

April 05, 2022

Vice President

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai-400051

Security: HSEPL

ISIN: INE316W07054

Sub: Outcome of the Board Meeting and submission of Unaudited Financial Results for the Quarter and period ended December 31, 2021 along with the Limited Review Report of the Statutory Auditors thereon

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Board of Directors of the Company at its meeting held on April 5, 2022 has inter alia approved the Unaudited Financial Results for the Quarter and period ended December 31, 2021 and in this regards please find attached herewith the following documents and information:

1. Unaudited Financial Results for the Quarter and period ended December 31, 2021
2. Limited Review Report from Statutory Auditor
3. Asset Cover Certificate

The Board Meeting commenced at 1:00 pm and concluded at 5.15 pm

Please take the above documents on record.

Thanking You,
Yours faithfully,

For Hero Solar Energy Private Limited

NEHA Digitally signed
by NEHA SETHI
Date: 2022.04.05
17:27:54 +05'30'
SETHI

Neha Sethi

Company Secretary

Encl.: as above

HERO SOLAR ENERGY PRIVATE LIMITED

(CIN NO. - U40106DL2013PTC250501)

Registered Office: PLOT NO. 201, FIRST FLOOR, OKHLA INDUSTRIAL ESTATE, PH-III, NEW DELHI – 20, INDIA

Corporate Office: 202, THIRD FLOOR, OKHLA INDUSTRIAL ESTATE, PH-III, NEW DELHI – 20, INDIA

Landline No. : +91 11 49598000; Fax No. : +91 11 49598022

Email:- secretarial@herofutureenergies.com ; Website:- www.herofutureenergies.com/hsepl

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Hero Solar Energy Private Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Hero Solar Energy Private Limited (the "Company") for the quarter ended December 31, 2021 and year to date from April 01, 2021 to December 31, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. **Material Uncertainty Related to Going Concern**

We draw attention to Note 7 of the statement which indicate that the Company has incurred a net loss of INR 2,516.79 million and INR 920.77 million during the current period and previous year respectively. This condition along with other matters set forth in Note 7, 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.

6. Emphasis of Matter Paragraph

We draw attention to Note 5 of the Statement, whereas it has been mentioned that the Company has exposure in a subsidiary naming “waaneep solar private limited” amounting to INR 2,445.05 million. In said subsidiary, Government of Andhra Pradesh has issued a Government Order and accordingly, APDISCOM (‘the customer’) has asked the subsidiary to reduce the tariffs. The Hon’ble High Court of Andhra Pradesh has set aside the Government Order in favor of the Company. However, APDISCOM can go to appeal against the said order. Based on legal advise and management assessment, the Company believes that no adjustment is required against carrying value of exposure in the said subsidiary.

Our conclusion is not modified in respect of this matter.

7. The figures for the corresponding period ended from April 1, 2020 to December 31, 2020, as reported in these unaudited financial results have been approved by the Company’s Board of Directors, but have not been subjected to a review.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

PRAVIN Digitally signed by
TULSYAN PRAVIN TULSYAN
Date: 4/5/22 05:05

per Pravin Tulsyan

Partner

Membership No.: 108044

UDIN: 22108044AGKUM05032

Place: Gurugram

Date: April 5, 2022

Hero Solar Energy Private Limited
Registered Office : PLOT NO. 201, FIRST FLOOR, OKHLA INDUSTRIAL ESTATE, PHASE- III, NEW DELHI – 110020, INDIA
(CIN-U40106DL2013PTC250501) Website:www.herofutureenergies.com/hsepl
Tel: +91 11 49598000, Fax: +91 11 49598022, Email id: secretarial@herofutureenergies.com
Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2021

| S. No. | Particulars | Unaudited | | | | Audited |
|--------|--|---------------------------------|---|-------------------------------------|--|---------------------------|
| | | Quarter ended December 31, 2021 | Quarter ended September 30, 2021 (Refer note 2) | Nine months ended December 31, 2021 | Nine months ended December 31, 2020 (Refer note 2) | Year ended March 31, 2021 |
| 1 | Income | | | | | |
| | (a) Revenue from operations | 147.45 | 171.18 | 467.69 | 416.84 | 563.17 |
| | (b) Other income | 311.22 | 228.38 | 836.98 | 850.96 | 1,149.35 |
| | Total Income | 458.67 | 399.56 | 1,304.67 | 1,267.80 | 1,712.52 |
| 2 | Expenses | | | | | |
| | (a) Cost of materials consumed | 2.57 | 48.09 | 57.76 | 19.12 | 24.70 |
| | (b) Employees cost | 25.91 | 26.84 | 81.10 | 63.71 | 84.54 |
| | (c) Finance cost | 480.75 | 501.90 | 1,441.05 | 1,136.19 | 1,595.46 |
| | (d) Depreciation and amortization expenses | 17.65 | 17.39 | 52.28 | 49.04 | 65.90 |
| | (e) Impairment of financial assets | - | - | - | - | 266.72 |
| | (f) Other expenses | 171.49 | 100.87 | 354.63 | 312.11 | 795.08 |
| | Total expenses | 698.37 | 695.09 | 1,986.82 | 1,580.17 | 2,832.40 |
| 3 | Loss before exceptional item and tax (1-2) | (239.70) | (295.53) | (682.15) | (312.37) | (1,119.88) |
| 4 | Exceptional item (Refer note 6) | 160.43 | 1,663.41 | 1,823.84 | - | - |
| 5 | Loss before tax (3-4) | (400.13) | (1,958.94) | (2,505.99) | (312.37) | (1,119.88) |
| 6 | Tax expense | 10.80 | - | 10.80 | (81.85) | (199.11) |
| | (a) Current tax | - | - | - | - | - |
| | (b) Deferred tax | 10.80 | - | 10.80 | (81.85) | (199.11) |
| 7 | Loss after Tax (5-6) | (410.93) | (1,958.94) | (2,516.79) | (230.52) | (920.77) |
| 8 | Other Comprehensive loss (Net of income tax Items) that will not be classified to statement of Profit & Loss | - | - | - | 1.36 | 0.07 |
| 9 | Total comprehensive income/(loss) for the year/period (7+8) | (410.93) | (1,958.94) | (2,516.79) | (229.16) | (920.70) |
| 10 | Paid -Up Equity Share Capital (Face Value Rs. 10 per share) | 5,047.51 | 5,047.51 | 5,047.51 | 5,047.51 | 5,047.51 |
| 11 | Other equity (excluding revaluation reserves, if any) as per balance sheet of previous accounting year | - | - | - | - | 3,952.30 |
| 12 | Earning per share (EPS) (not annualised) | | | | | |
| | Basic in Rs. | (0.81) | (3.88) | (4.99) | (0.46) | (1.82) |
| | Diluted in Rs. | (0.81) | (3.88) | (4.99) | (0.46) | (1.82) |

"This space has been left blank intentionally"

Notes:

- 1 The financial results of the Company have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard ("Ind As") as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and revised schedule III.

The Company has availed the exemption for corresponding previous quarter ended December 31, 2020 in financial results pursuant to relaxation provided in SEBI Circular dated October 5, 2021.

- 2 The above results have been reviewed and approved by the Board of Directors at its meeting held on April 05, 2022.

The figures of the quarter ended September 30, 2021 are the balancing figures between figures in respect of the respective six months ended September 30, 2021 and unaudited management internal reporting figures for the quarter ended June 30, 2021.

The financial results for the half year ended December 31, 2020 have not been subject to auditor review by the Statutory Auditors. However, management has exercised necessary due diligence to ensure that the financial results for the periods provide a true and fair view of the Company's affairs.

In terms of Regulation 52 of the SEBI (LODR) Regulations, 2015 ("Regulations"), the Company is required to file unaudited standalone results for the quarter and nine months ended December 31, 2021 ("Unaudited Results") with the National Stock Exchange ("Exchange") by Feb 14, 2022, however due to certain technical matter, the Company has delayed filing of said Unaudited Results with the Exchange. The Company vide letter dated February 11, 2022 has intimated the Exchange for expected delay and sought the extension. The Exchange vide letter dated March 15, 2022 and March 31, 2022 has directed the Company for filing of abovementioned Unaudited Results. Basis management assessment any expected penalty under the Regulations will not be material and accordingly no impact has been given in these Unaudited Results.

- 3 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. Accordingly, disclosure under Ind-AS 108 "Operating Segment" is not required.

- 4 The listed Non Convertible Debentures ("NCD") of the Company contains 600 secured, rated, listed, redeemable NCD's of face value of Rs. 1,000,000.00 each with discount rate of 11.50% p.a. The NCDs are secured by exclusive charge by way of hypothecation of shareholder loan infused by the company to its subsidiary waaneep solar private limited to the extent of Rs. 150.00 millions and 49% shares of Waaneep (i.e. Rs. 709.20 millions) required to maintain security cover of 1.1X.

- 5 The Company has exposure of Rs. 2,445.05 millions (March 31, 2021: Rs. 3,171.51 millions) in one of its subsidiary companies "Waaneep Solar Private Limited" which 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) . 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. Against the said matters, the Subsidiary had filed writ petition to the High Court of Andhra Pradesh and vide order dated March 15, 2022, the High Court has allowed our appeal and directed APDISCOM to make payment of outstanding arrears at PPA tariff within 6 weeks and to make payment of future invoices at the PPA tariff. Considering, APDISCOM can file an appeal against the order, basis legal advice management believes that the subsidiary would succeed based on merits of this case and therefore no adjustment is required in the carrying value of investment.

- 6 During the nine months period, the Company along with its holding company Hero Future Energies Private Limited ("HFE") has executed agreements with an Investor to fund the project being constructed by one of its subsidiary companies i.e. "Clean Solar Power (Jodhpur) Private Limited" (which have executed power purchase agreement to construct a 250MW solar power plant). As per the agreements, the investor has agreed to fund the said subsidiary from its internal and external sources. Further, the Company along with HFE have given guarantee to said Investor to infuse funds in the said subsidiary to support project cost overruns (over and above the agreed threshold limit) and to indemnify the financial loss to Investor on account of various contingent events as stipulated in these agreements. Consequent to above guarantees and indemnity, the Company has estimated the expected loss of Rs. 1,823.84 million which has been recognised in the Statement as an "Exceptional item".

- 7 The Company has incurred a loss of Rs. 2,516.79 million during the period ended December 31, 2021 (March 31, 2021: Rs. 920.77 million) and has accumulated losses of Rs. 3,773.27 million as at December 31, 2021. Further, Company's current liabilities amounting to Rs. 8,739.27 million exceeded its current assets amounting to Rs. 2,679.45 million as at December 31, 2021. The Company has also provided parent support letter to its subsidiaries for meeting shortfall, if any in discharging their obligation till September 30, 2022. The management has honoured all its contractual commitments.

Further, the Board of Directors have reviewed a detailed cashflow forecast for the period until 30 September 2023 prepared by management and considered various other factors relating to the uncertainties that exist around the going concern assumption. These factors, in addition to parent support letter from the holding company (which is in the advanced stage of raising equity from both existing shareholders and potential new investors), include the availability of debt finance from lenders, estimated potential disposal proceeds from sale of certain assets and management's assessment that the impact of any covenant breaches will be minimal. Having given consideration to the above factors, the management have concluded that it is appropriate for the financial statements to be prepared on the going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

8 Additional disclosures as per Clause 52 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

| | Particulars | Unaudited | | | | Audited |
|----|---------------------------------------|------------------------------------|-------------------------------------|--|--|------------------------------|
| | | Quarter ended December 31, 2021 | Quarter ended September 30, 2021 | Nine months ended December 31, 2021 | Nine months ended December 31, 2020 | Year ended March 31, 2021 |
| 1 | Debt Equity Ratio | 14.84 | 13.08 | 14.84 | 5.33 | 6.12 |
| 2 | Debt Service Coverage Ratio | 0.03 | (0.92) | (0.33) | 0.77 | 0.34 |
| 3 | Interest Service Coverage Ratio | 0.20 | (2.87) | (0.70) | 0.77 | 0.34 |
| 4 | Current Ratio | 0.31 | 1.19 | 0.31 | 1.31 | 1.07 |
| 5 | Long term debt to Working Capital | (3.01) | 13.42 | (3.01) | 6.31 | 30.17 |
| 6 | Bad Debts to Account Receivable Ratio | - | - | - | - | - |
| 7 | Current Liability Ratio | 0.49 | 0.41 | 0.49 | 0.44 | 0.47 |
| 8 | Total Debt to Total Assets Ratio | 0.86 | 0.86 | 0.86 | 0.78 | 0.80 |
| 9 | Debtors Turnover | 0.34 | 0.34 | 0.53 | 0.24 | 0.35 |
| 10 | Inventory Turnover | - | - | - | - | - |
| 11 | Operating Margin (%) | (48%) | (13%) | (17%) | (7%) | (72%) |
| 12 | Net Profit Margin (%) | (279%) | (1144%) | (538%) | (55%) | (163%) |
| 13 | Paid up Debt Capital | 20,997.06 | 23,531.46 | 20,997.06 | 24,079.26 | 23,549.33 |
| 14 | Net Worth | 1,415.05 | 1,798.72 | 1,415.05 | 4,518.43 | 3,850.36 |

Formula for computation of ratios for the current period are as follows;

- a. Debt Equity Ratio = Paid up debt capital / Net Worth
- b. Debt Service Coverage Ratio = EBITDA / (Finance Cost+ Net repayments of long term and short term borrowings)
- c. Interest Service Coverage Ratio = EBITDA / Finance Cost
- d. EBITDA = Profit/(loss) before tax + Finance cost + Depreciation and Amortisation
- e. Net Worth= Equity share capital+ Retained earnings + Other equity (refer note below)

Note - During earlier years, the Company has received interest free loan from holding company for a period of 5 years and has issued 6% compulsory convertible debentures "CCD" to the holding company amounting to Rs. 1500.00 million and Rs. 835.00 millions, respectively. As per the requirement of INDAS 109, both these instruments has been designated as compound financial instrument and accordingly Rs. 544.98 million and Rs. 228.22 million has been classified as other equity. However, for the purpose of computation of necessary ratio's, liabilities in relation to the above instrument has been considered at the face value. On similar lines, interest free loan from holding company amounting to Rs. 4,623.00 million has been considered as liability at its face value.

- f. Current Ratio = Current assets / Current liabilities
- g. Long term debt to Working Capital = All long term debt outstanding including current maturities of long term debt / (current assets - current liabilities)
- h. Bad Debts to Account Receivable Ratio = Bad debts written off (net of recovery)/Average Gross trade receivables
- i. Current Liability Ratio = Current liabilities/ Total liabilities
- j. Total Debt to Total Assets Ratio = Paid up debt capital/ Total assets
- k. Debtors Turnover (not annualised)= Revenue from operations / Average Trade Receivables
- l. Inventory Turnover = Revenue from operations / Average Inventories (excluding inventories for stores and spares)
- m. Operating Margin (%) = (Profit/(loss) before exceptional item and tax + Finance costs + Impairment of financial assets - Other income) / Revenue from operations
- n. Net Profit Margin (%) = Profit/(loss) after tax / Revenue from operations
- o. Paid up debt capital = All long term and short term debt outstanding

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

For Hero Solar Energy Private Limited

RAJES Digitally signed
by RAJESH PURI
H PURI
Date:
2022.04.05
16:18:06 +05'30'

Rajesh Puri
Director
DIN: 06838940

Date: April 05, 2022
Place: New Delhi

To,

Catalyst Trusteeship Limited

Dear Sir,

Based on examination of books of accounts and other relevant records/documents, we hereby certify that:

a) Hero Solar Energy Private Ltd. ('The listed entity') has vide its Board Resolution and information memorandum/ offer document and under various Debenture Trust Deeds, has issued the following listed debt securities:

| ISIN | Private Placement/ Public Issue | Secured/ Unsecured | Sanctioned Amount |
|--------------|---------------------------------------|--------------------|--------------------|
| INE316W07054 | Private Placement | Secured | Rs. 75,00,00,000/- |

b) Asset Cover for listed debt securities:

i. The financial information as on 31-12-2021 has been extracted from the books of accounts for the period ended 31-12-2021 and other relevant records of the listed entity.

ii. The assets of the Hero Solar Energy Private Ltd. provide coverage of more than 1.10x times of the interest and principal amount, which is in accordance with the terms of issue/ debenture trust deed (calculation as per statement of asset cover ratio for the Secured debt securities - table - I)

iii. The total assets of the (Issuer Name) provide coverage of times of the principal, which is in accordance with the terms of issue (calculation as per statement of asset coverage ratio available for the unsecured debt securities - table - II) (as per requirement of Regulation 54 read with Regulation 56(1)(d) of LODR Regulations). - **Not applicable**

Table - I

| Sr. No. | Particulars | | Amount (Rs.) |
|-----------|--|----------|-----------------------|
| i. | Total assets available for secured Debt Securities' - (secured by either pari passu or exclusive charge on assets) (mention the share of Debt Securities' charge holders) | A | 1,33,27,48,476 |
| | Property Plant & Equipment (Fixed assets) movable/immovable property etc | | |
| | Loans /advances given (net of provisions, NPAs and sell down portfolio), Debt Securities, other credit extended etc (Loan given to Waaneep Solar Private Ltd) | | 15,00,00,000 |
| | Receivables including interest accrued on Term loan/ Debt Securities etc | | |
| | Investment(s) (pledge of 49% shares of Waaneep Solar Private Ltd.) | | 1,18,27,48,476 |
| | Cash and cash equivalents and other current/ non-current assets | | |
| ii | Total borrowing through issue of secured Debt Securities (secured by either pari passu or exclusive charge on assets) | B | 75,16,54,110 |
| | Debt Securities (Provide details as per table below) | | 75,00,00,000 |
| | IND - AS adjustment for effective Interest rate on secured Debt Securities | | |
| | Interest accrued/payable on secured Debt Securities | | 16,54,110 |

| | | | |
|------------|--|--------------|----------------|
| iii | Asset Coverage Ratio (100% or higher as per the terms of offer document/information memorandum/ debenture trust deed) | (A/B) | 177.31% |
|------------|--|--------------|----------------|

ISIN wise details

| Sr. No. | ISIN | Facility | Type of Charge | Sanctioned Amount (Rs.) | Outstanding Amount as on 31.12.2021 (Rs.) | Cover required | Assets Required (Rs.) |
|---------|--------------------|---|----------------|-------------------------|---|----------------|-----------------------|
| 1 | INE316W07054 | Listed Secured Non-convertible Debentures | Pari-passu | 75,00,00,000 | 60,00,00,000 | 1.10x | 66,00,00,000 |
| 2* | INE316W07062 | Unlisted Secured Non-Convertible Debentures | Pari-passu | 15,00,00,000 | 15,00,00,000 | 1.10x | 16,50,00,000 |
| | Grand Total | | | 90,00,00,000 | 75,00,00,000 | | 82,50,00,000 |

Note: *The above NCDs are unlisted however the said NCDs are sharing the same security along with listed NCDs on pari-passu basis and hence the same has been considered in calculation of Asset Coverage Ratio.

c) Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity

We have examined the compliances made by the listed entity in respect of the covenants/terms of the issue of the listed debt securities (NCD's) and certify that such covenants/terms of the issue have been complied by the listed entity.

For D N A & Co.,
Chartered Accountants

VAIBHAV GOEL

Digitally signed by VAIBHAV
GOEL
Date: 2022.04.05 17:04:32 +05'30'

Vaibhav Goel
Partner

Place: Delhi
Date: 05-04-2022
UDIN: 22547918AGLGBR6336