limited (SECI) and as per the terms of tender, the said subsidiary has entered into Implementation Support Agreement on June 21, 2018 with Saurya Urja Company of Rajasthan Limited (SUCRL), which is developer of the Solar Park. Due to various land related issues and delays in allotment of land by SUCRL, the subsidiary has got interim extension from SECI on January 14, 2019 wherein Scheduled date of commissioning has been extended upto August 15, 2019. Due to consistent delay in handover of land and quality of work done by SUCRL, the subsidiary has got further extension from SECI on September 25, 2019 wherein Scheduled date of commissioning has been further extended upto October 27, 2019, February 18, 2020 and February 29, 2020.

Company has successfully commissioned all 3 projects of 100 MW AC during the year.

(g) The Company has exposure of Rs. 1,384.54 million (March 31, 2019: Rs. 472.72 million) in Clean Solar Power (Jodhpur) Private Limited in form of investment in equity share capital and loans and advances of Rs. 1,350.10 million and Rs. 34.44 million respectively (March 31, 2019: Rs. 0.10 million and 472.62 million respectively). The said subsidiary has filed petition before Central Electricity Regulatory Commission ("CERC") for seeking permission for extension of the period of infusion of 10% funds to Power Grid Corporation of India Limited ("PGCIL") as Equity towards execution of 250 MW solar power project located at Jodhpur, Rajasthan for further period of five months i.e. from August 25, 2019 to January 25, 2020. Subsequently, CERC heard the matter on August 29, 2019 and passed interim order in IA No 74/2019 directing PGCIL not to take any coercive measure against the Petitioners with regard to the Stage-II connectivity till the next date of hearing. The next date of hearing is yet to be fixed.

Ministry of Home affairs vide its order 40-3/2020-DH-I (A) dated March 25, 2020 have made intimations of Force Majeure to SECI and MNRE for the disruption in supply chain and imposition of nationwide lockdown in view of the spread of COVID-19 pandemic.

With regards to COVID-19 pandemic, Department of Expenditure of Ministry of Finance has also recommended invocation of Force Majeure Clause due to the spread of coronavirus and its effects vide its Office Memorandum No. F.18/4/2020-PPD dated February 19, 2020. Further, MNRE, vide Office Memorandum No. 283/18/2020-GHID SOLAR dated March 20, 2020 has notified RE implementing agencies for grant of suitable Time extension in SCD for RE projects, considering disruption of supply chains due to spread of coronavirus in China or any other country as a Force Majeure (FM) event.

(h) The Company has exposure of Rs. 89.81 million (March 31, 2019: Rs. 85.50 million) in Clean Solar Power (Sirsa) Private Limited in form of investment in equity share capital and loans and advances of Rs. 0.10 million and Rs. 89.80 million respectively (March 31, 2019: Rs. 0.10 million and 85.50 million respectively)

The management has carried out impairment assessment of investment in subsidiaries as per Ind AS 36 "Impairment of Assets" during the year and has provided for Rs. 9.13 million (Rs. 9.13 against Interest receivable on loan and advances) as provision of impairment to the Statement of Profit & Loss.

(i) Per the requirement of RBI Press Release no. 1998-99/1269 dated April 8, 1999 ('Press Release'), the Company, based on audited financial statement of March 31, 2019, has satisfied both asset and income test for the first time. However, the management has no intention to engage in financing activities. Since the test were met for the first time, the Company has taken necessary steps by which the Company has not met the Income Test in FY20 and management believes it should not meet income test in future as well, as per base case business plan. The Company has also filed a clarificatory letter with RBI capturing the facts and proposed action plan. Based on above and a legal opinion, the management is of the view that the Company is not required to seek registration with RBI for operating as an NBFC, unless RBI advises so specifically.



39 Commitments and contingencies

a. Commitments

i. Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to Rs. 44.32 million (March 31, 2019: Rs. 64.54 million).

ii. The Company has entered into various Power Purchase Agreements for 15 to 25 years from date of commissioning (i.e. between March 31, 2016 to Mar 31, 2020) cumulative for 20 MW solar rooftop power plant with various private parties, wherein the Company has committed to sell and aforementioned private parties has committed to purchase agreed generation from installed capacity of 20 MW.

b. Contingencies

Bank Guarantees Outstanding
 Letter of credit's Outstanding
 Corporate Guarantee Outstanding

	As at March 31, 2020	As at March 31, 2019
Bank Guarantees Outstanding	264.26	175.52
Letter of credit's Outstanding	1.40	20.71
Corporate Guarantee Outstanding	1,800.00	1,800.00
	2,065.66	1,996.23

c. Income tax contingencies

1) Assessment of company was completed for AY 2014-15 under Section 143(3) vide order dated November 30, 2016. AO has made a total addition of Rs. 20.33 million. Subsequently an appeal was filed by the company with Commissioner of Income Tax (Appeals), wherein the Commissioner of Income Tax (Appeals) vide order dated October 05, 2017 has deleted all the said addition however, there was no specific mention of carry forward loss of Rs.19.86 million, claimed at the time of filing income tax returns.

Therefore, the Company has filed an appeal before ITAT, which is pending for disposal.

2) Assessment of company was completed for AY 2015-16 under Section 143(3) vide order dated June 30, 2017. AO has made a total addition of Rs. 23.23 million (Rs. 3.37 million under Rule 8D and Rs. 19.86 million for disallowance of set off of carried forward losses). Subsequently an appeal was filed by the subsidiary with Commissioner of Income Tax (Appeals) which is currently pending. The outcome of appeals depends upon outcome of Income Tax Appellate Tribunal (ITAT) order for AY 2014-15, wherein decision of carry forward of loss of Rs. 19.86 million is yet to be made by ITAT in respect of appeal filed by the company.

3) For the AY 2016-17, assessment was completed under Section 143(3) vide order dated December 9, 2018 in case of Hero Solar Energy Private Limited, wherein the Assessing Officer has made a total addition of Rs. 17.90 million under section 14A, read with Rule 8D of Income Tax Rules. Subsequently, an appeal was filed by the Company with the Commissioner of Income Tax Appeals, wherein CIT(A) vide appeal order dated May 02, 2019 allowed Rs. 17.56 million. Remaining amount of Rs. 0.34 million were disallowed.

4) For the Financial years 2016-17 and 2017-18, the assessments were completed by the Excise and Taxation Officer (ETO) allowing a refund of Rs. 9.28 million under Punjab Value Added Tax Act, 2005 as extended to U.T. Chandigarh. Later the company received two show cause notices from Addl. Excise and Taxation Commissioner-cum-Revisional Authority Excise and Taxation department, UT., Chandigarh reopening the cases for FY 2016-17 and FY 2017-18 and reassessing the refund order passed by ETO. The company has submitted the documents with Addl. Excise and Taxation Commissioner-cum-Revisional Authority Excise and Taxation department, UT., Chandigarh. The case is still pending for disposal.

5) The company has received a show cause notice (SCN) demanding Rs 9.28 million from Addl. Excise and Taxation Commissioner - cum-Revisional Authority Excise and Taxation department, UT., Chandigarh regarding single works contract/work order with one of the customer in Chandigarh for supply, erection, commissioning and installation of SPGS without bifurcating the amount of material and services in the work contract. Since a single work order was received from the customer, the company could not maintain separate accounts for material and labour so as to determine the correct value of material supplied in the execution of works contract, hence the company opted to raise invoice under Rule 15 "works contract" and after claiming 30% deduction for labour component involved in supply under "All other contracts", VAT @ 12.50% was paid.

The company has made their submissions and the assessment order in this respect is pending to be received

Based on internal assessment and expert views, the management believes that the company have good chance of success on merits and no adjustments are likely to arise in respect of the above matters.

c. Other contingencies

6) Rs 55.42 million is receivable from five of the rooftop capex customers which is outstanding for a period of more than 1 years due to various reasons like non achieving desired generation, wrongly deduction by customer etc. for which the Company is in the process of discussion with the customers. The Company believes that Rs 3.69 million related to SBID Education Trust is doubtful and accordingly has made a provision for the same in the books and believes that the remaining amount of Rs 51.73 million is good and recoverable and no provision is required against the same.

7) Rs. 162.27 million is receivable as subsidy by company as at March 31, 2020. Company has received Rs 0.26 million subsequent to the period end and Rs 143.98 million is still outstanding as of date. The Company believes that this amount is outstanding is due to the various reasons like non disbursement of subsidy fund by MNRE to the tendering body, delay in the project due to site availability and other factors which are beyond the control of the Company. The Company has already submitted the required documents to the relevant authority for the release of the subsidy and is following up rigorously. The Company believes that the amount is fully recoverable and will be realised by March 31, 2020, accordingly no provision is required in the book of account for the same.



40 Disclosure pursuant to amendment to Ind AS 7 (Cash flow statement)

Particulars	Opening balance (April 01, 2019)	Cash flows	Non-cash transactions			Closing balance (March 31, 2020)
			Processing cost	Interest accretion	Others	
Non-convertible debentures	2,169.40	2,000.00	(6.88)	225.15	-	4,387.67
Loan from Bank	1,929.83	1,966.00	25.12	-	-	3,920.95
Compulsory convertible debentures	609.90	-	-	4.73	-	614.63
Loan from related parties	10,699.10	(2,795.90)	-	91.54	(5,167.98)	2,826.76
	15,408.23	1,170.10	18.24	321.42	(5,167.98)	11,750.01

Particulars	Opening balance (April 01, 2018)	Cash flows	Non-cash transactions			Closing balance (March 31, 2019)
			Processing cost	Interest accretion	Others	
Non-convertible debentures	1,971.10	-	1.18	197.12	-	2,169.40
Buyer's credit	90.87	(90.87)	-	-	-	-
Loan from Bank	-	2,000.00	(70.17)	-	-	1,929.83
Compulsory convertible debentures	-	835.00	-	-	(225.10)	609.90
Loan from related parties	6,853.62	6,043.96	3.88	-	-	12,901.46
	8,915.59	8,788.09	(65.11)	197.12	(225.10)	17,610.59

41 Accounting of government grant

The company has entered into PPA's with various government organisation for creating a charge on project assets based on which the Company is eligible to receive government grant amounting to Rs. 162.27 million (March 31, 2019: Rs. 149.54 million).

Government grant received is treated as deferred revenue and is being amortized over the useful life of the assets in the same proportion in which depreciation on related assets is charged to statement of profit and loss. Accordingly, the company has recorded an amount of Rs. 10.83 million (March 31, 2019: Rs. 9.54 million) as Other income, which is recorded under Note 21 of the financial statements, while an amount of Rs. 185.48 million (March 31, 2019: Rs. 159.79 million) has been recorded as "Deferred government grant" under Note 19 of the financial statements.

Summary of government grant as on March 31, 2020

	As at March 31, 2020	As at March 31, 2019
Opening Balance	159.79	23.65
Received during the year	36.52	145.68
Released to the statement of profit and loss	(10.83)	(9.54)
Closing Balance	185.48	159.79
Current	11.52	9.69
Non Current	173.96	150.10
	185.48	159.79

Government grants have been booked for assistance in setting up the of 30 MW solar rooftop plant. There are no unfulfilled conditions attached to these grants.

42 Investment in Waaree Solar Private Limited

Waaree Solar Private Limited was acquired by the company on December 31, 2018 and the Effective Purchase Price was measured and recognised as Rs 2,332.24 million in previous year. However, during the current year, the company has identified additional assets and liabilities and applied guidance provided under Ind AS 103 for adjustment of purchase consideration under measurement period. Accordingly, the company has retrospectively adjusted the Effective Purchase Price and recognised at the acquisition date with the corresponding impact being taken to amounts payable to Waaree Energies Private Limited (Seller).

Below is the summary of impact of adjustment on Balance Sheet as at March 31, 2019:

Particulars	Note no.	Reported amount	Adjustments	Updated amount
Assets				
Non-current assets				
Non-current investments	6	7,994.06	81.53	8,075.59
		7,994.06	81.53	8,075.59
Equity and Liabilities				
Current liabilities				
Other financial liabilities	17	1,766.13	81.53	1,847.66
		1,766.13	81.53	1,847.66



43. Significant events during the year

Novel-coronavirus ("COVID-19" or "N-Cov") was first reported to the World Health Organisation (WHO) in December 2019 and it has rapidly spread to entire globe. On March 11, 2020, WHO had declared it as global pandemic. COVID-19 has not only affected the health of people across the globe and it has also caused severe disturbances in the global economic environment which has consequential impact on financial statements and reporting.

Along the health crisis, The Government of India (Ministry of Home Affairs) vide notification dated March 24, 2020, announced a complete lockdown in entire country which has impacted business activities of the Company. Considering that the Company is in the business of generation of electricity which is granted "Must Run" status by MNRE, the management believes that the impact of outbreak on the business and financial position of the company will not be significant. The management also assessed the recoverability of financial and non-financial assets up to the date of approval of these financial statements. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and does not anticipate any impairment to the carrying value of those financial and non-financial assets. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of the unprecedented situation. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of Covid-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.

44. Previous year figures have been regrouped wherever considered necessary

As per our report of even date.

For S.R. Batliboi & Co. LLP,
Chartered Accountants
Firm's Registration Number: 301003E/B300005

per Pravin Talwar
Partner
Membership Number:108044



Place of Signature: Gurugram
Date: June 29, 2020

For and on behalf of the Board of Directors of
Hero Solar Energy Private Limited

Rahul Munjal
Director
DIN: 00118339

Sunil Jain
Director
DIN: 02967042

Neha Setti
Company Secretary
ACS: 35392

Place of Signature: New Delhi/London
Date: June 29, 2020



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INDEPENDENT AUDITOR'S REPORT

To the Members of Hero Solar Energy Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of Hero Solar Energy Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

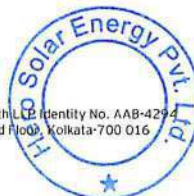
We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' 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 together with the ethical requirements that are relevant to our audit of the 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note. 43 in the Ind AS financial statements which, indicate that the Company has incurred a net loss of Rs. 920.77 million and Rs. 703.31 million during the current and previous year respectively. These conditions, along with other matters set forth in Note 43, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Emphasis of Matter

We draw attention to note 38 to the financial statements of the company, whereas it has been mentioned that the Company has exposure in a subsidiary amounting to Rs. 3,171.51 million in form of investment in equity share capital of Rs. 2,413.77 million, Interest Receivable of Rs. 88.84 million, Trade Receivable of Rs. 51.16 million, Other Payables of Rs. 131.46 million and loans and advances of Rs. 749.20 million. In said subsidiary Government of Andhra Pradesh has issued a Government Order and accordingly, APDISCOM (the customer) has asked the Company to reduce the tariffs. The Hon'ble High Court has set aside the Government Order and has directed APDISCOM to make payment at interim tariff. Based on legal advice, correspondence with the authorities and management internal assessment, the Company believes that no provision is required against carrying value of exposure in the said subsidiary in the financial statements. Our opinion is not qualified in respect of above matters.



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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The matter described in the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (g) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 39 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

PRAVIN
TULSYAN

Digitally signed by PRAVIN TULSYAN
DN: cn=PRAVIN TULSYAN, c=IN,
o=Personal,
email=pravin.tulsyan@srb.in
Location: Gurugram
Date: 2021.06.24 17:09:26 +05'30'

per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 21108044AAAAHV8341

Place of Signature: Gurugram

Date: June 24, 2021

Annexure 1 referred to in paragraph 1 to report on other legal and regulatory requirements of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the third-party independent expert appointed by the Company during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 are not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to employees' state insurance, service tax, value added tax, duty of custom and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, goods and service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (in million)	Amount paid under protest (in million)	Period to which the amount relates	Forum at which the dispute is pending
Income Tax Act	Appeal effect of CIT (A) order for Adjustment of carry forward losses pending for appeal before ITAT.	NIL	NIL	AY 2014-15	ITAT
Income Tax Act	Disallowance of Brought forward losses and adding Income under Rule 8D	9.6	9.6	AY 2015-16	CIT(A)
Income Tax Act	Addition under u/s 14A pending for appeal before ITAT.	17.90	NIL	AY 2016-17	ITAT
DVAT	Addition made by department on account of Non-Submission of some F and C form	0.64	NIL	AY 2017-18	DVAT

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks and debenture holders. The Company did not have any outstanding dues in respect of loans or borrowings to government during the year.
- (ix) In our opinion and according to information and explanations given by the management, monies raised by the Company by way of term loans and debt instruments were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in fixed deposits with banks. The maximum amount of idle/surplus funds invested during the year was Rs 413.59 million which was also outstanding at the end of the year. The Company did not raise money by way of initial public offer / further public offer.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of Optionally Convertible Cumulative Debentures and Non Convertible Debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) As indicated in Note 44(ii) to the financial statements, based on Memorandum of Association, the Company is not set up to carry out financial activity as its principal business. The management, basis internal assessment, is of the view that registration under section 45- IA of the Reserve Bank of India Act, 1934 is not required.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

PRAVIN
TULSYAN

Digitally signed by PRAVIN TULSYAN
DN: cn=PRAVIN TULSYAN, c=IN,
o=Personal,
email=pravin.tulsyani@srb.in
Location: Gurugram
Date: 2021.06.24 17:10:07 +05'30'

per Pravin Tulsyani

Partner

Membership Number: 108044

UDIN: 21108044AAAAHV8341

Place of Signature: Gurugram

Date: June 24, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THESE IND AS FINANCIAL STATEMENTS OF HERO SOLAR ENERGY PRIVATE LIMITED

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 financial statements of Hero Solar Energy Private Limited ("the Company") as of March 31, 2021, in conjunction with our audit of these Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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'). 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the ICAI. 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 these Ind AS 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 these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind-AS financial statements o included obtaining an understanding of internal financial controls with reference to these Ind AS 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 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 these Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

A company's internal financial control with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these Ind AS 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 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 financial statements.

Inherent Limitations of Internal Financial Controls With Reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to these Ind AS 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 these Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these Ind AS financial statements and such internal financial controls with reference to these Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting 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 ICAI.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PRAVIN
TULSYAN**

Digitally signed by PRAVIN TULSYAN
DN: cn=PRAVIN TULSYAN, c=IN,
o=Personal,
email=pravin.tulsyan@srb.in
Location: Gurugram
Date: 2021.06.24 17:10:42 +05'30'

per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 21108044AAAAHV8341

Place of Signature: Gurugram

Date: June 24, 2021

Hero Solar Energy Private Limited
Balance Sheet as at Mar 31, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	Notes	As at	
		March 31, 2021	March 31, 2020
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,138.44	1,086.43
(b) Capital work-in-progress	4	19.02	112.04
(c) Intangible assets	5	0.17	0.76
(d) Financial assets			
(i) Investment	6	13,803.66	11,729.87
(ii) Trade receivables	7	7.59	-
(iii) Other financial assets	10	4,037.45	5,624.88
(e) Deferred tax assets (net)	30	10.80	-
(f) Other non-current assets	11	12.34	10.39
(g) Non-current tax assets (net)	11A	218.48	328.23
		19,247.95	18,892.60
Current assets			
(a) Inventories	12	33.94	41.74
(b) Financial assets			
(i) Trade receivables	7	1,330.88	1,857.44
(ii) Cash and cash equivalents	8	721.11	30.11
(iii) Other bank balance	9	1,164.11	1,820.13
(iv) Other financial assets	10	6,948.40	3,698.83
(c) Other current assets	11	167.39	55.94
		10,365.83	7,504.19
		29,613.78	26,396.79
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	5,047.51	5,047.51
(b) Other equity			
(i) Retained earnings		(1,256.48)	(356.13)
(ii) Debenture redemption reserve		-	20.35
(iii) Deemed capital contribution		5,038.00	5,038.00
(iv) Equity component of compulsory convertible debentures		170.78	170.78
		8,999.81	9,920.51
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	10,664.10	6,422.44
(ii) Other financial liabilities	17	2.96	2.86
(b) Provisions			
(c) Deferred tax liabilities (net)	30	10.79	7.97
(d) Other non-current liabilities	19	-	188.29
		230.66	173.96
		10,908.51	6,795.52
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	3,601.86	7,157.22
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	16	0.23	8.79
- total outstanding dues of creditors other than micro enterprises and small enterprises		238.17	206.17
(iii) Other financial liabilities	17	5,809.38	2,248.50
(b) Provisions			
(c) Other current liabilities	18	0.90	0.26
	19	54.92	59.82
		9,705.46	9,680.76
		29,613.78	26,396.79
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of these Financial Statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm's Registration Number: 301003E/E300005

per Pravin Tulsyan
Partner

Membership Number:108044

**PRAVIN
TULSYAN**

Digitally signed by PRAVIN TULSYAN
DN: cn=PRAVIN TULSYAN, c=IN,
o=Personal,
email=pravin.tulsyan@srb.in
Location: Gurugram
Date: 2021.06.24 17:11:15 +05'30'

For and on behalf of the Board of Directors of
Hero Solar Energy Private Limited

RAJES
H PURI

Rajesh Puri
Director
DIN: 06838940

MAYUR
GUPTA

Mayur Gupta
Director
DIN: 09035301

Neha Sethi
Company Secretary
ACS- 35392

Place of Signature: New Delhi
Date : June 24, 2021

**NEHA
SETHI**

Digitally signed
by NEHA SETHI
Date:
2021.06.24
16:57:59 +05'30'

Place of Signature: Gurugram
Date : June 24, 2021

Hero Solar Energy Private Limited
Statement of Profit and Loss for the year ended March 31, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from contracts with customers	20	563.17	964.53
II Other Income	21	1,256.52	890.20
III Total Income (I+II)		1,819.69	1,854.73
IV Expenses			
Cost of materials consumed	22	24.70	27.66
Employee benefits expense	23	84.54	92.86
Finance costs	24	1,595.46	1,247.02
Depreciation and amortization expense	25	65.90	68.09
Impairment of financial assets	25A	373.89	498.01
Other expenses	26	795.08	601.81
Total expenses		2,939.57	2,535.45
V Loss before tax (III-IV)		(1,119.88)	(680.72)
VI Tax expense:	27		
a) Current tax		-	-
b) Deferred Tax		(199.11)	22.59
Total tax expense/(credit)		(199.11)	22.59
VII Loss for the year (V-VI)		(920.77)	(703.31)
VIII Other Comprehensive Income	28		
Other comprehensive income/(loss) not to be reclassified to statement of profit and loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		0.09	(0.91)
Re-measurement gains/ (losses) on defined benefit plans-Income tax effect		(0.02)	0.23
Net other comprehensive income/(loss) not to be reclassified to statement of profit and loss in subsequent periods		0.07	(0.68)
IX Total comprehensive loss for the year, net of tax (VII+VIII)		(920.70)	(703.99)
X Earnings/(loss) per equity share: (Face Value Rs. 10 per share)	29		
Basic and Diluted (Amount in Rs.)		(1.47)	(2.94)
Summary of significant accounting policies	2.1		
The accompanying notes form an integral part of these Financial Statements			

As per our report of even date

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

PRAVIN TULSYAN
Digitally signed by PRAVIN TULSYAN
DN: cn=PRAVIN TULSYAN, c=IN,
o=Personal,
email=pravin.tulsyant@srb.in
Location: Gurugram
Date: 2021.06.24 17:11:49 +05'30'

per Pravin Tulseyan
Partner
Membership Number:108044

**For and on behalf of the Board of Directors of
Hero Solar Energy Private Limited**

RAJESH PURI
Digitally signed by RAJESH PURI
Date: 2021.06.24
16:56:32 +05'30'

Rajesh Puri
Director
DIN: 06838940

MAYUR GUPTA
Digitally signed by MAYUR GUPTA
DN: cn=MAYUR GUPTA, c=IN,
o=Personal,
email=mayur.gupta@hsp.com
Location: Gurugram
Date: 2021.06.24 16:52:57 +05'30'

Mayur Gupta
Director
DIN: 09035301

Neha Sethi
Company Secretary
ACS- 35392

NEHA SETHI
Digitally signed by NEHA SETHI
Date:
2021.06.24
16:58:23 +05'30'

Place of Signature: Gurugram
Date : June 24, 2021

Place of Signature: New Delhi
Date : June 24, 2021

Hero Solar Energy Private Limited
Statement of Changes in Equity for the year ended March 31, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

A. Equity Share Capital

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

	Number of Equity Shares	Amount
As at April 01, 2019	49,810,000	498.10
Changes in equity share capital during the year	454,941,179	4,549.41
As at March 31, 2020	504,751,179	5,047.51
Changes in equity share capital during the year	-	-
As at March 31, 2021	504,751,179	5,047.51

B. Other Equity

	Debiture Redemption Reserve (DRR)	Retained Earnings	Deemed capital contribution	Equity component of compulsory convertible debentures	Total
As at April 1, 2019	20.35	376.03	2.90	162.40	561.68
Loss for the year	-	(703.31)	-	-	(703.31)
Other comprehensive expense	-	(0.68)	-	-	(0.68)
Additions during the year (Refer note 14)	-	-	5,172.27	-	5,172.27
Share issue expenses	-	(28.17)	-	-	(28.17)
Impact of change in tax rate (Refer note 30)	-	-	(137.17)	8.38	(128.79)
As at March 31, 2020	20.35	(356.13)	5,038.00	170.78	4,873.00
Loss for the year	-	(920.77)	-	-	(920.77)
Other comprehensive income	-	0.07	-	-	0.07
Transfer of DRR to retained earnings	(20.35)	20.35	-	-	-
As at March 31, 2021	-	(1,256.48)	5,038.00	170.78	3,952.30

The accompanying notes form an integral part of these Financial Statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm's Registration Number: 301003E/E300005

PRAVIN TULSYAN
 Digitally signed by PRAVIN TULSYAN
 DN: cn=PRAVIN TULSYAN, c=IN,
 o=Personal,
 email=pravin.tulsyani@srb.in
 Location: Gurugram
 Date: 2021.06.24 17:12:56 +05'30'

per Pravin Tulsyan

Partner

Membership Number:108044

For and on behalf of the Board of Directors of
 Hero Solar Energy Private Limited

RAJESH PURI
 Digitally signed by RAJESH PURI
 Date: 2021.06.24
 16:56:48 +05'30'

Rajesh Puri
 Director
 DIN: 06838940

MAYUR GUPTA
 Digitally signed by MAYUR GUPTA
 DN: cn=MAYUR GUPTA, o=Hero Solar Energy Private Limited, ou=Hero Solar Energy Private Limited, email=mayur.gupta@hsepl.com, c=IN

Mayur Gupta
 Director
 DIN: 09035301

Neha Sethi
 Company Secretary
 ACS- 35392

NEHA SETHI
 Digitally signed by NEHA SETHI
 Date: 2021.06.24
 16:58:43 +05'30'

Place of Signature: New Delhi
 Date : June 24, 2021

Place of Signature: Gurugram
 Date : June 24, 2021

Hero Solar Energy Private Limited
Statement of Cash Flows for the year ended March 31, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Cash flow from operating activities			
Profit/(loss) before tax		(1,119.88)	(680.72)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortization		65.90	68.09
Impairment of assets		373.89	498.01
Balances written off		198.48	0.08
Amortisation of government grant		(16.34)	(10.83)
Gain on sale of units of mutual funds		-	(1.37)
Unwinding of discount on deposits		-	(0.38)
Fair value loss on financial assets measured at fair value through profit and loss		168.24	58.02
Finance costs		1,595.46	1,247.02
Finance income		(1,098.25)	(860.23)
Gain on Sale of financial asset		(37.22)	-
Liabilities written back		(17.93)	-
Provision for doubtful receivables		-	0.23
Loss on amortisation of inventory		-	2.31
Expense on employee stock option plan		-	4.29
		1,232.23	1,005.24
Operating profit/(loss) before working capital changes		112.35	324.52
Change in working capital:			
(Excluding cash and cash equivalent)			
Increase in trade and other receivables		328.08	(509.94)
(Increase)/ decrease in inventories		7.80	121.89
Decrease in trade and other payables		15.85	(8.30)
Increase/ (decrease) in provisions		3.55	2.69
(Increase)/ decrease in other financial assets		(992.62)	973.54
Increase) in other assets		(114.40)	(10.95)
Increase/ (decrease) in other Financial liabilities		204.02	(35.67)
Decrease in other liabilities		(7.52)	(9.83)
Change in working capital		(555.24)	523.43
Cash generated from operations		(442.89)	847.95
Less : Taxes paid net of refund		109.75	(108.24)
Net cash flow from operating activities		(333.14)	739.71
II. Cash flow from investing activities:			
Proceeds from sale of mutual funds		-	1.37
Investment in Subsidiaries		(2,201.85)	(3,449.99)
Purchase of property, plant and equipment		(468.06)	(744.06)
Proceeds from sale of property, plant and equipment		-	0.01
Fixed deposits with banks		593.84	(1,822.51)
Proceeds from Government grant		75.66	36.52
Interest received		487.94	246.98
Net cash generated/(used) in investing activities:		(1,512.47)	(5,731.68)

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III. Net cash flow from financing activities: *		
Proceeds from equity share capital	-	4,549.41
Share issue expenses	-	(28.17)
Repayment of borrowings	(12,230.06)	(13,973.86)
Proceeds from borrowings	15,176.73	15,143.96
Interest paid	(1,667.61)	(702.84)
Net cash generated/(used) from financing activities:	1,279.06	4,988.50
Net change in Cash & cash equivalents (I+II+III)	(566.55)	(3.47)
Cash and cash equivalents as at the beginning of the year	8	30.11
Cash and cash equivalents as at the end of the year	8	(536.44)
NET CHANGE IN CASH & CASH EQUIVALENTS	(566.55)	(3.47)

Note:

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

*Refer note 40 for change in financing activities disclosure pursuant to amendment to Ind AS 7

The accompanying notes form an integral part of these financial statements
As per our report of even date

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm's Registration Number: 301003E/E300005

PRAVIN TULSYAN
Digitally signed by PRAVIN TULSYAN
DN: cn=PRAVIN TULSYAN, c=IN,
o=Personal,
email=pravin.tulsyant@srb.in
Location: Gurugram
Date: 2021.06.24 17:13:25 +05'30'

per Pravin Tulsyant

Partner

Membership Number:108044

For and on behalf of the Board of Directors of

Hero Solar Energy Private Limited

RAJESH PURI
Digitally signed by RAJESH PURI
Date: 2021.06.24
16:57:04 +05'30'

Rajesh Puri

Director

DIN: 06838940

MAYUR GUPTA
Digitally signed by MAYUR GUPTA
Date: 2021.06.24 16:57:04 +05'30'

Mayur Gupta

Director

DIN: 09035301

NeHa Sethi
Company Secretary
ACS- 35392

NEHA SETHI
Digitally signed by NEHA SETHI
Date: 2021.06.24
16:59:06
+05'30'

Place of Signature: Gurugram

Date : June 24, 2021

Place of Signature: New Delhi

Date : June 24, 2021

1 Corporate information

Hero Solar Energy Private Limited ('the Company') domiciled in India and was incorporated under the provisions of the Companies Act, applicable in India. The Company is primarily engaged in the implementation of power projects and generation of power through renewable sources of energy on its own and through its direct or indirect subsidiaries.

The registered office of the Company is located at Plot No. 201, First Floor, Okhla Industrial Estate, Phase - III New Delhi - 110020.

The financials statements were authorised for issue in accordance with a resolution of the directors on June 24, 2021.

2 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 the Schedule III of the Companies Act 2013. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities 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 financial statements for the year ended March 31, 2020 unless otherwise stated in Note 2.1 (v).

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

2.1 Significant 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:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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:

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

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

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

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The 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.

Sale of power

Revenue from sale of power is recognised net of estimated rebates and other similar allowances over the time when the units of electricity is delivered.

Development and management fees

Revenue from development and management fees is recognised over a time, in accordance with the terms of the respective contract with customers.

Application of interpretation for Service Concession Arrangements (SCA):

Management has assessed applicability of Appendix C of Indian Accounting Standards 115: Service Concession Arrangements 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.

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 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.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset or right-of-use asset, as applicable, if the recognition criteria for a provision 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 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.

d) Intangible asset

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 period in which the expenditure is incurred.

e) Depreciation/amortization

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.

Fixed asset	Useful life (years)
Plant & Equipment*	25 years
Electrical installation and equipment	10 years
Office equipment	5 years
Computers and Data Processing	3 years

*Based on internal technical assessment, the management believes that the useful lives best represent the period over which management expects the use the assets.

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

Intangible assets with finite lives are amortized over the useful life i.e. 3-5 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization year and the amortization method for an intangible asset with finite life are reviewed at least at the end of each reporting year.

f) Borrowing costs

Borrowing costs consists of interest and amortization 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.

g) Foreign currencies

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (Rs.) 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 Rs. except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company 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.

h) 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;

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. Lease payments on short-term leases and leases of low-value assets are recognised as expense as they are incurred.

i) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, where by employees render services as consideration for equity instruments (equity-settled transactions or cash-settled transactions) of the amalgamated company Hero Future Energies Private Limited (earlier known as Clean Solar Power (Hiriyur) Private Limited ("CSPHiriyur")) (HFE). Until the time the company gets listed on any recognised stock exchange in India, the Company evaluates its Employees stock option plan (hereinafter called the 'Plan') as cash-settled stock option plan in accordance Ind AS 102 by using fair value model.

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Black Scholes model. 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.

j) **Employee's benefits**

Short term employee benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund is a defined contribution scheme and contributions paid/payable towards Provident Fund are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity is 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 as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

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 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.

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.

k) Provisions

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.

l) 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.

m) 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 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.

Debt instruments at fair value through OCI

A debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- a) Business Model Test : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity instruments

All equity investments in the scope of Ind AS 109 are measured at fair value.

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

De-recognition

Reclassification of financial assets

The Company 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. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The Company determines security deposit under other financial assets and disclosed in financial statements of the Company accordingly.

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, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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 recognized 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.

This is the category most relevant to the Company. 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.

Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that, from the issuer's perspective, contains both a liability and an equity component.

On issuance of the mandatorily redeemable preference shares with dividends paid at the issuer's discretion, the fair value of the liability component is measured by determining the net present value of redemption amount, discounted at the market rate of interest prevailing at the time of issue. This amount is classified as a borrowing measured at amortised cost until it is extinguished on redemption. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole, the amount separately determined for the liability component.

After initial measurement, on the liability component, interest is accrued using EIR and is recognised in the consolidated statement of profit and loss as finance costs. Any dividends paid are related to the equity component and are recognised directly in the equity.

Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

n) 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 initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.

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.

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 a practical expedient, 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. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

o) 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, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, 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 a year of five years. For longer years, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond years covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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.

p) 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 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.

q) 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized 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 recognized 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 period is recognized 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 realized. 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.

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 Company will pay normal income tax during the specified period. 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 period 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.

In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred taxes in respect of temporary differences which reverse after the tax holiday period are recognized in the year in which the temporary differences originate. However, the Company restrict the recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

r) 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.

s) Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

t) Events occurring after the balance sheet date

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

The 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.

u) **Government grant**

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

When the Company receive grants of non-monetary assets, 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.

v) **Changes in accounting policies and disclosures**

Amendments to Ind AS 107, Ind AS 109 and Ind AS 39: Interest Rate Benchmark Reform

The amendments to Ind AS 109 and Ind AS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

Amendment to Ind AS 116 Leases COVID 19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

No lease concession received by the company.

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

w) **Standards, amendments and interpretations issued but not yet effective**

There is no standard, amendment or interpretation issued before balance sheet date which is not effective yet.

2.2 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.

i) Depreciation on 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 judgment is required in establishing fair values. Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 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 37.

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 39.

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 the next five years 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. These estimates are also relevant to other intangibles. During the year the Company has done the impairment assessment of non financial assets and have concluded that there is no impairment in value of non financial assets as appearing in the financial statements.

vii) Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

viii) Impairment of investment in subsidiaries

The Company assesses at each reporting date whether there is an indication that an investment may be impaired. If any indication exists, or when annual impairment testing for an investment is required, the Company estimates the investment's recoverable amount. An investment's recoverable amount is the higher of an investment's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an investment or CGU exceeds its recoverable amount, the investment 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 investment. 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 fair value indicators like discount rate, operating margin and other factor of the underline business operations of the subsidiaries and joint ventures. During the period, management has done impairment assessment of its investment in subsidiary companies and have concluded that impairment loss recognised in the financial statements to bring Company's exposure in subsidiaries approximate to its fair value. Refer note 38, 25A and 36.

ix) Going concern assumption - Refer note no. 43

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

3 Property, plant and equipment

	Leasehold Improvement	Plant & Equipment	Electrical installation and equipment	Office equipment	Computers and data processing machines	Total
Gross Block						
(At cost)						
As at April 01, 2019	0.97	678.90	122.79	1.96	15.93	820.55
Additions made during the year	-	320.78	54.56	0.16	2.69	378.19
Disposals during the year	-	-	-	(0.03)	(0.16)	(0.19)
As at March 31, 2020	0.97	999.68	177.35	2.09	18.46	1,198.55
Additions made during the period	-	93.60	23.72	-	-	117.32
Disposals during the year	-	-	-	-	-	-
As at March 31, 2021	0.97	1,093.28	201.07	2.09	18.46	1,315.87
Depreciation						
As at April 01, 2019	0.97	34.23	11.95	0.85	7.84	55.84
Depreciation charge for the year	-	38.06	14.78	0.36	3.26	56.46
Disposals during the year	-	-	-	(0.02)	(0.16)	(0.18)
As at March 31, 2020	0.97	72.29	26.73	1.19	10.94	112.12
Depreciation charge for the period	-	44.31	17.53	0.32	3.15	65.31
Disposals during the year	-	-	-	-	-	-
As at March 31, 2021	0.97	116.60	44.26	1.51	14.09	177.43
Net book value						
As at April 01, 2019	-	644.67	110.84	1.11	8.09	764.71
As at March 31, 2020	-	927.39	150.62	0.90	7.52	1,086.43
As at March 31, 2021	-	976.68	156.81	0.58	4.37	1,138.44

For charges created on Company's assets, refer note 15.

4 Capital work-in-progress

	As at March 31, 2021	As at March 31, 2020
Project purchase	19.02	76.48
Erection and commissioning	-	2.72
Salaries, wages & bonus	-	6.67
Interest & finance cost*	-	10.27
Administrative and other expenses	-	15.90
	19.02	112.04

Movement in capital work-in-progress

	As at March 31, 2021	As at March 31, 2020
Opening balance	112.04	269.28
Additions during the year	24.30	218.09
Transfer to Property, plant and equipment	(117.32)	(375.33)
Closing balance	19.02	112.04

*The amount of borrowing costs capitalised during the year ended March 31, 2021 was Rs. 6.45 million (March 31, 2020: 10.27 million) out of which Rs. 2.58 million (March 31, 2020: Rs. 3.57 millions) pertains to related party. Refer note 15 for capitalisation rate.

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
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5 Intangible assets	Intangible Asset- Rooftop	Total
Gross Block		
(At cost)		
As at April 01, 2019	51.29	51.29
Additions made during the year	-	-
As at March 31, 2020	51.29	51.29
Additions made during the period	-	-
As at March 31, 2021	51.29	51.29
Amortisation		
As at April 01, 2019	38.90	38.90
Amortisation for the year	11.63	11.63
As at March 31, 2020	50.53	50.53
Amortisation for the year	0.59	0.59
As at March 31, 2021	51.12	51.12
Net book value		
As at April 01, 2019	12.39	12.39
As at March 31, 2020	0.76	0.76
As at March 31, 2021	0.17	0.17

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Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

6 Financial assets	As at March 31, 2021	As at March 31, 2020
Investment		
Non- current		
Investment in equity shares	9,701.00	8,767.17
Less: Provision for impairment of investment in equity share of subsidiaries (Refer note 38(b) and (e))	(0.20)	(0.20)
Investment in debentures	3,437.73	2,543.92
Deemed investment in subsidiaries**	665.13	418.98
	13,803.66	11,729.87
Breakup of investments is as follows:		
Investment measured at Cost- unquoted equity shares in wholly owned subsidiaries*-		
12,500,000 (March 31, 2020: 12,500,000) equity shares of Clean Solar Power (Chitradurga) Private Limited of Rs. 10 each fully paid up (refer note 31)	125.00	125.00
45,010,000 (March 31, 2020 : 45,010,000) equity shares of Clean Solar Power (Dhar) Private Limited of Rs. 10 each fully paid up (refer note 31)	450.10	450.10
13,750,000 (March 31, 2020 : 13,750,000) equity shares of Rajkot (Gujarat) Solar Energy Private Limited of Rs. 10 each fully paid up (refer note 31)	137.50	137.50
10,000 (March 31, 2020 : 10,000) equity shares of Clean Solar Power (Bellary) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
66,000,000 equity shares of Rs. 10 each fully paid, 20,000,000 equity shares of Rs. 18.05 each fully paid and 40,000,000 equity shares of Rs. 12.51 each fully paid (March 31, 2020 : 66,000,000) equity shares of Clean Solar Power (Gulbarga) Private Limited (refer note 31)	1,521.40	660.00
305,000,000 (March 31, 2020 : 305,000,000) equity shares of Clean Solar Power (Bhadla) Private Limited of Rs. 10 each fully paid up (refer note 31)	3,050.00	3,050.00
58,000,000 (March 31, 2020 : 58,000,000) equity shares of Clean Solar Power (Tumkur) Private Limited of Rs. 10 each fully paid up (refer note 31)	580.00	580.00
10,000 (March 31, 2020 : 10,000) equity shares of Clean Solar Power (Jaipur) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
135,010,000 (March 31, 2020 : 135,010,000) equity shares of Clean Solar Power (Jodhpur) Private Limited of Rs. 10 each fully paid up (refer note 31)	1,350.10	1,350.10
10,000 (March 31, 2020 : 10,000) equity shares of Clean Solar Power (Sirsa) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
10,000 (March 31, 2020 : 10,000) equity shares of Clean Solar Power (Konch) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
10,000 (March 31, 2020 : 10,000) equity shares of Clean Solar Power (Kadapa) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
100,450,000 equity shares of Rs. 8.31 each and 104,550,000 equity shares of Rs. 15.72 each of Waaneep Solar Private Limited fully paid (March 31, 2020 : 205,000,000) (refer note 31)	2,413.77	2,413.77
10,000 (March 31, 2020 : nil) equity shares of Clean Solar Power (Baniyana) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	0.10
Nil (March 31, 2020 : 10,000) equity shares of Clean Solar Power (Bhainsada) Private Limited of Rs. 10 each fully paid up (refer note 31 and 38 (f))	-	0.10
10,000 (March 31, 2020 : nil) equity shares of Clean Solar Power (Amarsar) Private Limited of Rs. 10 each fully paid up (refer note 31)	0.10	-
	9,628.57	8,767.17
Investment measured at fair value through profit & loss- unquoted equity shares in subsidiaries		
4,595,100 (March 31, 2020 : Nil) equity shares of Clean Solar Power (Bhainsada) Private Limited of Rs. 10 each fully paid up (refer note 31 and 38 (f))	72.43	-
	72.43	-
Investment measured at fair value through profit & loss- unquoted compulsorily convertible debentures-		
35,500,000 (March 31, 2020 : 35,500,000) compulsorily convertible debentures (CCD's) of Clean Solar Power (Chitradurga) Private Limited of Rs. 10 each fully paid up (refer note 31)	353.58	356.42
107,000,000 (March 31, 2020 : 107,000,000) compulsorily convertible debentures (CCD's) of Clean Solar Power (Gulbarga) Private Limited of Rs. 10 each fully paid up (refer note 31)	1,338.57	1,548.29
	1,692.15	1,904.71

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
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Investment measured at amortised cost- unquoted compulsorily convertible debentures-		
34,500,000 (March 31, 2020 : 34,500,000) optionally convertible cumulative debentures of Rajkot (Gujarat) Solar Energy Private Limited of Rs. 10 each fully paid up (refer note 31)	345.00	345.00
4,500,000 (March 31, 2020 : 4,500,000) compulsorily convertible debentures (CCD's) of Clean Solar Power (Bhadla) Private Limited of Rs. 100 each fully paid up (refer note 31)	296.82	294.21
134,960,000 (March 31, 2020 : Nil) compulsorily convertible debentures (CCD's) of Clean Solar Power (Gulbarga) Private Limited of Rs. 10 each fully paid up (refer note 31)	1,103.76	-
	1,745.58	639.21
Aggregate value of unquoted investments	13,803.86	11,730.07
Aggregate amount of impairment in value of investments	(0.20)	(0.20)
Aggregate value of unquoted investments (net of impairment)	13,803.66	11,729.87

*All the investees are incorporated in India. The Company holds 100% equity in all the investees.

**Deemed investment in subsidiaries comprises of equity component of interest free loan given to subsidiaries and equity component of compulsorily convertible debentures invested by the holding company in subsidiaries.

7 Trade receivables

	As at March 31, 2021	As at March 31, 2020
Non- current		
Trade Receivables	7.59	-
	7.59	-
Current		
Trade receivables*#		
- Unsecured considered good	1,330.88	1,857.44
- Unsecured considered doubtful	3.92	3.92
	1,334.80	1,861.36
Impairment Allowance (allowance for bad and doubtful debts)		
- Receivables - credit impaired	(3.92)	(3.92)
	1,330.88	1,857.44
	1,338.47	1,857.44
*Trade receivable include the amount of unbilled revenue. Please refer note 2.1(b)	13.69	10.87
#Includes trade receivable from related parties (refer note 31)	1,123.59	1,599.47

a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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.

8 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- Current account	307.51	30.10
- Deposits with original maturity of three months or less	413.59	-
Cash on hand	0.01	0.01
	721.11	30.11

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

	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- Current account	307.51	30.10
- Deposits with original maturity of three months or less	413.59	-
Cash on hand	0.01	0.01
Bank Overdraft (Refer note 15)	(1,257.55)	-
	(536.44)	30.11

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

9 Other bank balance	As at March 31, 2021	As at March 31, 2020
Deposits with original maturity for more than 3 months but less than or equal to 12 months	1,130.54	-
Deposits with original maturity of three months or less under lien*	33.57	1,820.13
	1,164.11	1,820.13
*Includes deposit under lien with lender for loan taken by the Company		
10 Other financial assets	As at March 31, 2021	As at March 31, 2020
Non- current		
Deposits with original maturity of more than 12 months*	10.14	0.64
Loan to related parties considered good (refer note 31)	3,993.50	5,621.72
Loan to related parties considered doubtful	-	358.59
Less: Credit impaired-Provision for Impairment of loan to subsidiaries (Refer note 38 (b and e))	-	(358.59)
Security deposits	1.98	2.52
Other receivables (Refer note 38(f))	31.83	-
	4,037.45	5,624.88
Current		
Deposits with original maturity of more than 12 months*	90.91	38.23
Loan to related parties (refer note 31)	4,283.38	1,620.49
Loan to related parties considered doubtful	625.31	-
Less: Credit impaired-Provision for Impairment of loan to subsidiaries (Refer note 38 (b and e))	(625.31)	-
Accrued interest to related parties considered good (refer note 31)	2,469.58	1,867.84
Accrued interest to related parties considered doubtful	246.39	139.22
Less: Credit impaired - Provision for Impairment of accrued interest on loan to subsidiaries (Refer note 38 (b and e))	(246.39)	(139.22)
Other receivables**	97.62	170.97
Accrued Interest on fixed deposits	6.91	1.30
	6,948.40	3,698.83
Total (Non-current and current)	10,985.85	9,323.71
*Includes deposit under lien		
**Includes receivable from related parties (refer note 31)		
a) Break up of financial assets carried at amortised cost:	As at March 31, 2021	As at March 31, 2020
Trade Receivables (refer note 7)	1,338.47	1,857.44
Cash and cash equivalents (Refer note 8)	721.11	30.11
Other Bank Balances (Refer note 9)	1,164.11	1,820.13
Other financial assets (Refer note 10)	10,985.85	9,323.71
Investment in optional and compulsorily convertible debentures (Refer note 6)	1,745.58	639.21
Total	15,955.12	13,670.60
b) Break up of financial assets carried at fair value through profit or loss:	As at March 31, 2021	As at March 31, 2020
Investment in equity shares in subsidiaries (refer note 6)	72.43	-
Investment in compulsorily convertible debentures (Refer note 6)	1,692.15	1,904.71
	1,764.58	1,904.71
11 Other assets (Unsecured, considered good, unless otherwise stated)	As at March 31, 2021	As at March 31, 2020
Non- current		
Capital advances	6.65	7.65
Prepaid expenses	0.32	0.99
Deferred asset	5.37	-
Prepaid gratuity funded (Net of provision (refer note 37))	-	1.75
	12.34	10.39
Current		
Advance to employees	0.80	1.38
Advance to Vendors	44.68	3.24
Balance with government authorities	51.42	50.44
Prepaid expenses	2.39	0.88
Other receivables*	68.10	-
	167.39	55.94

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
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* Subsequent to March 31, 2021, the Company along with Waaneep Solar Private Limited ("Waaneep") (Subsidiary company) has entered into agreement with Waaree Energies Limited ("WEL") on April 28, 2021 ("the Agreement") to settle dues with respect to acquisition of Waaneep by HSE on December 31, 2018. As per the Agreement, the parties have also decided the settlement plan for the payment of outstanding dues of WEL. Further, WEL has indemnified the Company for various contingencies including proceedings or litigation in relation to the notices from the office of Dy. Commissioner, labour department, Kurnool under the Building and Other Construction Workers Welfare Cess Act, 1996 and accordingly, the Company has recorded receivables amounting to Rs. 68.00 million as on March 31, 2021.

11A Non current tax asset (Net)

	As at March 31, 2021	As at March 31, 2020
Advance income tax	218.48	328.23
	218.48	328.23

12 Inventories

	As at March 31, 2021	As at March 31, 2020
Raw Materials*	33.94	41.74
	33.94	41.74

* carried at lower of cost or net realisable value

13 Equity Share Capital

	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
600 million (March 31, 2020: 600 million) equity shares of Rs. 10 each	6,000.00	6,000.00
Issued, subscribed and paid up		
Equity Share capital	5,047.51	5,047.51
504.75 million (March 31, 2020: 504.75 million) equity shares of Rs. 10 each	5,047.51	5,047.51

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

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

	No. of shares	Amount
Balance as at April 1, 2019	50,000,000	500.00
Increase/(decrease) during the year	550,000,000	5,500.00
Balance as at March 31, 2020	600,000,000	6,000.00
Increase/(decrease) during the year	-	-
Balance as at March 31, 2021	600,000,000	6,000.00

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

	No. of shares	Amount
Balance as at April 1, 2019	49,810,000	498.10
Increase/(decrease) during the year	454,941,179	4,549.41
Balance as at March 31, 2020	504,751,179	5,047.51
Increase/(decrease) during the year	-	-
Balance as at March 31, 2021	504,751,179	5,047.51

b) Terms/ rights attached to equity shares:

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

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

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

As at March 31, 2021	No. of shares	Holding %
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited) along with its nominees*	504,751,179	100.00%
	504,751,179	100.00%
As at March 31, 2020	No. of shares	Holding %
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited) along with its nominees*	504,751,179	100.00%
	504,751,179	100.00%

* 6 equity share held by other shareholder as nominees on behalf of Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private 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. The Company has not bought back any shares.

14 Other Equity

	<u>Amount</u>
Retained Earnings	
Opening Balance April 1, 2019	376.03
Add:- Loss for the year	(703.31)
Add:- Other Comprehensive Loss	(0.68)
Less:- Share issue expenses	(28.17)
Closing Balance March 31, 2020	(356.13)
Add:- Loss for the year	(920.77)
Add:- Other Comprehensive Loss	0.07
Add: Transfer from Debenture Redemption Reserve	20.35
Closing Balance March 31, 2021	(1,256.48)

	<u>Amount</u>
Debenture Redemption Reserve**	
Opening Balance April 1, 2019	20.35
Add:- Addition during the year	-
Closing Balance March 31, 2020	20.35
Add:- Addition during the year	-
Less:- Transferred to retained earnings	(20.35)
Closing Balance March 31, 2021	-

	<u>Amount</u>
Deemed capital contribution*	
Opening Balance April 1, 2019	2.90
Add:- Addition during the year	5,172.27
Less:- Tax Impact	(137.17)
Closing Balance March 31, 2020	5,038.00
Add:- Addition during the year	-
Closing Balance March 31, 2021	5,038.00

	<u>Amount</u>
Equity component of compulsory convertible debentures (refer note 15(g))	
Opening Balance April 1, 2019	162.40
Add:- Addition during the year	-
Add:- Tax impact	8.38
Closing Balance March 31, 2020	170.78
Add:- Addition during the year	-
Closing Balance March 31, 2021	170.78

*Deemed capital contribution

Deemed capital contribution comprises of equity component of interest free loan given by related parties and expense on account of ESOP borne by the holding company.

**Debenture redemption reserve

The Company had issued redeemable non-convertible debentures. Under the Companies (Share capital and Debentures Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. During the year, debenture redemption reserve has been transferred to retained earning on redemption of non-convertible debenture for which DRR was created in earlier years.

15 Borrowings

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Non- current		
Secured		
Term loan from banks (refer note (a) below)	1,674.41	1,582.39
Term loans from Financial Institution (refer note (c and d) below)	373.16	-
Non-Convertible Debentures (refer note (e) below)	1,778.19	-
Unsecured		
Compulsory Convertible Debentures (refer note (g) below and note 31)	619.91	614.63
Optionally Convertible Cumulative Debentures (refer note (f) below)	104.30	-
Loan from Related Parties (refer note (i) below and note 31)	6,114.13	4,225.42
	10,664.10	6,422.44

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
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Current		
Secured		
Term loan from banks (refer note (b) below)	905.00	1,965.85
Non-Convertible Debentures (refer note (e) below)	-	4,387.67
Bank Overdraft (refer note (h) below)	1,257.55	-
Current maturities of long term loan from banks	1,968.59	372.71
Current maturities of long term loan from Financial Institution	1,679.40	-
Current maturities of Non-Convertible Debentures	441.62	-
Unsecured		
Working Capital demand loan (refer note (j) below)	500.00	-
Loan from related parties (refer note (i) below and note 31)	939.31	803.70
	7,691.47	7,529.93
Less: Amount clubbed under "other financial liabilities" (Refer note 17)	(4,089.61)	(372.71)
Total	14,265.96	13,579.66

a) Terms attached to Term Loan from IndusInd Bank Limited

Vide letter dated March 18, 2019, IndusInd Bank Limited has sanctioned to the company the Indian Rupee Medium Term Loan facility (MTL-1) amounting to Rs 2,000.00 million.

Against the said "Medium term Loan agreement" the Company has got full disbursement of Rs. 2,000.00 million. The (MTL-1) from IndusInd Bank carries the rate of interest at IndusInd Bank 1 year MCLR (Marginal cost of funds based lending rate) plus spread of 0.10% i.e. 9.75% p.a (March 31, 2020: 10.00% p.a) ,Effective Interest rate is 11.70% p.a (March 31, 2020: 11.61% p.a).

The (MTL-1) is repayable in 6 quarterly structured instalments started from December 20, 2020.

The Loan amount is secured exclusively through hypothecation/Mortgage of identified roof top solar assets owned by company, 30% encumbered investment in form of shares/convertible equity instrument, Non-disposable-undertaking with POA of 19% unencumbered investment in form of shares/convertible equity instrument, Assignment/Hypothecation of shareholder loan given by company Clean solar power (Tumkur) Pvt Ltd and waaneep Solar Power Limited or any other SPV of HSEPL with minimum book value cover of 1.1x and post dated cheque signed by Director.

During there year, Vide letter dated December 24, 2020,the Company has been sanctioned Indian Rupee Medium Term Loan facility (MTL-2) amounting to Rs. 2,200.00 million from IndusInd Bank Limited. Against the said Loan agreement, the Company has got disbursement of Rs. 2,200.00 million. The (MTL-2) from IndusInd Bank carries the rate of interest at IndusInd Bank 3 months MCLR (Marginal cost of funds based lending rate) plus spread of 0.10% i.e. 8.50% p.a, Effective Interest rate is 12% p.a.

Closing outstanding balance as on March 31, 2021 is Rs. 3,643.00 million (March 31, 2020: 1,582.39 million).

The (MTL-2) is repayable in 13 quarterly structured instalments starting from September 30, 2021.

The Loan amount is secured exclusively through pledge of 26% investment in form of shares/convertible equity instrument, Shareholder's loan, Promoter contribution of HSEPL.

b) Terms attached to Term Loan from Hongkong and Shanghai Banking Corporation Limited "HSBC Bank"

Vide "Sanction letter" dated January 23, 2020 and further amendment letter dated February 20, 2020 and March 30, 2020, the Company has been sanctioned short term loan Bridge Loan facility amounting to Rs 1,850.00 million from The Hongkong and Shanghai Banking Corporation Limited for general corporate purpose. Out of the sanction limit, the Company has got the disbursement of Rs 1,806.00 million in the year ended March 31, 2020. The maximum tenor of loan is 12 months with initial tenor of 01 months put/call option which is payable as a bullet repayment at the end of the tenor. The loan carries the rate of interest of 5.25% p.a. to 8.60% p.a which is payable monthly. Closing outstanding balance as on March 31, 2021 is Rs. 905.00 million (March 31, 2020: 1,826.00 million).

c) Terms attached to Term Loan from Financial institution (Arka Fincap Limited)

Vide letter dated September 10, 2020, the Company has been sanctioned corporate Loan facility amounting to Rs 500.00 million from Arka Fincap Limited. Against the said facility, the Company has got full disbursement of Rs. 500.00 million. As on March 31, 2021, the outstanding closing balance is Rs. 495.99 million.

The loan carries the rate of interest of 11.75% p.a. payable monthly.

The said Loan is repayable in 4 structured instalments starting from 18th month. The Loan amount is secured exclusively through pledge of CCD/Equity/CCPS/ by HSEPL to SPV, Hypothecation of shareholder loan given by SPV.

d) Terms attached to Term Loan from Financial institution (L & T Infrastructure Finance company Limited)

Vide "Facility agreement" dated April 8, 2020, the Company has been sanctioned Indian rupee term loan facility (RTL) amounting to Rs 1,600.00 million from L & T Infrastructure Finance company Limited. Against the said facility, the Company has got full disbursement of Rs. 1,600.00 million. As on March 31, 2021, the outstanding loan amount is Rs. 1,556.57 million. The Term Loan is repayable in 7 structured quarterly instalments starting from October 01, 2020.

The loan carries the rate of interest of 10.25% p.a. payable monthly.

The Loan is secured by way of first charge of equitable mortgage over the entire immovable properties of the Company, over all the movable fixed assets including but not limited to 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 but not limited to book debts, operating cash-flows, receivables, commissions, revenues, first charge on all Project accounts including but not limited to Trust and Retention account; and Pledge over Equity Shares representing 100% percent of the Equity Shares of the Borrower in favour of the Lenders/Security Trustee and first charge/assignment of 100% of Sponsor debt/equity instruments considered as Sponsor Contribution.

e) Terms attached to Non convertible debenture

During the year, vide Debenture trust deed dated June 11, 2020, the Company has issued 2,250 unlisted, collateralized, redeemable, non-convertible debentures of a face value of Rs. 1.00 million each (each a "Debenture" and collectively "Debentures") to International Finance Corporation (together with any other holder(s) of the Debentures from time to time, the "Debenture holders"), on a private placement basis, for an aggregate amount of Rs. 2,250.00 million in accordance with terms and conditions of debenture trust deed dated June 11, 2020 entered with Catalyst Trusteeship Limited. The debenture is allotted on June 18, 2020. As on March 31, 2021, the outstanding loan amount is Rs. 2,219.81 million.

The loan carries the rate of interest of 10.22% p.a. payable quarterly. The said Debentures are repayable in 5 instalments starting from July 15, 2023 to July 15, 2025.

The Non-convertible debentures (unlisted) are secured by way of first ranking and exclusive pledge on the Securities of the SPVs.

Further, vide amended agreement dated April 15, 2021 after the Bond issuance, the Company along with Hero Wind Energy Private Limited is required to pay the USD 10 million on or before July 15, 2021 on prorata basis of outstanding debenture and accordingly proportionate amount of RS. 441.62 million is shown as "Current maturities of long term borrowing" under other financial liabilities.

Terms attached to 9.995% Non-Convertible Debentures

Vide debenture trust deed dated December 21, 2016, the Company has issued and allotted 1,750 senior, secured, rated, unlisted, taxable, redeemable, non-convertible debentures of a face value of Rs 1.00 million each of the aggregate nominal value of Rs 1,750.00 million in accordance with terms and conditions of debenture trust deed. The same is issued by the company in dematerialized form on December 21, 2016 in 2 tranches of 875 Non- Convertible debentures of the Company for cash at a face value of Rs 1.00 million each at par.

Security -

Non-Convertible Debentures(Unlisted) are secured by way of first ranking and exclusive pledge on the Pledged Securities of the SPVs so as to ensure that the Security Cover ratio (1.1:1) is maintained in accordance with terms of "Share Pledge Agreement" and the "Debenture Trust Deed"

Terms of Redemption -

9.995% Non-Convertible debentures are redeemable at the end of 54 months from the allotment date. The aggregate of the face value of debentures along with redemption premium calculated on XIRR basis shall be redeemed at the time of redemption on relevant Scheduled redemption date.

Tranches	Date of Allotment	Date of Redemption	Redemption amount (excluding interest accrued thereon)
I	December 21, 2016	June 21, 2021	875.00
II	December 21, 2016	June 21, 2022	875.00

Further, During the year ended March 31, 2021, the Company has paid the Non-convertible debenture principal amounting to Rs 1,750.00 million and debenture premium amounting to Rs. 692.22 million thereon.

Terms attached to 11.84% Non-Convertible Debentures

Vide debenture trust deed dated June 20, 2019, the Company has issued and allotted 2,000 senior, secured, rated, unlisted, taxable, redeemable, non-convertible debentures of a face value of Rs 1.00 million each of the aggregate nominal value of Rs 2,000.00 million in accordance with terms and conditions of debenture trust deed. The same is issued by the company in 2 tranches of 1000 Non- Convertible debentures of the Company for cash at a face value of Rs 1.00 million each at par.

Interest -

Fixed interest rate shall not be less than 11.84% p.a, for each notch of downgrade or upgrade in credit rating of the debentures by any of the rating agencies shall be increased or decreased by 30 basis points.

Security -

Non-Convertible Debentures(Unlisted) are secured by way of first ranking and i) exclusive pledge over original Pledged Securities of the SPVs, such that security cover based on book value of the assets secured of 1.12 times the principle amounts of debentures & the assets over which is security is created is free from all other encumbrances.

Terms of Redemption -

Non-Convertible debentures "Tranche-I" is repaid on April 03, 2020 and "Tranche-II" is repaid on May 02, 2020.

Further, During the year ended March 31, 2021, the Company has paid the Non-convertible debenture principal amounting to Rs 2,000.00 million.

f) Terms attached to Optionally convertible debenture

During the period, vide Debenture Subscription and Share Purchase Agreement dated February 04, 2021, the Company has issued 1,219,132.00 unlisted, optionally-convertible debentures of a face value of Rs. 121.91 million each (each a "Debenture" and collectively "Debentures") to O2 Power SG PTE Limited "O2". The debenture is allotted on March 02, 2021. This transaction is part of sale of SPV Clean Solar Power (Bhainsada) private Limited. As on March 31, 2021, the outstanding loan amount is Rs. 104.30 million

The loan carries the rate of interest of 0.001% p.a. payable annually. The said Debentures are repayable after one year from the date of commissioning of Bhadla-III project by subsidiary "Clean Solar Power Bhainsada Private Limited".

g) Terms attached to Compulsorily convertible debentures :

The Company has issued unsecured , unrated unlisted Compulsorily convertible debentures (CCD) to its Holding Company Hero Future Energies Private Limited* Earlier know as Clean Solar Power (Hiriyur) Private Limited (holding company) as per the details below:

As on March 31, 2021, the outstanding loan amount is Rs. 619.91 million (March 31, 2020: 614.63 million).

Series of Debentures Issued	No. of Debentures Issued	Date of Issue	Redemption & Maturity Option	Ranking
Compulsorily Convertible Debentures	8,350,000 of face value Rs 100 each	July 19, 2018	Subject to applicable law, CCD shall be convertible into equity shares either on occurrence of the conversion trigger events, or on mandatory conversion, or upon expiry of 20 years from the date of each CCD issuance	Debentures carry interest rate of 6% annualizes yield on face value of CCD plus any unpaid interest.

Pursuant to IND AS 109, the company has treated the Compulsorily Convertible debentures as Compound financial instrument. As per the terms of agreement, the company has a contract obligation to pay interest @ 6% to debentures holders and Holder has right to convert all or some of the CCD upon occurrence of trigger event. From the above perspective, the entire instrument has been considered as compound financial instrument comprising two components i.e. a financial liability and an equity instrument. Accordingly, the company has adopted the split method of accounting under IND AS and discounted the expected cash outflows (interest payment for the period of 20 years) and determined the same as financial liability as on the date of issue of debentures amounting to Rs 606.78 million. The Company has allocated the residual value amounting to Rs 228.22 million to the equity component. Subsequently each year, the Company accrete the interest using EIR method to the liability component of the instrument. The Company has considered the deferred tax liability on the equity component of the instrument at its initial recognition on account of temporary difference between tax base and financial statements as per IND AS 32.

h) Terms attached to Term Loan from Bank Overdraft

Vide letter dated December 24, 2020, the Company has Overdraft facility sanctioned by IndusInd Bank Limited against FD Rs 1,000.00 million. The Overdraft has validity of 1 year or FD maturity whichever is earlier.

Vide letter dated December 11, 2020, Axis Bank has sanctioned to the Company credit limit of Rs 2,200.00 million. The credit limit includes overdraft of Rs. 150.00 million carries the rate of interest at 1-month MCLR +1.55% p.a. The Overdraft is repayable on demand. The Overdraft is secured by way of letter of comfort signed by director and post-dated cheques.

Vide agreement dated October 03, 2020, Kotak Mahindra Bank has converted short term loan of Rs. 160.00 million into Overdraft facility. The Overdraft is repayable on demand. The Overdraft is fully secured against the fixed deposit given by group company "Clean Solar Power (Jodhpur) private Limited".

As on March 31, 2021, the outstanding closing bank overdraft balance from all above lenders are amounting to Rs. 1,515.51 million. The overdraft carries the rate of interest range between 3.55% to 8.80% p.a. payable annually.

i) Terms attached to loan from related parties

i) The Company has entered into a "Loan Agreement" dated March 11, 2016 (amended on June 15, 2018) with **Hero Future Energies Private Limited (the holding company)** for availing loan upto Rs. 13,000.00 million and accordingly till March 31, 2021 the Company has Rs. 3,874.59 million (March 31, 2020: Rs. 2,303.70 million) outstanding balance against the sanctioned limit. The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45% (March 31, 2020 9.45%). The loan is repayable on demand except below.

With effect from April 01, 2019, vide amendment agreement dated December 20, 2019, the Company has revised certain terms and conditions attached to:

- Loans worth Rs. 4,623.00 Million now carry 0% interest and are repayable at the discretion of the Company. The same have been reclassified from 'Loan from related parties' to 'Deemed capital contribution'.
- Loan worth Rs. 1,500 million from Hero Future Energies Private Limited. This loan now carries 0% interest and is repayable at the end of 5 years from date of revision. Fair value loss on initial recognition of this loan amounting to Rs. 544.98 million has been recognised as 'Deemed capital contribution'.

ii) The Company has entered into a "Loan Agreement" dated May 21, 2018 with **Clean Wind Power (Devgarh) Private Limited** for availing loan upto Rs. 2,500.00 million and accordingly till March 31, 2021 the Company has Rs. 2,178.86 million (March 31, 2020: Rs. 2,178.86 million) outstanding balance against the sanctioned limit. The applicable interest on the said loan 55 bps higher than interest rate of secured lender, i.e. 11.20% (March 31, 2020: 10.25%). The loan is granted for a period of 21 years unless extended/reduced by mutual agreement of the parties.

iii) The Company has entered into a "Loan Agreement" dated April 01, 2019 with **Clean Wind Power (Manvi) Private Limited** for availing loan upto Rs. 500.00 million and accordingly till March 31, 2021 the Company has Rs. 320.00 million (March 31, 2020: Rs. 320.00 million) outstanding balance against the sanctioned limit. The applicable interest on the said loan should not be less than prevailing yield of Government Securities i.e. 10.50% (March 31, 2020: 10.25%). The loan is granted for a period of 21 years unless extended/reduced by mutual agreement of the parties.

iv) The Company has entered into a "Loan Agreement" dated March 04, 2019 with **Clean Wind Power (Ratlam) Private Limited** for availing loan upto Rs. 1,000.00 million and accordingly till March 31, 2021 the Company has Rs. 680.00 million (March 31, 2020: Rs. 680 million) outstanding balance against the sanctioned limit. The applicable interest on the said loan 55 bps higher than interest rate of secured lender, i.e. 9.30% (March 31, 2020: 9.45%). The loan is granted for a period of 21 years unless extended/reduced by mutual agreement of the parties.

j) Terms attached to working capital demand loan from Federal Bank

Federal Bank has sanctioned working capital demand loan amounting to Rs 500.00 million to the Company. The said loan got disbursed in March, 2021 and has tenure of 180 days from the date of disbursement.

16 Trade payables

	As at March 31, 2021	As at March 31, 2020
Trade payables		
- Outstanding dues to micro and small enterprises*	0.23	8.79
- Outstanding dues to parties other than micro and small enterprises#	238.17	206.17
	238.40	214.96

*These have been identified by the Company from the available information, which has been relied upon by the auditors.

Includes payable to related parties (refer note 31) 3.39 60.96

For explanations on the Company's credit risk management processes, refer to note 36.

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling of the memorandum. Based on information received and available with the company, there are no amounts payable to Micro, Small and Medium Enterprises as at March 31, 2021 except as follows:

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

	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	0.23	8.79
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	-	-
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.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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	-	-
	0.23	8.79

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

17 Other Financial Liabilities

	As at March 31, 2021	As at March 31, 2020
Non- current		
Security Deposit	2.55	2.55
Interest accrued on others security deposits	0.41	0.31
	2.96	2.86
Current		
Current maturities of long term loan from banks	1,968.59	372.71
Current maturities of long term loan from Financial Institution	1,679.40	-
Current maturities of Non-Convertible Debentures	441.62	-
Interest accrued on borrowings	76.77	199.74
Interest accrued to related parties (refer note 31)	1,173.56	1,321.82
Payables for property, plant and equipment	131.56	202.43
Other payables*	337.88	151.80
	5,809.38	2,248.50
Total	5,812.34	2,251.36
*Includes other payable to related parties (refer note 31)	164.32	58.71

Breakup of financial liabilities at amortised cost:

	As at March 31, 2021	As at March 31, 2020
Borrowings (Refer to note 15)	14,265.96	13,579.66
Other financial liabilities (Refer to note 17)	5,812.34	2,251.36
Trade payables (Refer to note 16)	238.40	214.96
	20,316.70	16,045.98

18 Provisions

	As at March 31, 2021	As at March 31, 2020
Non- current		
Provision for employee benefits:		
- Provision for Gratuity refer note 37)	0.19	-
- Provision for compensated absences	10.60	7.97
	10.79	7.97
Current		
Provision for employee benefits:		
- Provision for Gratuity refer note 37)	0.40	-
- Provision for compensated absences	0.50	0.26
	0.90	0.26

19 Other liabilities

	As at March 31, 2021	As at March 31, 2020
Non- current		
Deferred income (refer note 31)	1.18	-
Deferred government grant (refer note 41)	229.48	173.96
	230.66	173.96

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
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Current		
Deferred government grant (refer note 41)	15.32	11.52
Advance from customers*	2.13	9.22
Statutory dues	33.86	25.39
Others	3.61	13.69
	54.92	59.82
Total	285.58	233.78

*Includes advance from related parties (refer note 31) 1.88 7.09

20 Revenue from contracts with customers	For the year ended	
	March 31, 2021	March 31, 2020
Sale of Electricity	129.06	103.12
Income from Management and Development Services*	162.34	604.30
Operation and Maintenance Fees*	240.72	227.91
Sale of Rooftop solar plant*	31.05	29.20
	563.17	964.53

*Includes revenue from related parties (refer note 31) 404.87 857.13

Performance obligation

Sale of Electricity

The performance obligation of the company is to recognise revenue from sale of power at the point of time when the control of goods is transferred to the customers.

Sale of Rooftop solar plant

The performance obligation of the company is to recognise revenue from sale of rooftop solar power plant at the point of time when the control of goods is transferred to the customers.

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 recognize revenue over the period of the contract based on service rendered.

Operation and Maintenance Fees

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

Disaggregation and Source of Revenue

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

21 Other income	For the year ended	
	March 31, 2021	March 31, 2020
Interest income financial assets measured at amortised cost		
Interest income on debentures (refer note 31)	210.38	209.22
Interest income on loan to related parties (refer note 31)	821.18	642.15
Interest income on fixed deposits	66.69	8.86
Interest income on income tax refund	16.43	5.71
Liabilities written back	17.93	9.80
Gain on Sale of financial asset (refer note 38 (f))	37.22	-
Fair value gain on financial asset measured at fair value through profit and loss (refer note 38 (f))	44.32	-
Subsidy (refer note 41)	16.34	10.83
Gain on Sale of mutual funds	-	1.37
Miscellaneous Income	26.03	2.26
	1,256.52	890.20

22 Cost of raw material and components consumed	For the year ended	
	March 31, 2021	March 31, 2020
Cost of Materials Consumed	24.70	27.66
	24.70	27.66

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

	For the year ended	
	March 31, 2021	March 31, 2020
23 Employee benefit expenses		
Salaries, wages and bonus	77.96	81.63
Contribution to provident and other funds	3.89	4.02
Gratuity expense (refer note 37)	2.69	2.16
Staff welfare expenses	-	0.76
Employee stock option scheme (refer note 31(d)(xiv))	-	4.29
	84.54	92.86
24 Finance cost		
Interest expense on financial liabilities measured at amortised cost using effective interest rate		
Interest on debts and borrowings	589.96	242.15
Interest on loan from related parties (refer note 31)	679.13	512.74
Interest on compulsory convertible debenture (refer note 31)	55.38	54.58
Interest on Non Convertible Debentures	250.69	416.54
Other Finance Costs	20.30	21.01
	1,595.46	1,247.02
25 Depreciation and amortisation expense		
Depreciation of tangible assets	65.31	56.46
Amortization of intangible assets	0.59	11.63
	65.90	68.09
25A Impairment of financial assets		
Impairment of loan given to subsidiaries (Refer note 38 (b and e))	266.72	358.59
Impairment of interest receivable from subsidiaries (Refer note 38 (b and e))	107.17	139.22
Impairment of equity shares of subsidiaries	-	0.20
	373.89	498.01
26 Other expenses		
Management Fees (refer note 31)	86.18	243.11
Operation and Maintenance expenses	207.88	215.90
Fair value loss on financial instruments measured at fair value through profit and loss (Refer note (26c) below)	212.56	58.02
Stores and spares consumed	1.76	-
Legal and Professional Fees	67.53	64.01
Travelling and conveyance	2.89	1.77
Erection, commissioning and installation	2.22	1.78
Bidding Fees	1.59	0.84
Rent, rates and taxes	4.63	0.90
Auditor's remuneration (Refer note (26a) below)	0.86	1.50
Consultancy charges	0.27	-
CSR expenditure (refer note (26b) below)	-	0.30
Exchange fluctuation expense (net)	0.05	0.96
Insurance	1.81	1.34
Loss on amortisation of inventory	-	2.31
Balance written off	198.48	0.08
Miscellaneous expenses	6.37	8.76
Bad debts (doubtful)	-	0.23
	795.08	601.81

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

	For the year ended	
	March 31, 2021	March 31, 2020
26 a) Details of payment made to auditors is as follows:		
As Auditor:		
Audit fees	0.85	1.45
As Other capacity:		
Out of pocket expenses	0.01	0.05
	0.86	1.50

	For the year ended	
	March 31, 2021	March 31, 2020
26 b) Details of corporate social responsibility expenditure is as follows:		
Amount required to be spend as per section 135 of the Companies Act, 2013	-	-
Total	-	-

	In cash	Yet to be paid in cash	Total
Amount spent during the year ending March 31, 2021			
(i) Construction/acquisition of an asset	-	-	-
Amount spent during the year ending March 31, 2020			
(i) Construction/acquisition of an asset	0.30	-	0.30

For the purpose of computing " average net profits made during last 3 years" as required under section 135 of the Companies Act, 2013, based on the expert legal view, the Company has adjusted loss incurred in one of the earlier years with profits in the other years. Accordingly, " average net profits made during last 3 years" is the arithmetic average mean of the profits as well as loss of last three years.

	For the year ended	
	March 31, 2021	March 31, 2020
26 c) Fair value loss on financial instruments measured at fair value through profit and loss		
Fair Value gain/(Loss) of Compulsorily convertible debenture of subsidiaries		
(i) Clean Solar power (Chitradurga) private Limited	(2.84)	(154.07)
(ii) Clean Solar power (Gulbarga) private Limited	(209.72)	96.05
Total	(212.56)	(58.02)

	For the year ended	
	March 31, 2021	March 31, 2020
27 Tax expense		
Current tax	-	-
Deferred tax	(199.11)	22.59
	(199.11)	22.59

	For the year ended	
	March 31, 2021	March 31, 2020
28 Other Comprehensive Income		
Re-measurement (gains)/ losses on defined benefit plans	(0.09)	0.91
Re-measurement (gains)/ losses on defined benefit plans-Income Tax Effect	0.02	(0.23)
	(0.07)	0.68

	For the year ended	
	March 31, 2021	March 31, 2020
29 Earnings per share (EPS)		
Loss attributable to the equity holders of the company	(920.77)	(703.31)
Interest on Compulsorily Convertible Debentures('CCD')	55.38	54.58
Profit/(Loss) considered for calculation of EPS	(865.39)	(648.73)
Weighted average number of equity shares for basic and diluted EPS	588,251,179	220,413,504
Basic and diluted earnings/(loss) per share (face value Rs. 10 per share)	(1.47)	(2.94)

Shares that will be issued upon conversion of a Compulsorily Convertible Debentures are included in the calculation of basis EPS from the date the contract entered.

It is assumed that one share will be issued against one debenture at face value of INR 10 each for the purpose of EPS computation as the number of shares that will be issued upon conversion of CCD are based on fair market value of the equity shares at the time of conversion of CCD's.

Optionally Convertible Cumulative Debentures (OCCD) have not been considered for computation of diluted EPS, since these are anti -dilutive in nature. Hence both basic and diluted EPS are same.

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
(Amount in Rupees million, unless otherwise stated)

30 Income tax

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

	Opening Balance April 01, 2020	Charged / (credited) to statement of Profit or Loss	Charged / (credited) to OCI	Charged / (credited) in Other Equity	Closing Balance March 31, 2021
Higher depreciation and amortization for tax purposes	(152.85)	27.26	-	-	(180.11)
Deferred Government Grant	37.50	(5.51)	-	-	43.01
Provision for employee benefits	4.24	(1.33)	0.02	-	5.55
Borrowings (EIR)	(9.24)	28.93	-	-	(38.17)
Equity component of loan received from holding company converted at 0%	(114.14)	(24.61)	-	-	(89.53)
Provision of Investment made or Interest receivable	35.04	(26.97)	-	-	62.01
Non-convertible debentures	(15.62)	(8.01)	-	-	(7.61)
Carry forward tax loss and Unabsorbed depreciation	162.76	(148.89)	-	-	311.65
Provision for doubtful debts	0.98	-	-	-	0.98
Investment in Compulsorily convertible debenture	(81.53)	(52.77)	-	-	(28.76)
Deferred Asset and Fair Value of Investment	-	16.03	-	-	(16.03)
Optionally Convertible Cumulative Debentures	-	4.43	-	-	(4.43)
Equity component of Compulsorily convertible debenture	(55.43)	(1.33)	-	-	(54.10)
Others	-	(6.34)	-	-	6.34
Net Deferred tax assets / (liabilities)	(188.29)	(199.11)	0.02	-	10.80

	Opening Balance April 01, 2019	Charged / (credited) to statement of Profit or Loss	Charged / (credited) to OCI	Charged / (credited) in Other Equity	Closing Balance March 31, 2020
Higher depreciation and amortization for tax purposes	(137.60)	15.25	-	-	(152.85)
Deferred Government Grant	18.64	(18.86)	-	-	37.50
Provision for employee benefits	2.94	(1.07)	(0.23)	-	4.24
Capital work in progress	(0.93)	(0.93)	-	-	-
Borrowings (EIR)	0.19	9.43	-	-	(9.24)
Equity component of loan received from holding company converted at 0%	-	(23.04)	-	137.18	(114.14)
Provision of Investment made or Interest receivable	-	(35.04)	-	-	35.04
Non-convertible debentures	(19.26)	(3.64)	-	-	(15.62)
Carry forward tax loss and Unabsorbed depreciation	154.83	(7.93)	-	-	162.76
Provision for doubtful debts	1.17	0.19	-	-	0.98
Investment in Compulsorily convertible debenture	(109.49)	(27.96)	-	-	(81.53)
MAT Credit entitlement	114.61	114.61	-	-	-
Equity component of Compulsorily convertible debenture	(62.23)	1.58	-	(8.38)	(55.43)
Net Deferred tax assets / (liabilities)	(37.13)	22.59	(0.23)	128.80	(188.29)

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020 are as follows:

	As at March 31, 2021	As at March 31, 2020
Accounting profit before tax	(1,119.88)	(680.72)
At India's statutory income tax rate of 25.17% (March 31, 2020: 25.17%)	(281.87)	(171.34)
Expenses Disallowed under Income Tax Act, 1961	0.20	1.74
Provision for doubtful investment in subsidiary	67.13	90.31
Effect of change in tax rate	-	(10.93)
Adjustments in relation to the reversal of MAT credit entitlement and change in tax rate during the current year	-	114.61
Others	15.43	(1.79)
Total	(199.11)	22.59

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.

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
(Amount in Rupees million, unless otherwise stated)

31 Related Party Disclosures

a) List of related parties

Name of Related Party	Nature of relationship
B M Munjal Energies Private Limited	Ultimate holding company
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited)	Holding company
Clean Solar Power (Chitradurga) Private Limited	Subsidiary Company
Clean Solar Power (Dhar) Private Limited	Subsidiary Company
Rajkot (Gujarat) Solar Energy Private Limited	Subsidiary Company
Clean Solar Power (Gulbarga) Private Limited	Subsidiary Company
Clean Solar Power (Tumkur) Private Limited	Subsidiary Company
Clean Solar Power (Bellary) Private Limited	Subsidiary Company
Clean Solar Power (Bhadla) Private Limited	Subsidiary Company
Clean Solar Power (Jaipur) Private Limited	Subsidiary Company
Clean Solar Power (Jodhpur) Private Limited	Subsidiary Company
Clean Solar Power (Sirsa) Private Limited	Subsidiary Company
Clean Solar Power (Konch) Private Limited	Subsidiary Company
Clean Solar Power (Kadapa) Private Limited	Subsidiary Company
Clean Solar Power (Bhainsada) Private Limited	Subsidiary Company
Clean Solar Power (Amarsar) Private Limited w.e.f October, 16 2020	Subsidiary Company
Clean Solar Power (Baniyana) Private Limited	Subsidiary Company
Clean Wind Power (Ratlam) Private Limited	Enterprise under common Control
Waaneep Solar Private Limited	Subsidiary Company
Clean Wind Power (Devgarh) Private Limited	Enterprise under common Control
Clean Wind Power (Manvi) Private Limited	Enterprise under common Control
Vayu Urja Bharat Private Limited	Enterprise under common Control
Clean Solar Rooftop private Limited	Enterprise under common Control
Hero Wind Energy Private Limited	Fellow Subsidiary Company
Clean Wind Power (Pratapgarh) Private Limited	Enterprise under common Control
Clean Wind Power (Bhavnagar) Private Limited	Enterprise under common Control
Rockman Industries Limited	Enterprises over which key managerial personnel and their relatives able to control
BML Educorp Services	Enterprises over which key managerial personnel and their relatives able to control
Hero Future Energies Limited Employees Group Gratuity	Enterprises over which key managerial personnel and their relatives able to control
Hero Motocorp Limited	Enterprises over which key managerial personnel and their relatives able to control
Hero FinCorp Limited	Enterprises over which key managerial personnel and their relatives able to control
Hero Rooftop Energy Private Limited	Enterprises over which key managerial personnel and their relatives able to control
Bhilwara Green Energy Limited	Entity under common control
Neha Sethi	Key Managerial Personal (Company Secretary)

b) Transactions with related parties

Name of Related Party	Relationship	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited)	Holding Company	Management, Development expense & Cross Charge	86.18	243.11
		Loan Repaid	8,995.26	13,227.90
		Loan Taken	10,921.82	5,332.50
		Investment in Equity Share Capital	-	4,549.41
		Expenses incurred on Company's behalf	20.40	0.33
		Interest Expense#	280.47	129.61
Clean Solar Power (Chitradurga) Private Limited	Subsidiary Company	Management, Development fee and Operation & Maintenance Fees	18.42	21.31
		Loan Given	112.56	334.37
		Loan Repaid	-	-
		Interest Income	134.93	120.11
		Expenses incurred on behalf	0.06	62.04
Clean Solar Power (Dhar) Private Limited	Subsidiary Company	Expenses incurred on behalf	1.57	0.17
		Management, Development fee and Operation & Maintenance Fees	17.25	14.59
		Loan Repaid	8.40	12.20
		Interest Income	0.01	0.87

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
(Amount in Rupees million, unless otherwise stated)

Name of Related Party	Relationship	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Rajkot (Gujarat) Solar Energy Private Limited	Subsidiary Company	Loan Repaid	-	60.00
		Interest Income	36.19	36.41
		Expenses incurred on their behalf	0.00	0.28
		Loan Given	-	25.00
		Management, Development fee and Operation & Maintenance Fees	30.95	29.47
Clean Solar Power (Gulbarga) Private Limited	Subsidiary Company	Investment in Compulsorily Convertible Debentures	1,349.60	-
		Investment in Equity Shares	861.40	-
		Expenses incurred on their behalf	76.10	6.11
		Management, Development fee and Operation & Maintenance Fees	120.25	112.96
		Loan Repaid	2,041.00	100.00
		Loan Given	471.75	5.65
		Interest Income**	250.77	258.68
Clean Solar Power (Tumkur) Private Limited	Subsidiary Company	Expenses incurred on our behalf	0.07	1.45
		Management, Development fee and Operation & Maintenance Fees	119.99	114.48
		Management, Development fee and Operation & Maintenance Fees	-	-
		Interest Income	200.04	142.74
		Loan Given	249.94	848.05
		Loan Repaid	50.04	995.00
Clean Solar Power (Bellary) Private Limited	Subsidiary Company	Loan Given	5.00	5.00
		Expenses incurred on behalf	1.18	1.56
		Management, Development fee and Operation & Maintenance Fees	13.43	12.86
		Interest Income	26.32	25.95
Clean Solar Power (Bhadla) Private Limited	Subsidiary Company	Expenses incurred on their behalf	1.29	0.75
		Investment in Equity Shares	-	2,100.00
		Loan Given	1,791.21	339.10
		Management, Development fee and Operation & Maintenance Fees	-	450.00
		Interest Income**	159.21	73.59
Clean Solar Power (Jaipur) Private Limited	Subsidiary Company	Expenses incurred on behalf	0.02	1.11
		Loan Repaid	322.20	2,885.35
		Loan Given	7.59	2,100.40
		Interest Income	101.98	99.02
Clean Solar Power (Jodhpur) Private Limited	Subsidiary Company	Investment in Equity Shares	-	1,350.00
		Loan Given	1,050.69	50.33
		Loan Repaid	265.00	488.50
		Expenses incurred on behalf	2.46	0.40
		Interest Income	28.16	38.19
Clean Solar Power (Sirsa) Private Limited	Subsidiary Company	Loan Given	0.80	4.30
		Interest Income	8.51	8.43
		Reimbursement of expenses incurred on their behalf	0.02	4.00
Clean Solar Power (Kadapa) Private Limited	Subsidiary Company	Expenses incurred on their behalf	0.11	-
Clean Solar Power (Baniyana) Private Limited	Subsidiary Company	Investment in Equity Shares	-	0.10
Clean Solar Power (Konch) Private Limited	Subsidiary Company	Investment in Equity Shares	-	-
		Loan Given	0.20	3.60
		Expenses incurred on our behalf	3.54	-
		Interest Income	0.34	0.26
Clean Wind Power (Devgarh) Private Limited	Enterprise under common control	Interest Expense	245.44	237.21
		Loan Taken	200.00	639.00
		Loan Repaid	200.00	662.50
Clean Wind Power (Manvi) Private Limited	Enterprise under common control	Loan Taken	133.00	320.00
		Loan Repaid	133.00	-
		Interest Expense	34.16	33.23
		Management, Development fee and Operation & Maintenance Fees	19.58	29.53
Vayu Urja Bharat Private Limited	Enterprise under common control	Expenses incurred on their behalf	-	-

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
(Amount in Rupees million, unless otherwise stated)

Name of Related Party	Relationship	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Hero Rooftop Energy Private Limited	Enterprises over which key managerial personnel and their relatives able to control	Sales of rooftop & Installation & Commissioning	2.33	14.23
		Expense incurred on their behalf	0.11	2.07
Waaneep Solar Private Limited	Subsidiary Company	Investment in Equity Shares	-	-
		Loan Repaid	249.80	300.50
		Loan Given	591.60	246.20
		Expense incurred on their behalf	81.37	126.55
		Management, Development fee and Operation & Maintenance Fees	61.24	56.69
Clean Solar Power (Bhainsada) Private Limited	Subsidiary Company	Interest Income	57.06	36.73
		Investment in Equity Shares	90.00	0.10
		Loan Repaid	155.96	33.42
		Loan Given	101.97	314.00
Clean Wind Power (Ratlam) Private Limited	Enterprise under common control	Interest Income	25.05	8.08
		Loan Taken	-	680.00
Clean Solar Power (Amarsar) Private Limited	Subsidiary Company	Interest Expense	66.67	70.62
		Investment in Equity Shares	0.10	-
		Loan Given	10.50	-
Hero Motocorp Limited	Enterprises over which key managerial personnel and their relatives able to control	Interest income	0.04	-
		Sales of rooftop & Installation & Commissioning	-	-
		Operation & Maintenance Fees	1.42	1.01
Hero FinCorp Limited	Enterprises over which key managerial personnel and their relatives able to control	Loan Taken	-	-
		Loan Repaid	-	500.00
		Interest Expense	-	3.70
Bhilwara Green Energy Limited	Entity under common control	Loan given	230.00	719.00
		Loan repaid	230.00	719.00
		Interest Expense	7.29	0.26
Neha Sethi	Key Managerial Personnel*	Remuneration Paid	1.04	0.87

All numbers are exclusive of GST

*All the liabilities for post retirement benefits being 'Gratuity', "Leave encashment", "Pension fund" are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial personnel are not included above.

**Interest income does not include Rs. 2.96 millions (March 31, 2020: Rs. 2.29 millions) related to Interest on compulsory convertible debentures accounted at amortised income using EIR method.

#Interest expense does not include Rs. 5.28 millions (March 31, 2020: Rs. 4.73 millions) related to Interest on compulsory convertible debentures, Rs. 97.77 millions (March 31, 2020: Rs. 91.54 millions) related to Interest on shareholder's loan accounted at amortised cost using EIR method and Rs. 2.58 million (March 31, 2020: Rs. 3.57 millions) pertains to interest capitalised during the year.

c) Closing Balance of related parties

Name of Related Party	Relationship	Nature of transaction	As at March 31, 2021	As at March 31, 2020
Hero Future Energies Private Limited (erstwhile Clean Solar Power (Hiriyur) Private Limited)	Holding Company	Equity Share capital	5,047.51	5,047.51
		Investment in Compulsorily Convertible Debentures	835.00	835.00
		Investment in equity share capital	5,047.51	5,047.51
		Loan Outstanding*	8,853.26	6,926.70
		Trade payable	-	57.57
		Other Payables	21.27	0.87
B.M Munjal Energies Private Limited	Ultimate Holding Company	Interest Payable	390.41	865.72
		Other Receivables	0.24	-

Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
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Name of Related Party	Relationship	Nature of transaction	As at March 31, 2021	As at March 31, 2020
Clean Solar Power (Chitradurga) Private Limited	Subsidiary Company	Investment in Equity Shares	125.00	125.00
		Investment in Compulsorily Convertible Debentures	355.00	355.00
		Loan Receivable	1,104.86	992.30
		Other Receivables	65.59	65.53
		Trade Receivable	87.83	107.10
		Interest Receivable	368.38	237.65
Clean Solar Power (Dhar) Private Limited	Subsidiary Company	Investment in Equity Shares	450.10	450.10
		Loan Receivable	-	8.40
		Other Receivables	-	1.57
		Deferred income	1.18	-
		Interest Receivable	0.79	0.78
Rajkot (Gujarat) Solar Energy Private Limited	Subsidiary Company	Investment in Equity Shares	137.50	137.50
		Investment in Optionally convertible cumulative debentures	345.00	345.00
		Loan Receivable**	92.60	92.60
		Other Receivables	16.02	16.02
		Trade Receivable	9.77	42.08
		Interest Receivable	164.33	129.23
Clean Solar Power (Gulbarga) Private Limited	Subsidiary Company	Investment in Equity Shares	1,521.40	660.00
		Investment in Compulsorily Convertible Debentures	2,419.60	1,070.00
		Loan Receivable	-	1,569.25
		Other Receivables	-	76.11
		Trade Receivable	469.87	407.24
		Trade payable	3.39	3.39
		Interest Receivable	568.37	576.54
Clean Solar Power(Tumkur) Private Limited	Subsidiary Company	Loan Receivable***	2,442.78	2,242.88
		Other Payables	0.39	0.46
		Trade Receivable	436.95	446.19
		Interest Receivable	611.95	418.23
		Investment in Equity Shares	580.00	580.00
Clean Solar Power(Bellary) Private Limited	Subsidiary Company	Loan Receivable	280.80	275.80
		Other Receivables	4.45	3.27
		Trade Receivable	12.57	16.81
		Interest Receivable	102.98	77.46
		Investment in Equity Shares	0.10	0.10
Clean Solar Power (Bhadla) Private Limited	Subsidiary Company	Investment in Equity Shares	3,050.00	3,050.00
		Investment in Compulsorily Convertible Debentures	450.00	450.00
		Loan Receivable	2,389.94	598.74
		Other Receivables	4.54	5.83
		Trade Receivable	-	486.00
		Interest Receivable	490.91	339.87
Clean Solar Power (Jaipur) Private Limited	Subsidiary Company	Investment in Equity Shares#	0.10	0.10
		Loan Receivable#	950.39	1,265.00
		Other Payables	-	0.02
		Interest Receivable#	229.01	130.09
Clean Solar Power (Jodhpur) Private Limited	Subsidiary Company	Investment in Equity Shares	1,350.10	1,350.10
		Loan Receivable	820.13	34.44
		Other Payables	3.13	3.13
		Other Receivables	2.86	0.40
		Interest Receivable	72.41	46.22

Hero Solar Energy Private Limited
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Name of Related Party	Relationship	Nature of transaction	As at March 31, 2021	As at March 31, 2020
Clean Solar Power (Sirsa) Private Limited	Subsidiary Company	Investment in Equity Shares#	0.10	0.10
		Loan Receivable#	90.60	89.80
		Other Receivables	0.02	-
		Interest Receivable#	17.38	9.13
Clean Solar Power (Kadapa) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	0.10
		Other Receivables	0.17	0.06
Clean Solar Power (Baniyana) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	0.10
		Other Receivables	0.01	-
Clean Solar Power (Konch) Private Limited	Subsidiary Company	Investment in Equity Shares	0.10	0.10
		Other Payables	3.54	-
		Loan Receivable	3.80	3.60
		Interest Receivable	0.58	0.24
Clean Wind Power (Devgarh) Private Limited	Enterprise under common control	Loan Outstanding	2,178.86	2,178.86
		Interest Payable	589.44	362.40
Waaneep Solar Private Limited	Subsidiary Company	Investment in Equity Shares	2,413.77	2,413.77
		Loan Receivable	749.20	407.40
		Other Payables	131.46	50.09
		Trade Receivable	51.16	35.60
		Interest Receivable	88.84	34.33
Clean Solar Power (Amarsar) Private Limited	Subsidiary Company	Loan Receivable	10.50	-
		Investment in Equity Shares	0.10	-
		Interest Receivable	0.03	-
Clean Wind Power (Manvi) Private Limited	Enterprise under common control	Loan Outstanding	320.00	320.00
		Interest Payable	61.51	29.91
		Trade Receivable	27.73	34.06
Hero Rooftop Energy Private Limited	Enterprise under common control	Trade Receivable	26.10	23.46
		Other Receivables	1.96	2.07
Vayu Urja Bharat Private Limited	Enterprise under common control	Other Receivables	0.02	0.02
Clean Solar Power (Bhainsada) Private Limited	Subsidiary Company	Investment in Equity Shares	72.43	0.10
		Interest Receivable	0.00	7.28
		Loan Receivable	226.60	280.58
Clean Solar Rooftop Private Limited	Enterprise under common control	Trade Receivable	0.50	-
Clean Wind Power (Ratlam) Private Limited	Enterprise under common control	Loan Outstanding	680.00	680.00
		Interest Payable	125.23	63.56
Hero Wind Energy Pvt Ltd	Fellow Subsidiary	Other Receivables	1.75	-
Clean Wind Power (Pratapgarh) Private Limited	Enterprise under common control	Other Payables	0.15	-
Clean Wind Power (Bhavnagar) Private Limited	Enterprise under common control	Other Payables	0.25	-
Hero Future Energies Limited Employees Group Gratuity Trust	Enterprises over which key managerial personnel and their relatives able to control	Contribution to Gratuity fund trust	11.84	10.33
Hero Motocorp Limited	Entity under common control	Trade Receivable	1.12	0.94
		Trade Receivable (Advance received)	1.88	7.09
		Other Payables	1.02	1.02
Neha Sethi	Key Managerial Personnel	Remuneration Paid	0.14	-
Bhilwara Green Energy Limited	Entity under common control	Interest Payable	6.98	0.23

* includes Rs. 4,623.00 million (March 31, 2020: Rs. 4,623.00 million) classified as 'Deemed capital contribution' and Rs. 1,500.00 million is carried at amortised value of Rs. 1,144.33 million (March 31, 2020: Rs. 1,046.56 million) using EIR method.

** Of which, INR 60.00 million recognised as 'Deemed investment in subsidiary' in FY 2019-20

*** Of which, INR 200.00 million recognised as 'Deemed investment in subsidiary' in FY 2019-20

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Balances shown above are before provision for impairment on investment created for following subsidiaries:

Particulars	Clean Solar Power (Jaipur) Private Limited	Clean Solar Power (Sirsa) Private Limited	Total
Investment in equity share capital	0.10	0.10	0.20
Loan receivable	624.54	0.77	625.31
Interest accrued on loan receivable	229.01	17.38	246.39

d) Other Transactions:

i) As on March 31, 2021, Hero solar energy private limited, the holding company has pledged investments in equity share capital and debentures of its subsidiaries to debenture holders in connection with the non-convertible debentures issued by the company in following manner:

Name of the Subsidiary	Nature of Investment in shares	Number of Shares pledged March 31, 2021	Total No. of Securities	% of securities
Rajkot (Gujarat) Solar Energy Private Limited	Equity Shares	5,634,994	13,750,000	40.98%
Rajkot (Gujarat) Solar Energy Private Limited	Optionally convertible Cumulative Debenture	16,905,000	34,500,000	49.00%
Clean Solar Power (Chitradurga) Private Limited	Equity Shares	6,124,994	12,500,000	49.00%
Clean Solar Power (Chitradurga) Private Limited	Compulsorily Convertible Debenture	17,395,000	35,500,000	49.00%
Clean Solar Power (Dhar) Private Limited	Equity Shares	22,054,894	45,010,000	49.00%
Clean Solar Power (Gulbarga) Private Limited	Equity Shares	31,937,442	126,000,000	25.35%

(ii) The Company had pledged 51% of its investment in Equity shares of Clean Solar Power (Dhar) Private Limited (subsidiary company) with the lenders as security against borrowings taken by such subsidiary

(iii) The Company had pledged 51% of its investment in Equity shares of Rajkot (Gujarat) Solar Energy Private Limited (subsidiary company) with the lenders as security against borrowings taken by such subsidiary

(iv) The Company had pledged 51% of its investment in Equity shares of Clean Solar Power (Chitradurga) Private Limited (subsidiary company) with the lenders as security against borrowings taken by such subsidiary

(v) The Company had pledged 51% of its investment in Equity shares of Clean Solar Power (Tumkur) Private Limited (subsidiary company) with the lenders as security against borrowings taken by such subsidiary

(vi) The Company had pledged 30% of its investment in Equity shares of Clean Solar Power (Tumkur) Private Limited (subsidiary company) with the lenders as security against borrowings taken by company from Indusind Bank

(vii) The Company has pledged 34.81% of its investment in equity shares and 22.55% & 21.67% of Compulsorily Convertible Debentures of its subsidiary company (Clean Solar Power (Gulbarga) Private Limited) with the lenders as security against borrowings taken by such subsidiary and for borrowing taken by the Company respectively.

(viii) The Company has pledged 51% of its investment in equity shares of its subsidiary company (Clean Solar Power (Bhadia) Private Limited) with the lenders as security against borrowings taken by such subsidiary

(ix) The Company has pledged 76% of its investment in equity shares of its subsidiary company (Waaneep Solar Private Limited) with the lenders as security against borrowings taken by such subsidiary

(x) The Company has pledged 24% of its investment in equity shares of its subsidiary company (Waaneep Solar Private Limited) as security for payment of Waaree Energies Limited

(xi) The Company has pledged 30% of its investment in equity shares of its subsidiary company (Clean Solar Power (Bellary) Private Limited) with the lenders as security against borrowings taken by such subsidiary

xii) Hero Future Energies Private Limited, the holding company, has pledged 26% and 23% of its investment in equity shares of the Company with the lenders as security against borrowings taken by holding company and borrowing taken by the Company

xii) Hero Future Energies Private Limited, the holding company, has pledged 23% of its investment in compulsorily convertible debentures of the Company with the lenders as security against borrowings taken by the company

xiii) Hero Future Energies Private Limited, the holding company, has issued undated and post dated Cheques amounting to Rs. 231.17 million (March 31, 2020 : Rs. 240.08) on behalf of the Company for performance bank guarantees provided by the Company

xiv) During the current and previous year, no share options are granted to any employees and no further awards are planned. Details of outstanding options is as follows:

Name of the Company	No. of Employees	No. of Options	Expense charged to profit or loss (2020-21)	Expense charged to profit or loss (2019-20)
Hero Future Energies Private Limited (HFE)	3	399,543	-	4.29

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The size, timing and nature of any settlements due to beneficiaries, which may differ depending on the terms of each award for each beneficiary, will be determined following the completion of requisite formalities of settlement including valuation and are subject to approval by the Nominations & Remunerations Committee and/or the Board of Directors of the holding company. Management has assessed that it is not probable that total settlements will exceed the already provisioned Rs. 7.19 million and therefore no further expense has been recognised for the year ended March 31, 2021

xv) As on March 31, 2021, Hero solar energy private limited has provided corporate guarantee on behalf of other related parties and other related parties has provided corporate guarantee on behalf of the Company in following manner for the purpose of borrowing taken by company or related parties:

The principal	Guarantor	Guarantee amount
Hero Solar Energy Private Limited	Hero Future Energy Private Limited and Hero Wind Energy Private Limited	2,250.00
Hero Solar Energy Private Limited	Clean Solar Power (Jodhpur) Private Limited	160.00
Hero Wind Energy Private Limited	Hero Future Energy Private Limited and 'Hero Solar Energy Private Limited	1,500.00
Hero Future Energy Private Limited	Hero Wind Energy Private Limited and 'Hero Solar Energy Private Limited	2,400.00
Hero Future Energy Private Limited	Hero Wind Energy Private Limited and 'Hero Solar Energy Private Limited	2,500.00
Hero Solar Energy Private Limited	Waaneep Solar Private Limited	1,600.00

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.

32 Segment Information

The Company is engaged in a single segment i.e., the business of "generation and sale of power" from where it is earning it's revenue and incurring expenses. The operating results are regularly reviewed, and performance is assessed by its 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.

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33 Fair values

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

a) Fair value of financial assets:

	Carrying values		Fair values	
	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets measured at fair value through profit & loss				
Investment in debentures of subsidiaries (refer note 6)	1,692.15	1,904.71	1,692.15	1,904.71
Investment in equity shares in subsidiaries (refer note 6)	72.43	-	72.43	-
Financial assets measured at amortised cost				
Investment in debentures of subsidiaries (refer note 6)	1,745.58	639.21	1,745.58	639.21
Security Deposits (refer note 10)	1.98	2.52	1.98	2.52
Trade receivables (refer note 7)	1,338.47	1,857.44	1,338.47	1,857.44
Cash and cash equivalents (refer note 8)	721.11	30.11	721.11	30.11
Other Bank Balances (Refer to note 9)	1,164.11	1,820.13	1,164.11	1,820.13
Other financial assets (Refer to note 10)	10,983.87	9,321.19	10,983.87	9,321.19
	17,719.70	15,575.31	17,719.70	15,575.31

b) Fair value of financial liabilities:

	Carrying values		Fair values	
	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial liabilities measured at amortised cost				
Term loan from banks and financial institution (refer note 15)	2,952.57	3,548.24	2,952.57	3,548.24
Non-Convertible Debentures (refer note 15)	1,778.19	4,387.67	1,839.79	4,387.67
Compulsory Convertible Debentures (refer note 15)	619.91	614.63	619.91	614.63
Optionally Convertible Debentures (refer note 15)	104.30	-	104.30	-
Bank Overdraft (refer note 15)	1,257.55	-	1,257.55	-
Loan from related parties (refer note 15)	7,053.44	5,029.12	7,053.44	5,029.12
Other financial liabilities (refer note 17)	5,812.34	2,251.36	5,812.34	2,251.36
Trade payables (refer note 16)	238.40	214.96	238.40	214.96
	19,816.70	16,045.98	19,878.30	16,045.98

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

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 company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

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

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

- Fair values of the 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, 2021 was assessed to be insignificant.
- Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.
- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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Notes to financial statements for the year ended March 31, 2021
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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 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	As at
		March 31, 2021	March 31, 2020
Financial assets measured at fair value through profit & loss			
Investment in debentures of subsidiaries (Refer note 6)	Level 2	1,692.15	1,904.71
Investment in equity shares in subsidiaries (refer note 6)	Level 2	72.43	-
Financial assets measured at amortised cost			
Investment in debentures of subsidiaries (Refer note 6)	Level 2	1,745.58	639.21
Trade receivables (Refer note 7)	Level 2	7.59	-
Security Deposits (Refer note 10)	Level 2	1.98	2.52
Deposits with original maturity of more than 12 months (Refer note 10)	Level 2	10.14	0.64
Loan to related parties (Refer note 10)	Level 2	3,993.50	5,621.72
		7,523.37	8,168.80

Quantitative disclosures fair value measurement hierarchy for liabilities

	Level Classification	As at	As at
		March 31, 2021	March 31, 2020
Financial liabilities measured at amortised cost			
Term loan from banks and financial institution (refer note 15)	Level 2	2,047.57	1,582.39
Non-Convertible Debentures (refer note 15)	Level 2	1,778.19	-
Compulsory Convertible Debentures (refer note 15)	Level 2	619.91	614.63
Optionally Convertible Debentures (refer note 15)	Level 2	104.30	-
Loan from Related Parties (refer note 15)	Level 2	6,114.13	4,225.42
Security Deposit (refer note 17)	Level 2	2.55	2.55
Interest accrued but not due on others (refer note 17)	Level 2	0.41	0.31
Total		10,667.06	6,425.30

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

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

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 Capital Management

For the purpose of Company's capital management, capital includes issued equity capital and equity reserves attributable to the equity holders 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.

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Borrowings (Refer to note 15)	18,355.57	13,952.37
Less: Cash and cash equivalents (Refer to note 8)	(721.11)	(30.11)
Net debt	17,634.46	13,922.26
Equity share capital (Refer to note 13)	5,047.51	5,047.51
Other equity (Refer to note 14)	3,952.30	4,873.00
Total Capital	8,999.81	9,920.51
Capital and net debt	26,634.27	23,842.77
Gearing ratio	66.21%	58.39%

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2021 and March 31, 2020.

In order to achieve this overall objective, the Company'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.

36 Financial risk management objectives and policies

The Company principal financial liabilities comprise trade and other payables, borrowings, current maturity of 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, deposit with original maturity of 12 months, trade receivables, cash and cash and interest accrued thereon.

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 policies 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. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. Derivatives are used exclusively for hedging purposes and not for trading and speculative purposes.

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, 2021 and March 31, 2020.

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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk. The Company 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 Company may enter into currency rate swap arrangements and/ or interest rate swap arrangements, which allows the company to exchange periodic payments based on a notional amount and agreed upon fixed and floating 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, 2021		
Borrowings	+50	(22.11)
Borrowings	-50	22.11
March 31, 2020		
Borrowings	+50	(14.63)
Borrowings	-50	14.63

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 Company is not exposed to foreign currency risk in current year.

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.

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 ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Total
As at March 31, 2021	13.69	95.12	10.24	141.53	1,077.89	1,338.47
As at March 31, 2020	10.87	224.10	19.40	471.79	1,131.28	1,857.44

Reconciliation for allowances for doubtful trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	3.92	3.92
Provision created during the year	-	-
Closing Balance	3.92	3.92

Reconciliation for impairment allowances for exposure in subsidiaries

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	498.01	-
Provision created during the year	373.89	498.01
Closing Balance	871.90	498.01

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 table below summarises the maturity profile of the company financial liabilities based on contractual undiscounted payments.

As at March 31, 2021	On demand	Less than 3	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	2,730.26	393.46	5,357.91	11,763.64	835.00	21,080.27
Trade payables	-	-	238.40	-	-	238.40
Other financial liabilities	1,173.56	-	2,667.23	-	2.96	3,843.75
Total	3,903.82	393.46	8,263.54	11,763.64	837.96	25,162.42

As at March 31, 2020	On demand	Less than 3	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	2,963.70	44.93	2,355.04	4,965.95	4,013.00	14,342.62
Trade payables	-	-	214.96	-	-	214.96
Other financial liabilities	1,321.82	197.68	356.04	-	2.86	1,878.40
Total	4,285.52	242.61	2,926.04	4,965.95	4,015.86	16,435.98

*The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities that will be paid on those liabilities upto the maturity of the instruments.

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37 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 recognized Rs. 3.89 million (March 31, 2020: Rs. 4.02 million) during the year as expense towards contribution to the plan.

	For the year ended	
	March 31, 2021	March 31, 2020
Provident fund	3.89	4.02
Total	3.89	4.02

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" recognizes each year of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

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

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 summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences).

	As at March 31, 2021	As at March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
Change in benefit obligation		
1 Present value of obligation as at the beginning of the year	8.58	5.54
2 Add: Current service cost	2.81	2.50
3 Add: Past service cost	-	-
4 Add: Interest cost	0.59	0.44
5 Add: Actuarial (gain) / loss	0.72	0.55
6 Add: Transfer in	(0.06)	(0.42)
7 Less: Benefits paid	(0.20)	(0.03)
Present value of obligation as at the end of the year	12.44	8.58

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, 2021	March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
Cost for the year included under employee benefit		
Add: Current service cost	2.81	2.50
Add: Past service cost	-	-
Add: Interest cost	0.59	0.44
Less: Investment Income	(0.71)	0.77
Net cost	2.69	3.71

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

	For the year ended	
	March 31, 2021	March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning	10.33	9.92
Add: Investment income	0.71	0.77
Add: Expected return on plan assets	0.81	(0.36)
Add: Employer's Contribution	-	-
Fair value of plan assets at the end	11.85	10.33

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

	For the year ended	
	March 31, 2021	March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
1 Actuarial gain / (loss) for the year - obligation	0.72	(0.55)
2 Actuarial gain / (loss) for the year - plan assets	(0.81)	(0.36)
3 Total gain / (loss) for the year	(0.09)	(0.91)
4 Actuarial gain / (loss) recognised in the year	(0.09)	(0.91)
5 Unrecognised actuarial gains / (losses) at the end of year	-	-

g) Principal actuarial assumptions at the balance sheet date are as follows:

	For the year ended	
	March 31, 2021	March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
Economic assumptions		
1 Discount rate	6.55%	6.85%
2 Rate of increase in compensation levels	14.00%	12.00%
Demographic assumptions		
1 Expected average remaining working lives of employees (years)	24.23	25.55
2 Retirement Age (years)	60.00	60.00
3 Mortality Rate	100%	100%
	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate
Withdrawal Rate		
1 Ages up to 30 Years	3.24%	5.34%
2 Ages from 31-44	10.05%	4.58%
3 Above 44 years	1.94%	0.00%

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

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

	For the year ended	
	March 31, 2021	March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation	12.44	8.58
Less: Fair value of plan assets	(11.85)	(10.33)
Net (assets) / liability	0.59	(1.75)

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	For the year ended	
	March 31, 2021	March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
A. Discount rate		
Effect on DBO due to 1% increase in Discount Rate	(10.82)	(7.22)
Effect on DBO due to 1% decrease in Discount Rate	14.40	10.27
B. Salary escalation rate		
Effect on DBO due to 1% increase in Salary Escalation Rate	14.24	10.17
Effect on DBO due to 1% decrease in Salary Escalation Rate	(10.90)	(7.26)
C. Withdrawal Rate		
Effect on DBO due to 50% increase in Withdrawal Rate	(10.69)	(7.98)
Effect on DBO due to 50% decrease in Withdrawal Rate	15.23	9.32
D. Mortality Rate		
Effect on DBO due to 50% increase in Mortality Rate	(12.41)	(8.56)
Effect on DBO due to 50% decrease in Mortality Rate	12.47	8.60

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

	As at March 31, 2021	As at March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
1 year	0.40	0.13
2 to 5 years	1.64	0.61
6 to 10 years	2.60	1.11
More than 10 years	32.32	32.02

k) The company expects to contribute Rs. 3.88 million (March 31, 2020 : Rs. 1.37 million) to the plan during the next financial year.

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38. Exposure in subsidiaries

(a) The Company has total exposure of Rs. 4,071.30 million (March 31, 2020: Rs. 3,686.83 million) in **Clean Solar Power (Tumkur) Private Limited** in form of investment in equity share capital of Rs. 580.00 million, loans and advances of Rs. 2,442.78 million, interest receivable of Rs. 611.95 million, trade receivable of Rs. 436.95 million and other payable of Rs. 0.39 million (March 31, 2020: investment in equity share capital of Rs. 580.00 million, loans and advances of Rs. 2242.88 million, interest receivable of Rs. 418.23 million, trade receivable of Rs. 446.19 million and other payable of Rs. 0.46 million). The said subsidiary in May 2016, entered nine PPAs with various government distribution companies for the sale of 100% of the output of a proposed 180 MW solar power plant (each company agreeing to take 20 MW each) for a period of 25 years. Per the PPAs, the plant was due to be commissioned between May and October 2017 with a maximum extendable delay up to February 9, 2018. Delays during this period to February 2018 would incur penalties (fixed rate per kWh/day of power not commissioned). If the project was still not commissioned at February 9, 2018 then the PPA would be terminated. 140 MW of power capacity was commissioned subject to delays (the other 40 MW was commissioned without delay).

In addition, under the PPAs, if there is a change in the applicable tariff rates during a period of commissioning delay, the revised tariff will be applicable to the project. In April 2017, the Karnataka Electricity Regulatory Commission ('KERC') announced a revised applicable tariff of Rs. 4.36 per kWh would be applicable on PPA's subject to commissioning delays, which represented a reduction in tariff rates on the project by between 7% and 10%. Projects subject to commissioning delays are also liable to pay liquidated damages to the respective distribution companies.

In the case of seven of the nine plants (the other two were commissioned without delay), the government distribution companies are releasing payment against invoices raised but reflecting the revised tariff of Rs. 4.36 per kWh.

Management believe, based on external legal opinions, that the delays in commissioning were outside of their control, including factors such as connectivity issues and other force majeure events. The Subsidiary believes these are force majeure events and that the subsidiary is legally entitled to a valid extension of the commissioning date, which would not result in a reduction in the tariff rates or the levy of material penalties. However, on prudence a provision has been recorded for the liquidated damages of Rs. 283.90 million in the financial year 2018-19.

Further vide letter dated March 7, 2020, additional LD of Rs. 30.00 million has been levied and on prudence a provision has been recorded in the financial year 2019-20.

Under the PPA, the Subsidiary is also required to generate a minimum energy ranging from 20.03 million to 29.00 million units from each projects during a contracted year. Non-compliance will result in the Subsidiary being liable to pay compensation, computed at a rate equal to the compensation payable by the respective DISCOMs, subject to a minimum of 25% of the applicable tariff. The Subsidiary had a shortfall of 89.48 million units upto the period ended March 31, 2021, the liability for which, under the provisions of PPA, is Rs. 97.54 million.

Demand letters dated March 15, 2019 for the financial year 18-19, dated Feb 28, 2020 for the financial year 19-20 and dated January 29, 2021 for the financial year 20-21 from the Discom raised a demand for Rs. 73.07 million relating to the compensation payable by the Subsidiary for the shortfall in the generation in one of its projects (Korategiri 20 MW) . These demands were issued based on estimated numbers for March month and accordingly a payable of Rs. 72.44 million on actual basis has been recorded in the books of accounts.

Based on legal opinion, the management believes that the Subsidiary has a good case to refuse for any further compensation to DISCOMs based on the fact that no compensation became payable by DISCOMs to KERC. Even though the relevant clause in the PPA is "compensatory" and not "penal" in nature, the Subsidiary believes that further demands may be raised by the Discoms. Accordingly, the remaining compensation of Rs. 25.10 million is considered as a contingent liability in Subsidiaries financial statements.

(b) The Company has total exposure of Rs. 1,179.50 million (March 31, 2020: Rs. 1,395.21 million) in **Clean Solar Power (Jaipur) Private Limited** in form of investment in equity share capital of Rs. 0.10 million, Interest Receivable of Rs. 229.01 million and loans and advances Rs. 950.39 million (March 31, 2020: investment in equity share capital of Rs. 0.10 million, Interest Receivable of Rs. 130.09 million, loans and advances Rs. 1,265.00 million and other payable of Rs. 0.02 million). The Subsidiary was in the process of setting up 100 MW solar power project in Jaipur location, in 2 phases, with phase -1 having planned capacity of 40 MW. Vide letter dated October 18, 2017, Rajasthan Renewable Energy Corporation Limited ('RRECL') has registered application for 100 MW Solar Photovoltaic Power project for captive use in Rajasthan in the name of erstwhile Hero Future Energies Private Limited. Subsequently, this project was transferred in the name of the subsidiary vide letter dated November 11, 2017 from RRECL. Accordingly, the subsidiary has purchased 386 acres of land and material for project. Further vide letter dated December 28, 2017, Rajasthan Rajya Vidhyut Prasaran Nigam Limited ('RRVPNL') has asked equity structure of the company to ensure that the project qualify as captive generating power plants as per definition given in Electricity Act 2003.

RRVPNL had not granted approval to any of the developers for such Open Access/Captive projects. Since it was unlikely that the connectivity would be granted and the project would kick off, the Subsidiary decided to sell its assets to other companies within group and accordingly classified Capital work in progress as asset held for sale.

The Subsidiary is carrying asset held for sale at fair value of Rs. 116.91 million (March 31, 2020: Rs. 375.52 million) base on market quotations and accordingly during the current year made provision of "fair value loss on assets held for sale" of Rs. 258.60 million.

Land will either be sold to another company or can be utilised for any future project if any comes out.

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The management has carried out Impairment assessment of investment in subsidiaries as per Ind AS 36 "Impairment of Assets" during the year and has provided for Rs. 364.87 million (March 31, 2020: Rs. 488.79 million) Rs. Nil million against investment in equity, Rs. 265.95 million against loan and advances and Rs. 98.92 million against Interest receivable on loans and advances (March 31, 2020: Rs. 0.10 million against investment in equity, Rs. 358.59 million against loan and advances and Rs. 130.09 million against Interest receivable on loans and advances) as provision of Impairment to the Statement of Profit & Loss.

(c) The Company has total exposure of Rs. 3,171.51 million (March 31, 2020: Rs. 2,841.01 million) in **Waaneep Solar Private Limited** in form of investment in equity share capital of Rs. 2,413.77 million, Interest Receivable of Rs. 88.84 million, Trade Receivable of Rs. 51.16 million, Other Payables of Rs. 131.46 million and loans and advances of Rs. 749.20 million (March 31, 2020: investment in equity share capital of Rs. 2,413.77 million, Interest Receivable of Rs. 34.33 million, Trade Receivable of Rs. 35.60 million, Other Payables of Rs. 50.09 million and loans and advances of Rs. 407.40 million).

(i) The said subsidiary had entered into Power Purchase agreement ('PPA') with Southern Power Distribution Company of Andhra Pradesh Limited ('APDISCOM') for 50MW (2 PPA of 25 MW each at Gurrankonda and Nagari, for sale of power at an approved tariff of Rs. 5.76 per unit for Gurumkunda and Rs. 3.74 (refer APERC order dated June 14, 2018 for revised tariff) for Nagari) with an escalation of 3% p.a. from 2nd year onwards till 10th year and then same is fixed for the remaining term of PPA dated December 6, 2014.

APDISCOM had requested the subsidiary to reduce the tariff to Rs. 2.44 per kwh from the date of commissioning of the respective projects vide letter dated July 12, 2019 in relation to Government Order Rt. No.63 Energy (Power H) Department dated July 01, 2019 ('Government Order'). Against the said matters, the Subsidiary had filed writ petition to the High Court of Andhra Pradesh and High Court vide order dated September 24, 2019 had set aside the GO Rt. No.63 (impugned GO) dated July 1, 2019 and letter of APSPDPL dated July 12, 2019. Further court had also granted the Interim Relief at tariff of Rs.2.43 / Rs. 2.44 per unit till disposal of OP 17 of 2019 pending before APERC.

Writ Appeal has been filed by Waaneep aggrieved by the Judgment dated September 24, 2019 passed in W.P. No. 9844 of 2019 and batch matters (including W.P. No. 9869 of 2019) ["Present Judgment"], whereby this Hon'ble Court had inter alia directed the APSPDCL to pay all pending and future bills of the Petitioner at the "interim" rate of Rs. 2.44. Pursuant thereto, the matter was finally taken up by the Hon'ble High Court on March 24, 2021, April 09 2021, and April 22 2021 respectively. The High Court recorded submissions on behalf of APSPDCL to make payment for bill up to March 2021 by May 31, 2021. The matter is now listed for hearing on June 28, 2021.

Based on internal assessment, the Subsidiary believes that reduction of tariff is highly unlikely. Thus, no provision is required in relation to said matters in the financials statements.

(ii) As per the PPA dated December 6, 2014 for Gurrankonda project read together with amendment dated June 4, 2015, the scheduled commissioning date of project was March 31, 2016, however the project got commissioned on September 29, 2016 due to various factors which were beyond the control of the company. Consequence of delay in commissioning of the project, Bank Guarantee amount of Rs 68.75 million has been encashed by the APDISCOM which the company accounted as an expenses in the financial statements for the year ended March 31, 2017 and further vide letter dated December 18, 2018, Liquidated Damages amount of Rs. 187.47 million has been levied on the subsidiary, which are to be collected from the payments due on account of sale of power to APDISCOM.

Further vide letter dated September 18, 2019, additional liquidated damages amount of Rs. 36.20 million has been levied on the subsidiary, which are to be collected from the payments due on account of sale of power to APDISCOM. The said amount is recoverable from the Company (w.e.f. from December 31, 2018)) which in turn will recover it from Waaree Energies Private Limited.

During the previous year, the Company ("Purchaser") entered into a Share Purchase Agreement (SPA) dated July 11, 2018 with subsequent amendment of the same on December 31, 2018 in respect of the purchase of 205,000,000 shares (100%) of Waaneep Solar Private Limited from Waaree Energies Limited ("Seller") As per the SPA, Liquidated Damages related to said project will be incurred by seller. Accordingly, the subsidiary has accounted liquidated damages as liability under "other financial liability-current" and corresponding receivable have been booked by the Company under 'Other Financial Assets-current'.

As per the PPA dated December 6, 2014 for Nagari project, read together with amendments dated June 4, 2015, March 31, 2016 and August 20, 2018, the scheduled commissioning date (SCoD) of project was September 30, 2016. However due to various factors beyond the control of the subsidiary, the subsidiary was unable to commission the project on time and vide letter dated October 3, 2016 and January 9, 2017 has requested APDISCOM for extension of time. However, APDISCOM terminated the PPA and encashed the Bank Guarantee ('BG') of Rs. 68.75 million. Aggrieved by the same, the subsidiary filed petition with Andhra Pradesh Electricity Regulatory Commission (APERC). Vide APERC order dated December 15, 2018, APERC granted Commissioning w.e.f. August 2, 2018 with revised tariff of Rs. 3.74 per kwh and has ordered to refund encashed BG of Rs. 62.50 million in four half year instalments. The subsidiary has received Rs. 62.50 million and accordingly has recognised 46.87 million (March 31, 2020: 15.62 million) as income in statement of profit and loss.

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(d) The Company has total exposure of Rs. 2,242.37 million (March 31, 2020: Rs. 1,428.04 million) in **Clean Solar Power (Jodhpur) Private Limited** in form of investment in equity share capital of Rs. 1,350.10 million, Interest Receivable of Rs. 72.41 million, Other Receivables of Rs. 2.86 million, Other Payables of Rs. 3.13 million and loans and advances Rs. 820.13 million (March 31, 2020: investment in equity share capital of Rs. 1,350.10 million, Interest Receivable of Rs. 46.22 million, Other Receivables of Rs. 0.40 million, Other Payables of Rs. 3.13 million and loans and advances Rs. 34.44 million). The said subsidiary Vide Letter of award with Ref No. SECI/C&P/SPD/ISTS-1/LOA/HSEPL/P1/23829 dated July 27, 2018, the Subsidiary had been awarded project for setting up Solar PV project of 250 MW by Solar Energy Corporation of India Limited ('SECI') in Jodhpur at an agreed bidding based tariff of Rs. 2.53/MWh. Accordingly, the management has entered into Power Purchase Agreements ('PPA') dated November 15, 2018 with SECI (with effective date of October 25, 2018). As per the terms of PPA, the management had to commission the project by October 25, 2020.

Power Grid Corporation of India "PGCIL" had revised the expected operationalization date of Long-Term Access ('LTA') to May 31, 2021 based on the commissioning of various essential transmission elements. Further, SECI had extended the Schedule Commissioning timeline to 60 days subsequent to the operationalization of LTA (Scheduled Commissioning date "SCD" was considered as July 30, 2021, since anticipated date of LTA i.e. SCD would be July 30, 2021). However, the subsidiary is yet to receive any communication from Central Transmission Utility "CTU"/PGCIL with regards to operationalization of LTA by May end. Further, in contrast, Powergrid Khetri Transmission System Ltd. (appointed by PGCIL to construct necessary infrastructure for LTA operationalization), has intimated their inability to construct LTA by May, 2021 and it is expected that LTA operationalization date would be further delayed. Thereby management is expecting automatic extension of scheduled commissioning date further from July 30, 2021.

Further to above, with regards to delay in PSA approval under Section 86 (1) (b) of Electricity Act 2003 by Jharkhand State Electricity Regulatory Commission (JSERC), multiple representations have already been made to appropriate bodies and an extension of 9-12 months is envisaged from Solar Energy Corporation of India Limited "SECI"/Ministry of New and Renewable "MNRE" on this ground".

(e) The Company has total exposure of Rs. 108.09 million (March 31, 2020: Rs. 99.02 million) in **Clean Solar Power (Sirsa) Private Limited** in form of investment in equity share capital of Rs. 0.10 million, Interest Receivable of Rs. 17.38 million, Other Receivables of Rs. 0.02 million and loans and advances Rs. 90.60 million (March 31, 2020: investment in equity share capital of Rs. 0.10 million, Interest Receivable of Rs. 9.13 million, Other Receivables of Rs. Nil million and loans and advances Rs. 89.80 million).

The management has carried out Impairment assessment of investment in subsidiaries as per Ind AS 36 "Impairment of Assets" during the year and has provided for Rs. 8.25 million against Interest receivable on loans and advances and Rs. 0.77 million on loans and advances (March 31, 2020: Rs. 9.13 against Interest receivable on loans and advances and Rs. 0.77 million on loans and advances) as provision of Impairment to the Statement of Profit & Loss.

(f) The Company has entered into Debenture subscription and share purchase agreement with O2 Power SG Pte Limited "Purchaser" to sell its investment in **Clean Solar Power (Bhainsada) Private Limited** in phased manner.

During the first phase, The Company has sold 49% of the total Equity capital for Rs. 81.37 millions out of which Rs. 44.15 millions is received by the company. Remaining receivable consideration of 49% equity is recorded at fair value of Rs. 31.62 millions under the head "other financial assets". Differential between receivable consideration and fair value is recorded as deferred asset of Rs. 5.60 millions. Gain on sale of 49% equity is recognised in profit & loss account of Rs. 37.22 millions

In second phase, Balance 51% of equity will be sold at Rs. 84.69 millions as per the conditions stipulated in the said Share Purchase Agreement. Company has recorded carrying balance 51% of equity at fair value of Rs. 71.94 millions. Gain on fair value of 51% equity is recognised in profit & loss account of Rs. 25.99 millions.

Deferred asset and Fair value of equity is carried at amortised value as on March 31, 2021, resulting into notional interest income over the tenure to take it back to face value.

Further, as per the condition of agreement, company has issued Optionally Convertible Cumulative Debentures "OCCD's" to purchaser for Rs. 12.19 millions, refer Note 15 (f) for terms & conditions. OCCD's are recognised at fair value of Rs. 10.36 millions and then carried at amortised cost resulting into notional interest charge over the tenure to take it back to face value. Difference of Rs. 18.33 millions between fair value and face value of OCCD's is added to the Fair value gain on financial asset and recognised of profit & loss.

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39 Commitments and contingencies

a. Commitments

i. Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to Rs. 20.89 million (March 31, 2020: 44.32 million).

ii. The Company has entered into various Power Purchase Agreements for 15 to 25 years from date of commissioning (i.e. between March 31, 2016 to Mar 31, 2021) cumulative for 20 MW solar rooftop power plant with various private parties, wherein the Company has committed to sell and aforementioned private parties has committed to purchase agreed generation from installed capacity of 25 MW.

b. Contingencies

Bank Guarantees Outstanding*
Letter of credit's Outstanding*
Corporate Guarantee Outstanding**

	As at March 31, 2021	As at March 31, 2020
	247.21	264.26
	-	1.40
	6,400.00	1,800.00
	6,647.21	2,065.66

* Bank Guarantees and Letter of credit's are provided for the purpose of solar rooftop business

**The above corporate guarantee exposure are limited upto the loan outstanding amount.

c. Tax Contingencies

1) Assessment of company was completed for AY 2014-15 under Section 143(3) vide order dated November 30, 2016. AO has made a total addition of Rs. 20.33 million. Subsequently an appeal was filed by the company with Commissioner of Income Tax (Appeals), wherein the Commissioner of Income Tax (Appeals) vide order dated October 05, 2017 has deleted all the said addition however, there was no specific mention of carry forward loss of Rs.19.86 million, claimed at the time of filing Income tax returns.

Therefore, the Company has filed an appeal before ITAT, which is pending for disposal.

2) Assessment of company was completed for AY 2015-16 under Section 143(3) vide order dated June 30, 2017. AO has made a total addition of Rs. 23.23 million (Rs. 3.37 million under Rule 8D and Rs.19.86 million for disallowance of set off of carried forward losses) and create a demand of Rs 9.60 million. Subsequently an appeal was filed by the company with Commissioner of Income Tax (Appeals) which is currently pending. The outcome of appeals depends upon outcome of Income Tax Appellate Tribunal ('ITAT') order for AY 2014-15, wherein decision of carry forward of loss of Rs.19.86 million is yet to be made by ITAT in respect of appeal filed by the company. However, the amount of Rs 1.92 million was already paid by the company at the time of filing appeal with ITAT and balance Rs 7.68 million adjusted with refund of AY 2019-20.

3) For the Assessment year 2016-17, assessment was completed under Section 143(3) vide order dated December 9, 2018 in case of Hero Solar Energy Private Limited, wherein the Assessing Officer has made a total addition of Rs. 17.90 million under section 14A, read with Rule 8D of Income Tax Rules. Subsequently, an appeal was filed by the Company with the Commissioner of Income Tax Appeals, wherein CIT(A) vide appeal order dated May 02, 2019 allowed Rs. 17.56 million. Remaining amount of Rs. 0.34 million were disallowed. Subsequently department and the Company went for appeal with ITAT on 29.07.2019.

4) For Financial Year 2016-17, DVAT assessment was completed, and department raised a demand of Rs 80.53 million on High sea sales, sale against F-form and sale against C-form. The company went for review of order and then after producing the required documents and forms, the demand of Rs 80.53 million reduced to Rs 0.64 million. The pending demand is due to non-submission of some F and C form. The company will file objection (Appeal) for submission of pending forms

5) For the Financial years 2016-17 and 2017-18, the assessments were completed by the Excise and Taxation Officer (ETO) allowing a refund of Rs. 9.28 million under, Punjab Value Added Tax Act, 2005 as extended to U.T. Chandigarh. Later the company received two show cause notices from Additional Excise and Taxation Commissioner-cum-Revisonal Authority Excise and Taxation department, UT., Chandigarh reopening the cases for FY 2016-17 and FY 2017-18 and reassessing the refund order passed by ETO. The company received single works contract/work order with one of the customer in Chandigarh for supply, erection, commissioning and installation of SPGS without bifurcating the amount of material and services in the work contract. Since a single work order was received from the customer, the company could not maintain separate accounts for material and labour so as to determine the correct value of material supplied in the execution of works contract, hence the company opted to raise invoice under Rule 15 "works contract" and after claiming 30% deduction for labour component involved in supply under "All other contracts", VAT @ 12.50% was paid.

The company has submitted the documents with Addl. Excise and Taxation Commissioner-cum-Revisonal Authority Excise and Taxation department, UT., Chandigarh. The revisional authorities did not agree to our submissions and hence passed order allowing us a part refund of Rs.2.31 million. In this order too, there was a mistake hence we have filed Rectification application and also filed Appeals with Chandigarh VAT tribunal, which is pending for disposal.

The Company is contesting the demands of VAT & income tax and the management, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand 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

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40 Disclosure pursuant to amendment to Ind AS 7 (Cash flow statement)

Particulars	Opening balance (April 01, 2020)	Cash flows	Non-cash transactions			Closing balance (March 31, 2021)
			Processing cost/Interest accretion	Fair Value	Others	
Non-convertible debentures	4,387.67	(2,398.80)	230.93	-	-	2,219.80
Optionally convertible debentures	-	121.91	0.72	(18.33)	-	104.30
Loan from Bank and Financial Institution	3,920.95	2,797.00	(117.39)	-	-	6,600.56
Compulsorily convertible debentures	614.63	-	5.28	-	-	619.91
Working Capital demand loan	-	500.00	-	-	-	500.00
Loan from related parties	5,029.12	1,926.56	97.77	-	-	7,053.45
	13,952.37	2,946.67	217.31	(18.33)	-	17,098.02

Particulars	Opening balance (April 01, 2019)	Cash flows	Non-cash transactions			Closing balance (March 31, 2020)
			Processing cost/Interest accretion	Fair Value	Others	
Non-convertible debentures	2,169.40	2,000.00	218.27	-	-	4,387.67
Loan from Bank	1,929.83	1,966.00	25.12	-	-	3,920.95
Compulsorily convertible debentures	609.90	-	4.73	-	-	614.63
Loan from related parties	10,699.10	(2,795.90)	91.54	-	(2,965.62)	5,029.12
	15,408.23	1,170.10	339.66	-	(2,965.62)	13,952.37

41 Accounting of government grant

The company has entered into PPA's with various government organisation for creating a charge on project assets based.

Government grant is treated as deferred revenue and is being amortized over the useful life of the assets in the same proportion in which depreciation on related assets is charged to statement of profit and loss. Accordingly, the company has recorded an amount of Rs. 16.34 million (March 31, 2020: Rs. 10.83 million) as Other income, which is recorded under Note 21 of the financial statements, while an amount of Rs. 244.80 million (March 31, 2020: Rs. 185.48 million) has been recorded as "Deferred government grant" under Note 19 of the financial statements.

Summary of government grant as on March 31, 2021

	As at March 31, 2021	As at March 31, 2020
Opening Balance	185.48	159.79
Eligible for grant during the year	75.66	36.52
Released to the statement of profit and loss	(16.34)	(10.83)
Closing Balance	244.80	185.48
Current	15.32	11.52
Non Current	229.48	173.96
	244.80	185.48

Government grants have been booked for assistance in setting up solar rooftop plant. There are no unfulfilled conditions attached to these grants.

42 : Note on Covid-19

Due to outbreak of Covid-19 in India and globally, the Company has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of Covid-19. Considering that the Company is in the business of generation of electricity which is an essential service as emphasised by the Ministry of Home Affairs and Ministry of Power, Government of India and which is granted "Must Run" status by Ministry of New and Renewable Energy ("MNRE"), the management believes that the impact of outbreak on the business and financial position of the Company is not significant. Further, MNRE directed that the payment to Renewable Energy power generator shall be done on regular basis as being done prior to lockdown and the Company has generally received regular collection from its customer(s). The Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimise the impact of the unprecedented situation.

However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of Covid-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.

43 : Note on Going Concern

The Company has incurred a loss of Rs. 920.77 million during the year ended March 31, 2021 (March 31, 2020: Rs. 703.31 million). However, based on approved business plan and cash flow projections (after considering impact of COVID pandemic) approved by the Board of Directors, raising additional borrowings/ equity, replacement of loans maturing in next one year with long term tenure, possibility of obtaining waiver/ deferral letter for covenant breaches as at next financial year, history of no recall of loans in past periods for covenant breaches and the support provided by the holding company, the management believes that company have sustainable cash flows addressing any uncertainties around the going concern assumption. Accordingly, the financial statements continues to be prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

44 : (i) The Company are utilising funds borrowed in the Indian domestic market for the purpose of giving loan to its subsidiaries and step down subsidiaries for working capital and project development, which is not convertible into equity share capital. Based on third party expert opinion, the management believes that domestically sourced loan from FOCC to the subsidiaries / step down subsidiaries which are not compulsorily convertible into equity shares are not covered under the definition of capital / capital instrument and hence should not be treated as downstream investment and is in compliance with the requirement of FEMA provision. Further, in the opinion of the management, the loan domestically sourced loan from FOCC to subsidiary companies into equity of subsidiary company needs to be assessed at an annual and overall basis for the year, as the money is fungible. Accordingly, no adjustments are required in these financial statements in this regard.

(ii) As per RBI Press Release no. 1998-99/1269 dated April 8, 1999 ('Press Release'), the Company, based on financial statement of March 31 2021, has exceeded 50% threshold for both asset and income test. However, considering that - (i) the Company is primarily engaged in the business of generation and sale of electricity through its wholly owned subsidiaries, (ii) provides certain services to its subsidiaries such as management services and O&M services and, (iii) the management has no intention to engage in financing activities - management is of the view that the Company should not be termed as a financial institution and should therefore not require registration as an NBFC. Further, the management is also taking necessary steps by which the Company would not breach these tests in foreseeable future.

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Hero Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2021
(All amounts are in Indian Rupees (in millions), unless otherwise stated)

45 : Previous year figures have been regrouped wherever considered necessary.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants

Firm's Registration Number: 301003E/E300005
Digitally signed by PRAVIN TULSYAN
DN: cn=PRAVIN TULSYAN, c=IN,
o=Personal,
email=pravin.tulsyant@srb.in
Location: Gurugram
Date: 2021.06.24 17:14:09 +05'30'

**PRAVIN
TULSYAN**

per Pravin Tulseyan
Partner
Membership Number:108044

**For and on behalf of the Board of Directors of
Hero Solar Energy Private Limited**

**RAJESH
PURI** Digitally signed
by RAJESH PURI
Date: 2021.06.24
16:57:21 +05'30'

Rajesh Puri
Director
DIN: 06838940

**MAYUR
GUPTA**

Mayur Gupta
Director
DIN: 09035301

Neha Sethi
Company Secretary
ACS- 35392

**NEHA
SETHI** Digitally signed
by NEHA SETHI
Date:
2021.06.24
16:59:32 +05'30'

Place of Signature: New Delhi
Date : June 24, 2021

Place of Signature: Gurugram
Date : June 24, 2021