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Independent Auditor's Report

To the Members of GMR Energy Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of GMR Energy Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As mentioned in 4(5) to the accompanying standalone financial statements for year ended 31 March 2021, the Company's carrying value of investment in GMR Vemagiri Power Generation Limited ('GVPGL'), a subsidiary of the Company is Rs. 5,800.63 million (net of provision for diminution of Rs. 751.33 million). GVPGL has ceased operations due to continued unavailability of adequate supply of natural gas and other factors mentioned in the said note, and has been incurring significant losses, including cash losses with consequential erosion of their respective net worth. The Company's carrying value of investment in GVPGL is significantly dependent on the achievement of key assumptions considered in the valuation performed by the external expert particularly with respect to availability of natural gas, future tariff of power generated and realization of claims for losses incurred in earlier periods from the customer as detailed in the aforementioned note.
4. As mentioned in note 4(2) to the accompanying standalone financial statements for year ended 31 March 2021, the Company's carrying value of investment in GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL'), a subsidiary of the Company is Rs. 3,062.29 million (net of provision for diminution of Rs. 2,975.35 million). GBHPL has stopped the construction of the 300 MW hydro based power plant on Alaknanda river, Uttarakhand, since 7 May 2014 on the directions of the Hon'ble Supreme Court of India ('the Supreme Court'). The carrying value of the investments in GBHPL is significantly dependent on obtaining requisite approvals from Supreme court, environmental clearances, availability of funding support for development and construction of the aforesaid power plant and achievements of the other key assumptions made in the valuation assessment done by an external expert.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandlok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Independent Auditor's Report to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)

5. As mentioned in note 4(4) to the accompanying standalone financial statements for year ended 31 March 2021, the Company's carrying value of investment (including loans and accrued interest thereon) in GMR Kamalanga Energy Limited ('GKEL'), joint venture of the Company is Rs. 11,732.72 million (net of provision for diminution of Rs. 11,901.37 million). Further, the Company has recorded a derivative liability during the year amounting to Rs. 910.00 million (classified under other financial liabilities) towards its payment obligations pursuant to a settlement agreement entered into between the Company and other joint venture shareholder of GKEL, for acquisition of other joint venture shareholder's shareholding in GKEL as further explained in note 4(4)(b). GKEL has been incurring losses with a consequent erosion of networth. The management has accounted the investment in GKEL and measured the aforesaid derivative liability based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, rescheduling/refinancing of existing loans at lower rates amongst other key assumptions and the uncertainty and the final outcome of the litigations with the capital creditors as regards claims against GKEL.

Owing to the aforementioned uncertainties as also described further in note 3 to 5, we are unable to comment upon adjustments, if any, that may be required to the carrying values of the loans, non-current investments and aforementioned derivative liability as at 31 March 2021, and the consequential impact on the accompanying standalone financial statements.

The opinion expressed by the predecessor auditor in their audit report dated 18 June 2020, for the year ended 31 March 2020 was also qualified in respect of impact of above matter on the carrying values of loans and non-current investments as at 31 March 2020.

6. We conducted our audit in accordance with the Standards on Auditing 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

7. We draw attention to note 1.1 to the standalone financial statements which indicates that the Company has incurred net loss of Rs. 8,716.28 million (including cash losses) during the year ended 31 March 2021, the Company's accumulated losses amounts to Rs. 69,948.35 million which have resulted in substantial erosion of net worth of the Company and the current liabilities have exceeded its current assets by Rs. 10,064.02 million as at the balance sheet date. As further disclosed in aforesaid note, the Company has defaulted in repayment of principal and interest in respect of its borrowings as at 31 March 2021. Subsequent to the year ended 31 March 2021, the Company has entered into a term sheet with the other joint venture holder of GKEL to purchase the shares of GKEL held by such other shareholder for aggregate consideration of Rs 2,193.00 million as further detailed in note 4(4)(b) to the standalone financial statements. These events and conditions, together with the impact of the ongoing COVID-19 pandemic as explained in note 38 along with other matters as set forth in note 1.1, indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. However, based on continuing financial support by GMR Infrastructure Limited ('GIL') by way of financial support letter to fund the construction and development stage entities, loans to the Company, corporate guarantee issued by GIL to lenders of the Company, corporate guarantee issued by GIL and GMR Enterprises Private Limited to the joint venture shareholder of GKEL, pari-passu pledge of 26% of the shares held by GIL in one of its subsidiary companies to the lenders of the Company, ongoing initiatives for refinancing the debt by the management, and other mitigating factors as mentioned in the note 1.1, the management is of the view that going concern basis of accounting is appropriate for preparation of the standalone financial statements. Our opinion is not modified in respect of this matter.



Independent Auditor's Report to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)

Emphasis of Matters

8. We draw attention to:

- a) Note 38 of the accompanying standalone financial statements, which describes the uncertainties relating to the effects of COVID-19 pandemic and management's evaluation of the impact on the carrying value of investments outstanding as at the reporting date.
- b) Note 4(3) of the accompanying standalone financial statements, regarding the investment made by the Company in GMR Warora Energy Limited ('GWEL'), a subsidiary of the Company amounting to Rs. 7,046.00 million (net of provision for diminution of Rs. 5,370.72 million) as at 31 March 2021. The recoverability of such investment is dependent upon various claims, counter claims and other receivables from customers of GWEL, which are pending settlement / realization as on 31 March 2021, and certain other key assumptions as considered in the valuation performed by an external expert, including capacity utilization of plant in future years, management's plan for entering into a new long-term power purchase agreement ('PPA') to replace the PPA expired in June 2020 with one of its customers and the pending outcome of the debt resolution plan being discussed with the lenders of GWEL, as explained in the said note.

The above claims also include recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by GWEL amounting to Rs. 6,115.79 million for the period from 17 March 2014 to 31 March 2021, based on the Order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 8 May 2015 which is currently contested by MSEDCL in the Supreme Court as described in aforesaid note.

The management of the Company, based on its internal assessment, legal opinion, certain interim favourable regulatory orders and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment of the Company in GWEL is appropriate and accordingly, no adjustments have been made in the accompanying standalone financial statements for the year ended 31 March 2021.

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

Information other than the Standalone Financial Statements and Auditor's Report thereon

9. 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 standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

10. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of



Independent Auditor's Report to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

11. In preparing the standalone 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.
12. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

13. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
14. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
15. 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.



Independent Auditor's Report to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)

Other Matter

16. The standalone financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, S.R. Balliboi & Associates LLP, who have expressed a qualified opinion on those standalone financial statements vide their audit report dated 18 June 2020.

Report on Other Legal and Regulatory Requirements

17. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
19. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) except for the possible effects of the matters described in the Basis for Qualified Opinion section, 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) the matters described in paragraph 3 to 5 under Basis for Qualified Opinion section, paragraph 8 for under the Emphasis of Matter section and paragraph 7 under Material uncertainty related to Going concern section, 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;
 - h) we have also audited the internal financial controls with reference to the standalone financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 8 June 2021 as per Annexure B expressed modified opinion; and
 - 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. except for the possible effects of the matters described in paragraph 3 to 5 of the Basis for Qualified Opinion section, the standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Company as at 31 March 2021, as detailed in Note 31(II) to the standalone financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

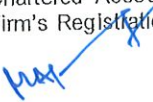


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Independent Auditor's Report to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)

- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Manish Agrawal
Partner
Membership No.: 507000

UDIN: 21507000AAAABX7736

Place: Ghaziabad
Date: 8 June 2021



Walker Chandio & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2021

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, 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) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under Protest (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	52.71	-	Assessment year 2009-10 to 2013-14	Hon'ble High Court of Karnataka



Walker Chandio & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2021

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under Protest (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Electricity Duty Act, 1939	Electricity duty	110.62	-	June 2010 to December 2011	Hon'ble High Court of Judicature, Andhra Pradesh

- (viii) As at 31 March 2021, the Company has delayed in repayment of loans or borrowings to banks as at the balance sheet date, as listed below (also, refer note 13(4) to the accompanying financial statements):

Name of the bank	Amount of default as on 31 March 2021 (Rs. in million)	Period of default	Remarks
Yes Bank Limited	523.93	0-90 days	Subsequent to year ended 31 March 2021, overdue loans or borrowings amounting to Rs. 513.23 million have been repaid by the Company.

Further, except above, the Company has no continuing defaults in repayments of loans or borrowings to any financial institution or bank, though during the year, there were certain delays which have been made good by the Company before 31 March 2021 as listed below. The Company did not have any loans or borrowings payable to the government and no dues payable to the debenture holders during the year.

Particulars	Amount of default during the year ended 31 March 2021 (Rs. in million)	Period of default (days)
i. Name of the Lenders		
a. In case of Yes Bank Limited (bank)	42.77	5-82
b. In case of Life Insurance Corporation of India (financial institution)	3,209.29	116-591

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.



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Annexure A to the Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2021

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Manish Agrawal
Partner
Membership No.: 507000

UDIN: 21507000AAAABX7736



Place: Ghaziabad
Date: 8 June 2021

Annexure B to the Independent Auditor's Report of even date to the members of GMR Energy Limited, on the standalone financial statements for the year ended 31 March 2021

Annexure B

Independent Auditor's Report on the internal financial controls with reference to Standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of GMR Energy Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') 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 the Company's 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements, and the Guidance Note 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 the standalone financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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



Walker Chandio & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of GMR Energy Limited, on the standalone financial statements for the year ended 31 March 2021

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

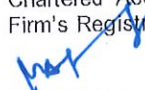
Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to the standalone financial statements as at 31 March 2021:

The Company's internal financial control system towards estimating the carrying value of its investment in certain subsidiaries and joint ventures as more fully explained in note 4(2), 4(4) and 4(5) to the standalone financial statements were not operating effectively due to uncertainties in the judgments and assumptions made by the company in such estimations, which could result in the Company not providing for adjustments, if any, that may be required to the carrying values of loans, non-current investments and further provisions, if any, required to be made towards the Company's payment obligations including obligations on behalf of those entities, and its consequential impact on the accompanying standalone financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2021.
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2021, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Manish Agrawal
Partner
Membership No.: 507000

UDIN: 21507000AAAABX7736

Place: Ghaziabad
Date: 8 June 2021



GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Standalone Balance Sheet as at 31 March 2021
(All amounts in Rs. millions unless otherwise stated)

	Note	31 March 2021	31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	3	97.83	98.00
Financial assets			
Investments	4	32,633.81	38,323.50
Loans	5	1,094.00	962.07
Other financial assets	6	259.93	240.43
Non current tax assets (net)	7	83.77	84.09
Total of non-current assets		34,169.34	39,708.09
Current assets			
Financial assets			
Trade receivables	8	77.10	45.00
Cash and cash equivalents	9	5.94	28.11
Other financial assets	6	63.78	65.02
Other current assets	10	64.16	23.67
Total of current assets		210.98	161.80
Assets classified as held for sale	27	1,369.12	1,198.57
Total of assets		35,749.44	41,068.46
Equity and liabilities			
Equity			
Equity share capital	11	36,069.03	36,069.03
Other equity	12	(19,866.19)	(11,150.15)
Total of equity		16,202.84	24,918.88
Non-current liabilities			
Financial liabilities			
Borrowings	13	7,898.95	-
Lease liabilities	31(I)	3.53	3.57
Total of non-current liabilities		7,902.48	3.57
Current liabilities			
Financial liabilities			
Borrowings	14	3,605.30	2,925.60
Trade payables	15		
Total outstanding dues of micro enterprise and small enterprises		9.39	7.82
Total outstanding dues of creditors other than micro enterprise and small enterprises		118.93	133.52
Lease liabilities	31(I)	0.54	0.54
Other financial liabilities	16	6,967.35	12,264.83
Other current liabilities	17	4.19	5.44
Provisions	18	3.69	9.65
Total of current liabilities		10,709.39	15,347.40
Liabilities directly associated with the assets classified as held for sale	27	934.73	798.61
Total liabilities		19,546.60	16,149.58
Total of equity and liabilities		35,749.44	41,068.46

Summary of significant accounting policies and other explanatory information. 2.3

The accompanying notes are an integral part of the standalone financial statements.

This is the Standalone Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's registration number: 001076N/N500013

Manish Agrawal
Partner
Membership Number: 507000



Place: Ghaziabad
Date: 8 June 2021

Srinivas Bommidala
Vice Chairman & Director
DIN: 00061464
Place: Dubai
Date: 8 June 2021

Manoj Kumar Singh
Chief Financial Officer
Place: New Delhi
Date: 8 June 2021

Kiran Kumar Grandhi
Director
DIN: 00061669
Place: Dubai
Date: 8 June 2021

Sanjay Kumar Babu
Company Secretary - FCS 8649
Place: New Delhi
Date: 8 June 2021

For and on behalf of the board of directors
GMR Energy Limited

Ashis Basu
Chief Executive Officer
Place: New Delhi
Date: 8 June 2021



GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Standalone Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in Rs. millions unless otherwise stated)

	Note	31 March 2021	31 March 2020
Continuing operations			
Income			
Revenue from operations	19	185.30	173.10
Other income	20	162.12	129.80
Total income		347.42	302.90
Expenses			
Sub-contracting expenses		165.49	155.21
Employee benefit expenses	21	19.34	33.13
Finance costs	22	1,995.19	2,069.97
Depreciation and amortisation expenses	23	0.17	0.36
Other expenses	24	58.23	75.88
Total expenses		2,238.42	2,334.55
Loss before tax expenses and exceptional items from continuing operations		(1,891.00)	(2,031.65)
Exceptional items	25	(6,795.47)	(14,078.07)
Loss before tax expenses from continuing operations		(8,686.47)	(16,109.72)
Tax expenses of continuing operations			
Current income tax (including earlier years)	26	(13.80)	-
Loss after tax expenses from continuing operations		(8,672.67)	(16,109.72)
Discontinued operations			
Loss from discontinued operations before tax expenses	27	(43.61)	(836.26)
Tax expense of discontinued operations		-	-
Loss after tax expenses from discontinued operations		(43.61)	(836.26)
Loss for the year		(8,716.28)	(16,945.98)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		0.24	(1.13)
Income tax effect		-	-
Other comprehensive income for the year, net of tax		0.24	(1.13)
Total comprehensive income for the year		(8,716.04)	(16,947.11)
Earnings per equity share (Rs.) from continuing operations	28	(2.40)	(4.47)
Basic and diluted			
Earnings per equity share (Rs.) from discontinued operations	28	(0.01)	(0.23)
Basic and diluted			
Earnings per equity share (Rs.) from continuing and discontinued operations	28	(2.42)	(4.70)
Basic and diluted			
Summary of significant accounting policies and other explanatory information.	2.3		
The accompanying notes are an integral part of the standalone financial statements.			
This is the Standalone Statement of Profit and Loss referred to in our report of even date.			

For Walker Chandio & Co LLP
Chartered Accountants
Firm's registration number: 001076N/N500013

Manish Agrawal
Partner
Membership Number: 507000



Place: Ghaziabad
Date: 8 June 2021

Srinivas Bommidala
Vice Chairman & Director
DIN: 00061464
Place: Dubai
Date: 8 June 2021

Manoj Kumar Singh
Chief Financial Officer
Place: New Delhi
Date: 8 June 2021

Kiran Kumar Grandhi
Director
DIN: 00061669
Place: Dubai
Date: 8 June 2021

Sanjay Kumar Babu
Company Secretary - FCS 8649
Place: New Delhi
Date: 8 June 2021

For and on behalf of the board of directors
GMR Energy Limited

Ashis Basu
Chief Executive Officer
Place: New Delhi
Date: 8 June 2021



Particulars	31 March 2021	31 March 2020
A. Cash flow from operating activities		
Loss before tax from continuing operations	(8,672.67)	(16,109.72)
Loss before tax from discontinued operations	(43.61)	(836.26)
Loss before tax	(8,716.28)	(16,945.98)
Adjustments for :		
Depreciation and amortisation expenses	0.17	0.36
Provision for diminution in value of investments and loans (included in exceptional items)	5,885.47	14,078.07
Loss on recognition of derivative liability (included in exceptional items)	910.00	-
Provision / liability no longer required written back	(11.93)	(4.62)
Provision towards impairment of property, plant and equipments and right to use asset	-	810.48
Provision towards impairment of capital work in progress	16.40	-
Notional expense on modification of financial instrument	-	8.93
Impairment allowance on other than trade receivables	16.93	3.04
Loss on account of foreign exchange fluctuations(net)	(5.25)	6.74
Fair value gain on financial instrument at fair value through profit and loss	-	(0.76)
Profit on sale of subsidiary	-	(57.74)
Loss on sale of property, plant and equipment (net)/write off of property, plant and equipment	-	0.26
Finance costs	2,014.42	2,115.36
Interest income on bank deposits and others	(145.57)	(119.92)
Interest income on income tax refunds	(5.84)	(0.08)
Operating loss before working capital changes and other adjustments	(41.48)	(105.86)
Working capital changes and other adjustments:		
Other assets	(53.81)	(21.41)
Other financial assets	(14.16)	12.40
Trade receivables	(32.10)	15.01
Inventories	(0.12)	0.10
Trade payables	(31.30)	56.08
Other financial liabilities	(9.77)	146.78
Provisions	2.37	6.06
Other current liabilities	(1.24)	4.55
Cash (used in)/generated from operating activities before tax	(181.61)	113.71
Income taxes refunded (net)	19.96	5.81
Net cash (used in)/flow from operating activities	(161.65)	119.52
B. Cash flows from investing activities		
(Payments towards purchase of fixed assets)/proceeds from advance for disposal of fixed assets (net of cost incurred towards dismantling)	(15.65)	266.65
Purchase of property, plant and equipment	-	(0.93)
Purchase of non current investments (including share application money)	(149.77)	(139.19)
Proceeds from sale of long term investments (net of taxes)	-	74.87
Sale of current investments (net)	-	0.76
Investments of bank deposits (net)	(0.74)	(10.72)
Inter corporate deposits / unsecured loans/ deposits refunded from subsidiaries and other companies	11.73	671.06
Inter corporate deposits / bills receivables / unsecured loans given to subsidiaries and other companies	(56.59)	(272.07)
Interest received on bank deposits	10.05	61.98
Net cash (used in)/flow from investing activities	(200.97)	652.41
C. Cash flows from financing activities		
Repayment of non current borrowings	(3,244.04)	(1,302.51)
Proceeds from non-current borrowings	4,165.97	-
Proceeds from current borrowings	949.70	2,641.98
Repayments of current borrowings	(270.00)	(505.40)
Interest paid	(1,261.18)	(1,588.69)
Net cash flow from/(used in) financing activities	340.45	(754.62)
Net (decrease)/increase in cash and cash equivalents	(22.17)	17.31
Cash and cash equivalents at the beginning of the year	28.11	10.80
Cash and cash equivalents at the end of the year	5.94	28.11
Cash and cash equivalent comprises of (refer note 9):		
Cash on hand	0.11	0.06
Balances with banks in current accounts	5.83	28.05
	5.94	28.11

The accompanying notes are an integral part of the standalone financial statements.

This is the Standalone Cash Flow Statement referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's registration number: 001076N/N500013

Manish Agrawal
Partner
Membership Number: 507000



Place: Ghaziabad
Date: 8 June 2021

For and on behalf of the board of directors
GMR Energy Limited

Srinivas Bonmidala
Vice Chairman & Director
DIN: 00061464
Place: Dubai
Date: 8 June 2021

Manoj Kumar Singh
Chief Financial Officer
Place: New Delhi
Date: 8 June 2021

Kiran Kumar Grandhi
Director
DIN: 00061669
Place: Dubai
Date: 8 June 2021

Sanjay Kumar Babu
Company Secretary - FCS 8649
Place: New Delhi
Date: 8 June 2021

Ashis Basu
Chief Executive Officer

Place: New Delhi
Date: 8 June 2021



GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Standalone Statement of Changes in Equity for the year ended 31 March 2021
(All amounts in Rs. millions unless otherwise stated)

Equity share capital*

Particulars	Balance as at 1 April 2019	Issued during the year	Balance as at 31 March 2020	Issued during the year	Balance as at 31 March 2021
Equity share capital	36,069.03	-	36,069.03	-	36,069.03

Other equity**

Particulars	Reserves and surplus					Total other equity attributable to equity holders of the Company
	General reserve	Securities premium	Other reserves arising on account of restructuring	Capital redemption reserve	Retained earnings	
As at 1 April 2019	318.05	37,427.02	12,051.84	285.25	(44,227.61)	5,854.55
Loss for the year	-	-	-	-	(16,945.98)	(16,945.98)
Other comprehensive income	-	-	-	-	(1.13)	(1.13)
Total comprehensive income	-	-	-	-	(61,174.72)	(61,174.72)
Effect of adoption of Ind AS 116 Leases	-	-	-	-	(57.59)	(57.59)
As at 31 March 2020	318.05	37,427.02	12,051.84	285.25	(61,232.31)	(11,150.15)
Loss for the year	-	-	-	-	(8,716.28)	(8,716.28)
Other comprehensive income	-	-	-	-	0.24	0.24
Total comprehensive income	-	-	-	-	(69,948.35)	(69,948.35)
As at 31 March 2021	318.05	37,427.02	12,051.84	285.25	(69,948.35)	(19,866.19)

*Refer note 11 for details

**Refer note 12 for details

The accompanying notes are an integral part of the standalone financial statements.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's registration number: 001076N/N500013

Manish Agrawal

Manish Agrawal
Partner
Membership Number: 507000



Place: Ghaziabad
Date: 8 June 2021

Srinivas Bommidala
Srinivas Bommidala
Vice Chairman & Director
DIN: 00061464
Place: Dubai
Date: 8 June 2021

Kiran Kumar Grandhi
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DIN: 00061669
Place: Dubai
Date: 8 June 2021

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Manoj Kumar Singh
Chief Financial Officer
Place: New Delhi
Date: 8 June 2021

Sanjay Kumar Babu
Sanjay Kumar Babu
Company Secretary - FCS 8649
Place: New Delhi
Date: 8 June 2021

For and on behalf of the Board of Directors of
GMR Energy Limited

Asish Basu
Asish Basu
Chief Executive Officer

Place: New Delhi
Date: 8 June 2021



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

37 Other disclosure

The Company is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the IT Act ('regulations') to determine whether the transactions entered during the year ended 31 March 2021, with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associate enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

38 The spread of COVID-19 has severely impacted businesses operations around the globe including India. The subsidiaries and joint ventures of the Company (SPVs) are in the business of generation of electricity which is an essential service as stipulated by the Ministry of Power, Government of India. Hence, the SPVs has ensured continuity of power supply during the period of lockdown. However, considering the lockdown during the year, uncertain economic environment and announcement of lockdown like restrictions by several state governments subsequent to year ended 31 March 2021 due to spread of second wave of COVID-19, the demand for power is expected to be lower in the near future and accordingly, the SPVs may have to operate power plants at lower load factor. The SPVs has also received notices of force majeure from few of its customers customer disputing payment of capacity charges during the period of lock down, which have been responded by the respective SPVs and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. However, the customer continues to dispute the aforesaid payment of capacity charges. Further, the customers continue to delay the payment of various change in law/ coal cost pass through and other claims as detailed in note 4(3) and 4(4) above thereby causing significant stress on the cash flows of the SPVs. However, the Reserve Bank of India had granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till August 2020 which helped in mitigating the stress on cash flows during the period of COVID-19.

As detailed in note 4(4)(a), the sale of equity stake in GKEL has been called off during year ended 31 March 2021 and as detailed in note 27 there is a delay in the sale of Barge Plant. There is a further delay in construction of Hydro plant in GBHPL as detailed in note 4(9).

The Holding Company GMR Infrastructure Limited ('GIL') has committed to provide the continuing financial support to the Company in terms of the financial comfort letters to construction and project stage entities. Further, GIL has provided corporate guarantee lenders of the Company and pari-passu pledged of 26% of the shares of GMR Airport Limited held by GIL to the lenders of the Company. Basis above, the management has estimated its future cash flows for the Company which indicates no further change in the financial performance as estimated prior to COVID-19 impact. Further, the actual impact of Covid-19 pandemic on the Company's financial performance remains uncertain and dependant on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these standalone financial statements.

The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

39 As per Section 135 of the Companies Act, 2013, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company had incurred losses during the previous three years and hence was not required to spend any amount towards Corporate Social Responsibility activities.

40 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

41 All loans, guarantees and securities as disclosed in respective notes are provided for business purposes.

42 In the opinion of the Board of Directors, current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the standalone balance sheet and provisions for all known/expected liabilities have been made.

43 The Company is engaged in the business of providing infrastructural facilities as per section 186(11) read with Schedule III of the Act, accordingly disclosures under section 186(4) of the Act is not applicable.

44 Previous year's figures have been regrouped / reclassified, wherever necessary to confirm to current year's classification.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

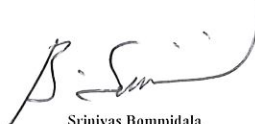
Firm's registration number: 001076N/500013

Manish Agrawal
Partner

Membership Number: 507000

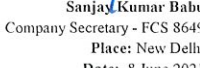


Place: Ghaziabad
Date: 8 June 2021


Srinivas Bommidala
Vice Chairman & Director
DIN: 00061464
Place: Dubai
Date: 8 June 2021


Manoj Kumar Singh
Chief Financial Officer
Place: New Delhi
Date: 8 June 2021


Kiran Kumar Grandhi
Director
DIN: 00061669
Place: Dubai
Date: 8 June 2021


Sanjay Kumar Babu
Company Secretary - FCS 8649
Place: New Delhi
Date: 8 June 2021

For and on behalf of the board of directors
GMR Energy Limited

Ashis Basu
Chief Executive Officer

Place: New Delhi
Date: 8 June 2021



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

1. Corporate information

GMR Energy Limited ('GEL' or 'the Company') is a public limited Company domiciled in India and its registered office is situated at 701, 7th floor, Naman Centre, Plot No C-31, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051. The registered office of the Company is located at Naman Centre, Bandra Kurla Complex, Mumbai, India. The Company was engaged in the business of generation and sale of electrical energy from its 220 MW plant situated at Kakinada, Andhra Pradesh, India and has investment in power projects.

1.1. Going Concern

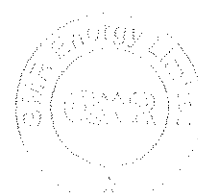
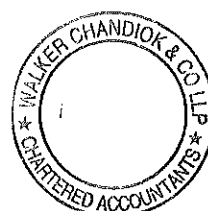
The Company has been incurring losses including cash losses. The Company has incurred net loss of Rs. 8,716.04 million during the year ended 31 March 2021 and has accumulated losses of Rs 69,948.35 million as at 31 March 2021, which has resulted in substantial erosion of the Company's net worth and its current liabilities exceed its current assets as at 31 March 2021 by Rs. 10,064.02 million. Further, there have been delays in repayments of borrowings and interest thereof by the Company. As detailed in note 4(4)(b), during the year ended 31 March 2021, the arbitral tribunal pronounced an award directing GEL to purchase shares of GKEL held by the joint venture shareholder. Subsequent to year ended 31 March 2021, the management of the Company has entered into a term sheet with the joint venture shareholder for purchase of shares of GKEL held by joint venture shareholder as mentioned in note 4(4)(b). Management is taking various initiatives including monetisation of assets, refinancing of existing debt and other strategic initiatives to address the repayment of borrowings and debt servicing in the next twelve months and to create sustainable cash flows. Based on future business plans and valuation assessment of key projects by an external expert as detailed in the notes 4(2), 4(3), 4(4), 4(5) and 4(9) and continuing financial support by GMR Infrastructure Limited ('GIL') to construction and project stage entities, loans to the Company, corporate guarantee issued by GIL to lenders of the Company, corporate guarantee issued by GIL and GMR Enterprises Private Limited ('GEPL') to the joint venture shareholder of GKEL, pari-passu pledge of 26% of the shares of one of the subsidiary company of GIL to the lenders of the Company as detailed in note 13(1), ongoing initiatives for refinancing the debt by the management, the standalone financial statements continue to be prepared on a going concern basis, which contemplates realisation of assets and settlement of liabilities in an orderly manner. The statutory auditors of the Company have also given a separate section on material uncertainty related to going concern in their audit report in this regard.

3.1. Basis of preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 (the 'Act'). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 8 June 2021. The revision to standalone financial statements is permitted by Board



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

The functional and presentation currency of the Company is Indian Rupee ("Rs.") which is the currency of the primary economic environment in which the Company operates. All the values are rounded off to the nearest million (Rs. 000,000) except when otherwise indicated.

3.2. Recent accounting pronouncement

On 24 March 2021, the Ministry of Corporate Affairs ('MCA') through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance sheet:

- 1) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- 2) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- 3) Specified format for disclosure of shareholding of promoters.
- 4) Specified format for ageing schedule of trade receivables, trade payables, capital work in progress and intangible asset under development.
- 5) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- 6) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of a company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property etc.

Statement of Profit and Loss:

- 1) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

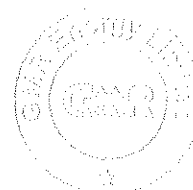
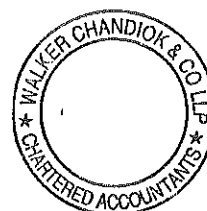
The Company is evaluating the requirements of the amendments and their impact on the standalone financial statements.

3.3. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle,
- ii. Held primarily for the purpose of trading,
- iii. Expected to be realised within twelve months after the reporting period, or



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

- iv. 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.

A liability is current when:

- i. It is expected to be settled in normal operating cycle,
- ii. It is held primarily for the purpose of trading,
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The term 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.

Advance tax paid is classified as non-current assets.

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. Fair value measurement of financial instruments

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

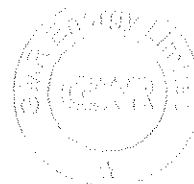
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes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



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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 standalone 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 standalone 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.

c. Revenue recognition

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.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

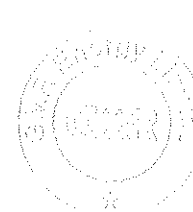
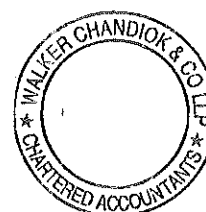
The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from operations

Revenue from operation is exclusive of goods and service tax (GST). Revenue includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

Revenue is recognised as follows:

1. Cost plus contracts: Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.



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2.Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (m) financial instruments – initial recognition and subsequent measurement.

Trade receivables

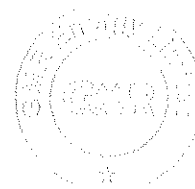
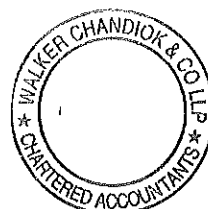
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (m) Financial instruments – initial recognition and subsequent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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income

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 period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.



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d. Income taxes

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilized.

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

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

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

e. Non-current assets held for sale and discontinued operations

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.



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The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

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

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the standalone balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- i) Represents a separate major line of business or geographical area of operations,
- ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- iii) Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss.

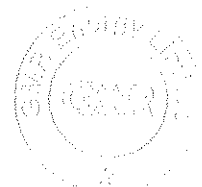
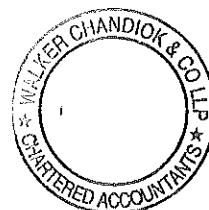
Additional disclosures are provided in Note 27. All other notes to the standalone financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

f. Property, plant and equipment ('PPE')

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

PPE under installation or under construction as at balance sheet are shown as capital work-in-progress and the related advances are shown as capital advances.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.



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Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category of asset*	Estimated useful life
Plant and machinery	10 – 25 years*
Office equipment's (including computer equipment's)	3-6 years
Furniture and fixtures	10 years
Vehicles	8 years

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

* The Company, based on technical assessment made by the technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

Further, the management has estimated the useful lives of asset individually costing Rs. 5,000 or less to be less than one year, whichever is lower than those indicated in Schedule II. 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.

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.

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 statement of profit and loss when the asset is derecognised.

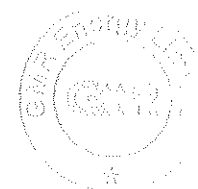
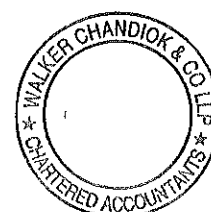
g. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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.

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 fulfilment 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.



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A lease is classified at the inception date as a finance lease or an operating lease.

The Company as a lessee

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset. The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

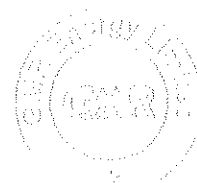
Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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 of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

i. Inventories

Components, stores and spares are valued at lower of cost and net realisable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

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



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j. Impairment of non-financial assets, investments in subsidiary and joint venture companies

As at the end of each accounting year, the company reviews the carrying amounts of its PPE and investments in subsidiary and joint venture companies, to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any.

The Company assesses, 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 estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The 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 groups 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.

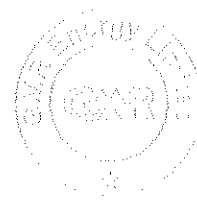
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions 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. To estimate cash flow projections beyond periods 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 in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing and discontinued operations, including impairment on inventories and investments in subsidiary and joint venture companies, are recognised in the statement of profit and loss.

For assets, 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 amount 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 unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.



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k. Provisions and contingent liabilities

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, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

Decommissioning liability:

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the 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 expensed as incurred and recognised in the standalone statement of profit and loss 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. Retirement and other employee benefits

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



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Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- a. The date of the plan amendment or curtailment, and
- b. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b. Net interest expense or income.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

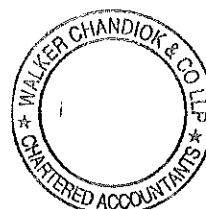
The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses are determined.

The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

m. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.



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All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. In case of interest free or concession loans/debentures/preference shares given to subsidiaries and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries and joint ventures are measured at cost less impairment.

Investment in preference shares/ debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

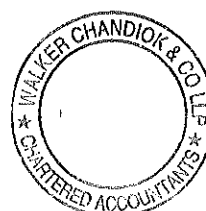
Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.



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For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets, excluding investments in subsidiary and joint venture companies

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

For trade and other receivables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

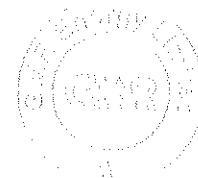
(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

b. 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.

Off-setting of financial instruments

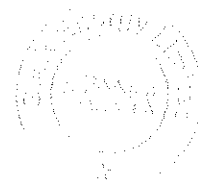
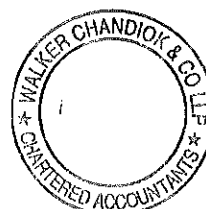
Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n. Convertible preference shares/ debentures

Convertible preference shares/debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares/debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for conversion right. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.



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Transaction costs are apportioned between the liability and equity components of the convertible preference shares/debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

o. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

p. Foreign currencies

Transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

q. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

r. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.



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t. Exceptional items

An item of income or expense which due to its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the financial statements.

u. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. 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.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

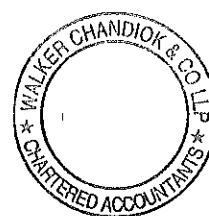
Fair value measurement of financial instruments - When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The cash flow projections used in these models are based on estimates and assumptions relating to conclusion of tariff rates, operational performance of the plants and coal mines, life extension plans, availability and market prices of gas, coal and other fuels, restructuring of loans etc in case of investments in entities in the energy business and favourable outcomes of litigations etc. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Classification of leases - The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Contingencies - Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the standalone financial statements.

In respect of financial guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.



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Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

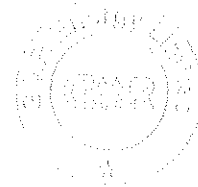
Impairment of non current assets including property, plant and equipment and investments - Determining whether investment are impaired requires an estimation of the recoverable amount, which is the higher of fair value less costs of disposal and value in use of the individual investment or the relevant cash generating units. The fair value less costs of disposal calculation is based on available data for similar property, plant and equipment/investments or observable market prices less incremental costs for disposing of the property, plant and equipment/investments. The value in use calculation is based on DCF model over the estimated useful life of the power plants. Further, the cash flow projections are based on estimates and assumptions relating to conclusion of operational performance of the plants, life extension plans, availability and market prices of gas, coal and other fuels, tying up of untied capacity, future tariff rates, timely realisation of trade receivables including regulatory claims, renewal of existing Power purchase agreements, restructuring of loans, reduction of finance cost, favorable outcome of litigations etc which are considered as reasonable by the management.

Defined benefit obligation (DBO) – The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Going concern assessment – The Company has been incurring losses including cash losses, which has resulted in substantial erosion of the Company's net worth and its current liabilities exceed its current assets. For the reasons stated in note 1.1, the standalone financial statements continues to be prepared on a going concern basis.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

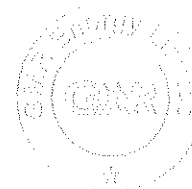
3 Property, plant and equipment

Particulars	Land	Right of use asset (refer note 31(f))	Buildings	Office equipments	Vehicles	Furniture and fixtures	Total
Gross block							
As at 1 April 2019	97.75	-	122.61	2.20	0.16	2.36	225.08
Additions	-	0.84	-	0.09	-	-	0.93
As at 31 March 2020	97.75	0.84	122.61	2.29	0.16	2.36	226.01
As at 31 March 2021	97.75	0.84	122.61	2.29	0.16	2.36	226.01
Accumulated depreciation and impairment							
As at 1 April 2019	-	-	122.61	2.18	0.06	1.96	126.81
Charge for the year	-	-	-	0.01	0.01	0.34	0.36
Impairment for the year	-	0.84	-	-	-	-	0.84
As at 31 March 2020	-	0.84	122.61	2.19	0.07	2.30	128.01
Charge for the year	-	-	-	0.02	0.09	0.06	0.17
As at 31 March 2021	-	0.84	122.61	2.21	0.16	2.36	128.18
Net block							
As at 1 April 2019	97.75	-	-	0.02	0.10	0.40	98.27
As at 31 March 2020	97.75	-	-	0.10	0.09	0.06	98.00
As at 31 March 2021	97.75	-	-	0.08	-	-	97.83

Notes

1. Property, plant and equipment have been pledged as security for borrowings (refer note 13).
2. There are no contractual commitments with respect to property, plant and equipment.

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 (All amounts in Rs. millions unless otherwise stated)

4 Investments

	31 March 2021	31 March 2020
A. Investments (valued at cost, unless otherwise stated)		
Unquoted		
a) In equity shares of subsidiaries		
- Indian Companies		
GMR Vemagiri Power Generation Limited ('GVPGL') ^{1, 5, 7}	2,959.00	2,959.00
[274,500,134 (31 March 2020 : 274,500,134) equity shares of Rs. 10 each fully paid-up]		
GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL') ^{2, 7}	49.95	49.95
[4,995,100 (31 March 2020 : 4,995,100) equity shares of Rs. 10 each fully paid-up]		
GMR Consulting Services Private Limited ('GCSPL')	0.50	0.50
[49,900 (31 March 2020 : 49,900) equity shares of Rs. 10 each fully paid-up]		
GMR Warora Energy Limited ('GWEL') ^{1, 5, 7}	9,987.50	9,987.50
[870,000,000 (31 March 2020 : 870,000,000) equity shares of Rs. 10 each fully paid-up]		
GMR Maharashtra Energy Limited ('GMEI')	0.50	0.50
[50,000 (31 March 2020 : 50,000) equity shares of Rs. 10 each fully paid-up]		
GMR Rajani Solar Power Private Limited ('GRSPPL')	0.10	0.10
[10,000 (31 March 2020 : 10,000) equity shares of Rs. 10 each fully paid-up]		
GMR Gujarat Solar Power Private Limited ('GGSPPPL') ¹	736.00	736.00
[73,600,000 (31 March 2020 : 73,600,000) equity shares of Rs. 10 each fully paid-up]		
GMR Bundelkhand Energy Private Limited ('GBEL')	0.10	0.10
[10,000 (31 March 2020 : 10,000) equity shares of Rs. 10 each fully paid-up]		
GMR Indo Nepal Energy Links Limited ('GINELL')	0.50	0.50
[50,000 (31 March 2020 : 50,000) equity shares of Rs. 10 each fully paid-up]		
GMR Indo Nepal Power Corridors Limited ('GINPCL')	0.50	0.50
[50,000 (31 March 2020 : 50,000) equity shares of Rs. 10 each fully paid-up]		
- Body Corporates		
GMR Energy (Mauritius) Limited ('GEML') (Rs.3,954; March 31, 2020: Rs. 3,954)	0.00	0.00
[95 (31 March 2020: 95) equity shares of USD 1 each fully paid-up]		
b) In equity shares of joint ventures		
- Indian Companies		
GMR Kamalanga Energy Limited ('GKEL') ^{1, 4, 7}	18,876.71	18,876.71
[1,878,440,283 (31 March 2020 : 1,847,671,052) equity shares of Rs. 10 each fully paid-up]		
GMR Bajoli Holi Hydropower Private Limited ('GBHHPL') ^{1, 5, 7}	4,296.66	4,296.66
[429,665,600 (31 March 2020 : 429,665,600) equity shares of Rs. 10 each fully paid-up]		
GMR Tenaga Operations and Maintenance Private Limited ('GTOM')	0.25	0.25
[25,000 (31 March 2020 : 25,000) equity shares of Rs. 10 each fully paid-up]		
(c) Investment in additional equity of subsidiaries and joint ventures on account of fair valuation of loans, debentures, preference shares and guarantees		
GWEL ^{1, 7}	449.22	449.22
GGSPPPL	32.77	32.77
GKEL ^{4, 7}	3,950.41	3,950.41
GMEI	109.74	109.74
GCSPL	4.06	-
GINPCL	1.99	1.97
GINELL	1.33	1.12
GRSPPL	20.52	20.52
GBHHPL ^{2, 7}	1,719.38	1,719.38
GBHPL ^{2, 7}	5,987.69	5,985.64
GVPGL ^{5, 7}	728.04	677.79
GBEL	41.66	41.66
Investments at amortised cost		
d) In preference shares of subsidiaries (Unquoted)		
- Indian Companies		
GWEL ^{1, 7}	1,930.00	1,930.00
[170,008,060 (31 March 2020 : 170,008,060) 0.001% compulsory convertible preference shares of Rs.10 each fully paid-up]		
GVPGL ^{5, 7}		
[50,000 (31 March 2020 : 50,000) 0.001% Non-cumulative compulsory convertible preference shares of Rs. 100,000 each fully paid-up]	2,864.92	2,864.92
- Body Corporate		
GEML	996.66	857.47
[13,283,900 (31 March 2020 : 11,331,900) class A preference shares of USD 1.00 each fully paid-up]		



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(All amounts in Rs. millions unless otherwise stated)

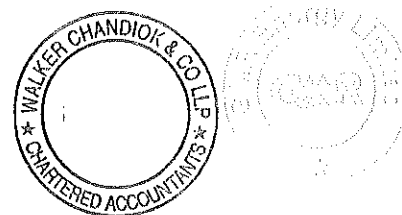
	31 March 2021	31 March 2020
Investments at fair value through statement of profit and loss		
e) In equity shares of other companies		
- Indian Companies		
Power Exchange India Limited ⁶	-	-
[4,000,000 (31 March 2020 : 4,000,000) equity shares of Rs 10 each fully paid-up]		
GMR Energy Trading Limited ⁸	140.60	140.60
[14,060,000 (31 March 2020 : 14,060,000) equity shares of Rs 10 each fully paid-up]		
Total (a+b+c+d+e)	55,887.26	55,691.48
Less: Provision for diminution in the value of investments (refer note 4(7) below)		
- GEML	857.61	857.47
- GINPCL	2.50	2.47
- GINELL	1.83	1.62
- GRSPPL	20.62	20.62
- GWEL	5,320.72	2,260.82
- GBHPL	1,237.56	91.64
- GKEL	11,901.37	10,744.99
- GGSPPL	28.00	28.00
- GMEL	110.24	110.24
- GVPGL	751.33	433.05
- GBHPL	2,975.35	2,774.80
- GBEL	41.76	41.76
- GCSPL	4.56	0.50
Total	32,633.81	38,323.50
Aggregate amount of non-current unquoted investments	55,887.26	55,691.48
Aggregate provision for diminution in the value of non-current unquoted investments	23,253.45	17,367.98

Notes:

- Refer note 31(III)(iv) for details of shares pledged.
- As at 31 March 2021, the Company has investments of Rs. 3,062.29 million (after provision for diminution in the value of investment of Rs. 2,975.35 Million) in GBHPL and has also provided bank guarantee to Power Grid Corporation of India of Rs. 188.20 Million towards Long Term Access taken by GBHPL. GBHPL is in the process of setting up 300 MW hydro based power plant in Alaknanda River, Chamoli District of Uttarakhand. The Hon'ble Supreme Court of India ('the Court'), while hearing a civil appeal in the matters of Alaknanda Hydro Power Company Limited, directed vide its order dated 7 May 2014 that no further construction work shall be undertaken by the 24 projects coming up on the Alaknanda and Bhagirathi basins until further orders. Further, during the year ended 31 March 2016, Ministry of Environment Forest and Climate Change ('MoEF') has represented to the Supreme Court of India that of the six hydro projects in Uttarakhand, two projects including GBHPL requires certain design modifications as per the policy stipulations. During the year ended 31 March 2018, the validity of Environmental Clearance ('EC') granted to GBHPL by the MoEF ceased to exist. Pursuant to an application made by GBHPL, the MoEF vide its letter dated 17 April 2018, proposed to extend the EC granted to GBHPL for a period of 3 years, subject to the final outcome of the matter pending before the Court.

Based on its internal assessment and a legal opinion, the management of the Company is confident of obtaining the requisite clearances to commence construction and obtain requisite funding towards the cost of construction and based on business plan and a valuation assessment carried out by an external expert during the year ended 31 March 2021, the management of the Company is of the view that the carrying value of its investments in GBHPL as at 31 March 2021 is appropriate. The statutory auditors of the Company have modified their Audit Report in this regard.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

3 (a) The Company has investments (including investments in equity share capital / preference share capital) of Rs. 7,046.00 Million (after provision for diminution in the value of investment of Rs. 5,320.72 Million) in GWEL and has also provided corporate / bank guarantee of Rs. 750.00 Million towards loans taken by GWEL from the lenders. GWEL is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600 MW situated at Warora. GWEL has accumulated losses of Rs. 7,038.61 million as at 31 March 2020, which has resulted in erosion of GWEL's net worth and its current liabilities exceed current assets. There have been delays in repayment of dues to the lenders on account of the delay in the receipt of the aforementioned claims by GWEL from its customers thereby resulting in lowering of credit ratings for GWEL's borrowings. GWEL had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements ("PPA") and have filed petitions with the regulatory authorities for settlement of such claims in favour of GWEL. GWEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs 7,147.26 million and the payment from the customers against the claims including interest on such claims is substantially pending receipt. Based on certain favorable interim regulatory orders, the management is confident of a favorable outcome towards the outstanding receivables.

Further, GWEL received notices from one of its customer disputing payment of capacity charges of Rs. 1,320.06 Million for the period 23 March 2020 to 30 June 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. GWEL responded and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer is of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof.

Further, GWEL has invoked the Resolution Framework issued by RBI vide its Circular dated 6 August 2020 "Resolution Framework for COVID-19 related stress", by obtaining requisite majority votes of lenders as per the guidelines issued by the RBI on 30 December 2020 in respect of all the facilities (including fund based, non-fund based and investment in non-convertible debentures) availed by GWEL as on the invocation date. In this regard, all the lenders of GWEL have entered into an Inter Creditors Agreement ("ICA") on January 21, 2021 and a Resolution Plan is to be implemented within 180 days from the invocation date in accordance with the framework issued by RBI, which is still under progress.

Accordingly, during year ended 31 March 2021, GWEL filed petition with CERC for settlement of the dispute. The management based on its internal assessment and petition filed with CERC, is of the view that the aforesaid capacity charges are fully recoverable. Further, in view of the expiry of the PPA with one of the customer availing 200 MW of power June 2020 and a consequent cancellation of the fuel supply agreement, there could be impact on the future business operations, financial position and future cash flows of GWEL.

However, GWEL has certain favourable interim orders towards the aforementioned claims. Accordingly, the management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the year ended 31 March 2021 considering key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales through other long term PPA's and management's plan for entering into a new long-term PPA to replace the PPA earlier entered with one of its customers which has expired in June 2020 and the pending outcome of the debt resolution plan with the lenders of GWEL and is of the view that the carrying value its investment in GWEL as at 31 March 2021 is appropriate.

b) GWEL entered into a Power Purchase Agreement (PPA) with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") on 17 March 2020 for sale of power for an aggregate contracted capacity of 200 MW. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ("MERC"), wherein MERC has directed GWEL to construct separate lines for evacuation of power through State Transmission Utility ("STU") though GWEL was connected to Central Transmission Utility ("CTU"). Aggrieved by the MERC Order, GWEL preferred an appeal with Appellate Tribunal for Electricity ("APTEL"). APTEL vide its interim Order dated 11 February 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power. GWEL in terms of the interim order scheduled the power from its bus bar from 17 March 2014 and paid inter-state transmission charges. APTEL vide its final Order dated 8 May 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly, as at 31 March 2021, GWEL has raised claim of Rs. 6,115.79 million towards reimbursement of transmission charges from 17 March 2014 till 31 March 2021. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and the matter is pending conclusion.

In view of the favorable Order from APTEL, rejection of stay petition of MSEDCL by the Hon'ble Supreme Court of India, receipt of substantial amount towards reimbursement of transmission charges, legal opinion and internal assessment of the management of the Company that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of Rs. 6,115.79 million relating to the period from 17 March 2014 to 31 March 2021 (including Rs. 758.13 million for the year ended 31 March 2021) in the Statement of profit and loss.

The statutory auditors have drawn an Emphasis of Matter in their Audit report in respect of the above matters.

4 (a) The Company has investments (including investments in equity share capital, subordinate loans and interest accrued thereon) of Rs. 11,723.72 Million (after provision for diminution in the value of investment of Rs. 11,901.37 Million) in GKEL and also provided corporate / bank guarantee of Rs. 6,000.00 Million towards loan taken by GKEL from the project lenders. GKEL is engaged in development and operation of 3*350 MW under Phase I and 1*350 MW under Phase II coal based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. The construction for the project under Phase II has not commenced as at 31 March 2021. GKEL has accumulated losses of Rs. 18,134.05 Million as at 31 March 2021 which has resulted in substantial erosion of GKEL's net worth. Further, GKEL has trade receivables including delayed payment surcharge receivables and unbilled revenue (including claims) of Rs. 14,162.79 Million as at 31 March 2021, towards coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt. Based on certain favourable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers, the management is confident of a favourable outcome towards the outstanding receivables of GKEL. Further, as detailed in note 4(4)(c) there are continuing litigation with SEPCO ("Capital Creditors") which are pending settlement. Further, GKEL has won the bid for supply of balance 150 MW to Haryana Discoms. GKEL has signed fuel supply agreement with Coal India Limited for supply of coal from its Mahanadi Coal Field Mines for 3.64 million ton which is within a distance of 15 KM from the plant site. In addition to above, GKEL has won the bid (Shakti-III) for supply of 0.40 Million ton of coal for balance 150 MW. The carrying value as per the discounted cash flow method is significantly dependent on various assumptions around settlement of disputes with customers and timely realisation of receivables, settlement of litigations with the capital creditors in favour of GKEL, raising funds for completion of construction and commencement of operations for Phase II currently under construction, achievement of cost optimization measures, rescheduling/ refinancing of existing loans at lower rates of interest and other key assumptions. In view of these matters, business plans, valuation assessment by an external expert during the year ended 31 March 2021, the management is of the view that the carrying value of the investments in GKEL as at 31 March 2021 is appropriate.

During the year ended 31 March 2020, as part of the strategic initiatives being undertaken by the Management to ensure liquidity and timely payment of its obligations, the management of the Company, entered into binding share purchase agreement with JSW for sale of its equity stake in GKEL. However, during the year ended 31 March 2021, the transaction related to purchase of the equity stake in GKEL had been called off.

The statutory auditors of the Company have modified their Audit Report in this regard.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

(b) During the year ended 31 March 2019, the Company received a notice of arbitration from one of the joint venture shareholders of GKEL seeking the Company to purchase their 10.20% stake in GKEL for Rs. 2,881.76 Million as per the terms of the shareholding agreement.

During the year ended 31 March 2021, the arbitral tribunal pronounced an award directing GEL to purchase 219.30 million shares of GKEL held by the joint venture shareholders by paying them aggregate sum of Rs 2,881.76 million approximately plus interest calculated @ 2% above the SBI PLR from 11 October 2018 till the date of award within 30 days from the date of Award failing which it carries interest @18% per annum till the date of payment.

The Management of the Company is of the opinion that the invocation of the arbitration proceedings is invalid as the fund buyout obligation under the Share Subscription and Shareholder Agreement has not been validly triggered. The Management of the Company had filed a petition to challenge the award before the Hon'ble High Court of Bombay under and on the grounds available in section 34 and section 29A of the Arbitration and Conciliation Act, 1996.

Subsequent to year ended 31 March 2021, the Company has entered into a term sheet with the joint venture shareholder of GKEL for purchase of 219.0 million shares of GKEL held by the joint venture shareholder for an aggregate consideration of Rs. 2,193.00 million, which is to be paid in tranches as per the due dates agreed in the term sheet. Also, the Company has agreed to record the aforesaid settlement with the Hon'ble High Court of Bombay. Further, in accordance with the term sheet GIL and GMR Enterprises Private Limited, the ultimate holding companies of GKEL, shall jointly and severally provide an unconditional and irrevocable corporate guarantee to the joint venture shareholder for Rs. 1,943.00 million to guarantee the payment terms of the Company as agreed in the term sheet.

Accordingly, the abovementioned award pronounced by the arbitral tribunal will not be enforced by the joint venture shareholder, if the Company is able to make the payments of the aggregate consideration as per the due dates agreed in the term sheet.

In accordance with the term sheet, the Company has recognized a liability equivalent to the difference between the fair value of the shares (as per the fair valuation exercise performed by an independent valuer) to be acquired as per the term sheet and the obligation to be paid against purchase of such shares amounting to Rs. 910.00 million. The Management is confident of meeting its payment obligations as per the term sheet and accordingly, no other adjustments have been made in the standalone financial statements of the Company.

(c) GKEL entered into agreement with SEPCO in 2008 for the construction and operation of a coal fired thermal power plant. Disputes arose between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the power plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings. An Arbitral Tribunal was constituted to adjudicate upon the disputes between the parties. SEPCO filed its claim and GKEL filed its counter-claims before the Arbitral Tribunal. The Arbitral Tribunal has passed an Award on 07 September 2020 on the issues before it except the issues of interest and cost. Since there were computation/ clerical / typographical errors in the Award, both parties (GKEL and SEPCO) applied for correction of the Award under Section 33 of the Arbitration & Conciliation Act, 1996. The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on 17 November 2020 (the "Award"). The net impact of the Award on GKEL could be approximately Rs. 9,846.16 million, payable by GKEL to SEPCO (including Rs. 6,398.75 million of bank guarantee invoked by GKEL). GKEL has already made a provision of Rs. 11,031.73 million in its books towards any such liability and thus there is no additional impact in books of accounts due to the Award. GKEL has challenged the Award under Section 34 of the Arbitration and Conciliation Act, 1996 (Act) before the Hon'ble High Court of Orissa on 15 February 2021. Based on legal advice obtained, GKEL has a good arguable case under section 34 of the Act to challenge the Award and seek setting aside of the same and thus GKEL is not expecting cash outflow in this matter. GKEL has in its books made provisions in view of the disputes between SEPCO and GKEL and taken into consideration the Award passed by the Arbitral Tribunal based on generally accepted accounting practices. Irrespective of the heads under which they appear or their nomenclature/heading/title/narration, etc., such provisions do not make GKEL liable for payment since liability is disputed as GKEL has challenged the Award before the Hon'ble High Court of Orissa.

5. GMR Vemagiri Power Generation Limited ('GVPG'), a subsidiary of the Company is engaged in the business of generation and sale of electrical energy from the gas-based power plants 387 MW situated at Vemagiri. In view of lower supplies / availability of natural gas to the power generating companies in India, GVPG, is facing shortage of natural gas supply. As a result, the GVPG had not generated and sold electrical energy since May 2013 till 31 March 2015. The GVPG had emerged as a successful bidder in the auction process organised by the Ministry of Power and operated on an intermittent basis from August 2015 till September 2016. The Company has not been operational since September 2016. GVPG have ceased operations and have been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply.

GVPG had filed petition claiming losses of Rs. 4,470.00 million pertaining to capacity charges for loss of revenue on account of unavailability of the fuel during the period 2006 to 2008, excluding interest, and based on legal opinion is confident of recovery of such claims pertaining to period 2006 to 2008 before Andhra Pradesh Electricity Regulatory Commission ('APER'). Over the years, the case was heard for deciding the jurisdiction to adjudicate the proceedings. During the year ended 31 March 2019, the Honourable High Court of Andhra Pradesh passed its judgement and held that the Central Electricity Regulatory Commission ('CERC') has the jurisdiction to adjudicate the aforesaid claims of GVPG. Further, during the year ended 31 March 2020, the Andhra Pradesh DISCOMs ('APDISCOMs') appealed against, the aforesaid judgement before the Honourable Supreme Court. The Supreme Court vide its order dated 4 February 2020 dismissed the aforesaid petition of the DISCOMs and held that CERC will have jurisdiction to adjudicate the disputes in the present case and directed CERC to dispose off the petition filed before it within six months. The matter is pending to be heard before the CERC as at 31 March 2021.

Additionally, during the year ended 31 March 2020, in case of GVPG's litigation with APDISCOMs, wherein APDISCOMs refused to accept declaration of capacity availability on the basis of deep water gas citing that natural gas for the purpose of PPA does not include Deep Water Gas and consequent refusal to schedule power from GVPG and pay applicable tariff including capacity charges. CERC has passed order dated 28 January 2020, declaring that natural gas for the purpose of PPA includes Deep Water Gas. Accordingly, GVPG is entitled to claim capacity charges from APDISCOMs from October 2016 based on availability declaration for generation of power on the basis of deep water gas, along with late payment surcharge.

GVPG has calculated a claim amount of Rs. 7,413.13 million for the period from November 2016 till February 2020 for capacity charges. GVPG has not received any of the aforesaid claims and is confident of recovery of such claims in the future based on the CERC Order.

The management is evaluating various approaches / alternatives to deal with the situation and is confident that Government of India ('GoI') would take further necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. The management of the Company has carried out a valuation assessment of GVPG during the year ended 31 March 2021 which includes certain assumptions relating to availability and pricing of domestic and imported gas, future tariff, realization of claims for losses incurred in earlier periods and current period from the customer and other operating parameters, which it believes reasonably reflect the future expectations from this project. The Company will monitor these aspects closely and take actions as are considered appropriate and is confident that GVPG will be able to generate sufficient profits in future years and meet its financial obligations. Based on the aforementioned reasons, claims for capacity charges and business plans, the management is of the view that the Company's investments in GVPG of Rs. 5,800.63 Million as at 31 March 2021 is appropriate. The statutory auditors of the Company have modified their Audit Report in this regard.

6. Based on an internal assessment, the Company has determined the fair value of its investment in Power Exchange India Limited as Nil.

7. During the year ended 31 March 2021 and 31 March 2020, based on its internal assessment with regard to future operations and valuation assessment by an external expert, the management of the Company made a provision for diminution in the value of its investments including loan in certain subsidiaries and joint ventures and has disclosed the same as an 'exceptional item' in the standalone financial statements of the Company.

8. Unquoted equity instruments for which cost has been considered as an appropriate estimate of fair value as cost represents the best estimate of fair value within that range.

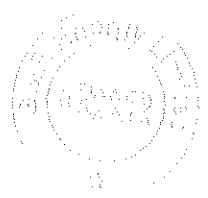
9. The Company's carrying value of investments (including investments in equity share capital and subordinate loan) in GBHPL is Rs. 5,073.01 million (after provision for diminution in the value of investment of Rs. 1,237.56 million). GBHPL is in the process of setting up 180 MW hydro based power plant in Chamba, District of Himachal Pradesh. It has experienced delays in the completion of construction and incurred costs overruns and is in active discussion with the lenders to fund the aforesaid overruns. Further, GIL, one of the shareholder, has committed to fund the shortfall in cash flow requirements, for the completion of constructions and commencement of commercial operations.

The management of the Company is confident of obtaining the requisite funding for completion of construction, completion of construction and commencement of operations thereof, tying up for untied power supplies and achieving profitability in operations post commencement and accordingly, based on business plan and a valuation assessment carried out by an external expert during the year ended 31 March 2021, is of the view that the carrying value of its investments in GBHPL as at 31 March 2021 is appropriate.

10. The Company has investments in certain companies of GMR Group that are in the business of development of highways on build, operate and transfer model on annuity or toll basis and in DIAL. These investments have been funded by GMR Infrastructure Limited ('GIL') against an agreement to pass on any benefits or losses out of investment to GIL and has been approved by the Board of Directors of the Company. Accordingly, such investments are not accounted in the financial statements of the Company, the details of which are as below:

	31 March 2021	31 March 2020
a) In equity shares		
GMR Pochanpalli Expressways Private Limited (GPEPL)	690,000.00	690,000.00
Delhi International Airport Private Limited (DIAL)	100.00	100.00
GMR Chennai Outer Ring Road Private Limited (GCRORPL)	3,000,000.00	3,000,000.00
GMR Ambala - Chandigarh Expressways Private Limited (GACEPL)	24,222,593.00	24,222,593.00
b) In preference shares		
GCRORPL	1,200,000	1,200,000

Further, pursuant to the Company's agreement with Tenaga Nasional Berhad (Tenaga) and its affiliate, Power and Energy International (Mauritius) Limited as detailed in note 12(1), the Company is in the process of transferring its stake in the abovementioned companies to GIL or its subsidiaries after obtaining requisite approvals.



5 Loans - non current

	31 March 2021	31 March 2020
Security deposit		
Unsecured, considered good		
Secured deposit with related parties (refer note 29)	1.00	1.00
Secured deposit with others	0.33	0.33
Total (A)	1.33	1.33
Loan and advances to related parties (refer note 29 and note (1) below)		
Unsecured, considered good	1,092.67	960.74
Unsecured loans - credit impaired	35.00	131.36
Total	1,127.67	1,092.10
Less: Impairment allowance (allowance for doubtful loans)	(35.00)	(131.36)
Unsecured loans - credit impaired	1,092.67	960.74
Total (B)	1,094.00	962.07

Notes:

1. Also refer note 4(4), 4(7) and 4(9).

2. Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Company. The carrying value may be affected by the changes in the credit risk of the counter parties.

6 Other financial assets

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Unsecured, considered good unless stated otherwise				
Non-current bank deposits (refer note 9)	110.16	101.24	-	-
Other amounts recoverable (refer note 29)	-	-	63.58	62.62
Other amounts recoverable which have significant increase in credit risk	-	-	292.66	275.73
Interest accrued on bank deposits	-	-	0.20	2.40
Application money paid towards investments (refer note 29)	149.77	139.19	-	-
Total	259.93	240.43	356.44	340.75
Less: Impairment allowance on other than trade receivables which have significant increase in credit risk	-	-	292.66	275.73
	259.93	240.43	63.78	65.02

7 Non current tax assets (net)

	31 March 2021	31 March 2020
Advance income tax, including tax deducted at source (net of provision for tax)	83.77	84.09
	83.77	84.09

8 Trade receivables

	31 March 2021	31 March 2020
Unsecured, considered good unless stated otherwise		
Receivable from related parties (refer note 29)	77.10	45.00
	77.10	45.00

Notes:

1. 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.

2. Trade receivables are non-interest bearing.

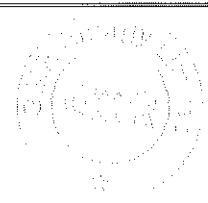
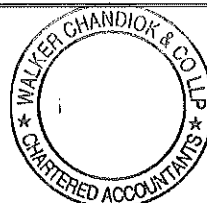
9 Cash and cash equivalents

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	5.83	28.05
Cash on hand	-	-	0.11	0.06
Total (A)	-	-	5.94	28.11
Bank balances other than cash and cash equivalents				
- Restricted balances with bank *	110.16	101.24	-	-
Total (B)	110.16	101.24	-	-
Amount disclosed under non-current other financial assets (refer note 6)	110.16	101.24	-	-
Total (C)	110.16	101.24	-	-
Total (A+B-C)	-	-	5.94	28.11

*Includes margin money deposit (including interest accrued) amounting to Rs. 110.16 million (31 March 2020 : Rs. 101.24 million) against bank guarantee issued in favour of various authorities.

10 Other assets

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Advances, other than capital advances	-	-	2.97	0.28
Prepaid expenses	-	-	16.46	16.43
Balances with statutory authorities	-	-	44.73	6.96
Balances with statutory authorities which have significant increase in credit risk	45.99	45.99	-	-
Total	45.99	45.99	64.16	23.67
Less: Impairment allowance on balances with statutory authorities which have significant increase in credit risk (refer note 31(II)(B)(ii))	45.99	45.99	-	-
	-	-	64.16	23.67



GMR Energy Limited

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(All amounts in Rs. millions unless otherwise stated)

11 Equity share capital

a) Authorised share capital

	Equity shares of Rs. 10 each		Preference shares of Rs. 10 each		Preference shares of Rs. 1,000 each	
	Number of shares	Rs. in Million	Number of shares	Rs. in Million	Number of shares	Rs. in Million
At 1 April 2019	4,000,000,000	40,000.00	172,500,000	1,725.00	14,275,000	14,275.00
At 31 March 2020	4,000,000,000	40,000.00	172,500,000	1,725.00	14,275,000	14,275.00
At 31 March 2021	4,000,000,000	40,000.00	172,500,000	1,725.00	14,275,000	14,275.00

b) Issued equity capital

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

	Number of shares	Rs. in Million
At 1 April 2019	3,606,902,694	36,069.03
At 31 March 2020	3,606,902,694	36,069.03
At 31 March 2021	3,606,902,694	36,069.03

c) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Every member holding equity shares therein shall have voting rights in proportion to their share of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares would 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.

d) Terms/ rights attached to preference shares

During the year ended 31 March 2011, the Company issued 13,950,000 compulsorily convertible cumulative preference shares ('CCCPS') of Rs. 1,000 each. These preference shares were held by Claymore Investments (Mauritius) Pte Limited, IDFC Private Equity Fund III, Infrastructure Development Finance Company Limited, IDFC Investment Advisors Limited, Ascent Capital Advisors India Private Limited and Argonaut Ventures (collectively called as PE Investors).

During the year ended 31 March 2014, GEL entered into an amended and restated share subscription and shareholders agreement ('Amended SSA') with the investors, GIL and other GMR group companies. The Investors continue to hold 6,900,000 CCCPS in GEL and a new investor GKFF Capital subscribed to additional 325,000 CCCPS of Rs. 1,000 each (collectively referred to as 'Portion B securities').

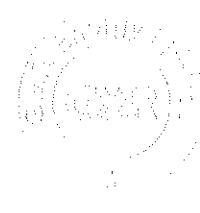
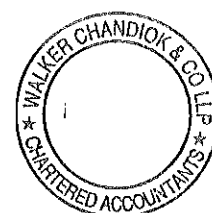
As per the Amended SSA and Share Purchase Agreement ('SPA') between the investors, GEL and other GMR Group Companies, 7,050,000 CCCPS with a face value of Rs. 7,050.00 Million ('Portion A Securities') were bought by GMR Generation Asset Limited ('GGAL') and GMR Energy Projects (Mauritius) Limited ('GEPML') for a consideration of Rs. 11,691.70 Million. Portion A Securities were convertible into equity shares of the Company as per the terms prescribed in clause 5 of the SPA not later than the date of conversion of Portion B Securities. CCCPS of Rs. 7,050.00 Million has been considered as 'Other equity' considering that the Company had agreed to convert Portion A Securities into agreed number of equity shares.

As defined in the terms of Amended SSA, GEL was to provide an exit to the Portion B Securities investors within 30 months from last return date (November 29, 2013) at the agreed price of Rs. 12,786.73 Million ('Investor exit amount'). In case of non-occurrence of Qualified Initial Public offer ('QIPO') within 24 months from the last return date, GMR Group were to give an exit to Portion B Securities investors at investor exit amount by notifying them the intention to purchase the preference shares within 30 days from the expiry of the 24th month. In case of non-occurrence of QIPO or no notification from GMR group companies as stated aforesaid, the Portion B Securities investors had the sole discretion to exercise the various rights under clause 10 of the Amended SSA.

During the year ended 31 March 2017, GGAL had purchased 449,988 Portion B securities from PE Investors for a consideration of Rs. 857.97 Million. Subsequently, GEL and other GMR Group Companies had entered into Amended and Restated Shareholders' Agreements with PE investors for the conversion of remaining 5,430,665 Portion B Securities into 537,659,768 equity shares of the Company. Further, the Company had converted 7,499,988 CCPS held by GGAL and GEPML into 292,175,223 equity shares of the Company. Pursuant to such conversion, the Company has accounted Securities Premium of Rs. 11,538.45 Million during the year ended March 31, 2017. Further, these PE investors have certain rights on GIL, whereby GIL is obligated to purchase the shares of these PE investors as per the Amended and Restated Shareholders' Agreements.

e) GEL along with other GMR Group companies entered into a Subscription and Shareholders Agreement with Tenaga Nasional Berhad (Tenaga) and its affiliate, Power and Energy International (Mauritius) Limited ('Investors') whereby the investors have acquired a 30% equity stake in a select portfolio of GEL assets on a fully diluted basis for a consideration of Rs. 19,993.38 Million (USD 300.00 Million) through primary issuance of equity shares of GEL. The transaction was completed on November 4, 2016 and GEL has allotted 1,082,070,808 equity shares to the Investors for the said consideration of USD 300.00 Million. As per the conditions precedent to the completion of the transaction, GEL's investments in certain erstwhile subsidiaries of GEL were transferred from GEL to other subsidiaries of GIL and certain borrowings availed by the Company from GIL and other GMR Group companies were novated to GGAL.

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GMR Energy Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

f) Out of the equity and preference shares issued by the Company, shares held by its holding company, ultimate company and their subsidiaries / associates are as below:

Shares held by enterprises that jointly control the Company and its continuing subsidiaries (Refer note 12(1))

	31 March 2021	31 March 2020
GGAL 1,301,531,411 (31 March 2020 : 1,301,531,411) equity shares of Rs. 10 each.	13,015.32	13,015.32
GEPML 150,912,717 (31 March 2020 : 150,912,717) equity shares of Rs. 10 each.	1,509.13	1,509.13
GIL 440,264,090 (31 March 2020 : 413,266,250) equity shares of Rs. 10 each.	4,402.64	4,132.66
Welfare trust for GMR Group Employees 15,000,000 (31 March 2020 : 15,000,000) equity shares of Rs. 10 each	150.00	150.00
Power and Energy International (Mauritius) Limited 1,082,070,808 (31 March 2020 : 1,082,070,808) equity shares of Rs. 10 each	10,820.71	10,820.71

g) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 March 2021	31 March 2020
During the year ended 31 March 2017, 537,659,768 equity shares were allotted by conversion of the 5,880,653 Portion B Securities. [Refer note 11 (d)]	5,376.60	5,376.60
During the year ended 31 March 2017, 292,175,223 equity shares were allotted by conversion of the 7,050,000 Portion A Securities. [Refer note 11 (d)]	2,921.75	2,921.75

(h) Details of shareholders holding more than 5% shares in the Company

	31 March 2021		31 March 2020	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs. 10 each				
GGAL	1,301,531,411	36.08%	1,301,531,411	36.08%
GIL	440,264,090	12.21%	413,266,250	11.46%
Claymore Investments (Mauritius) Pte. Limited	420,416,542	11.66%	447,414,382	12.40%
Power and Energy International (Mauritius) Limited	1,082,070,808	30.00%	1,082,070,808	30.00%

As per the records of the Company, including its register of shareholders / members, the above shareholding represents both the legal and the beneficial ownership of shares.



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GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

12 Other equity

	31 March 2021	31 March 2020
(a) Capital redemption reserve		
Balance at the beginning of the year	285.25	285.25
Balance at the end of the year	285.25	285.25
(b) Securities premium account		
Balance at the beginning of the year	37,427.02	37,427.02
Balance at the end of the year	37,427.02	37,427.02
(c) General reserve		
Balance at the beginning of the year	318.05	318.05
Balance at the end of the year	318.05	318.05
(d) Retained earnings		
Balance at the beginning of the year	(61,232.31)	(44,227.61)
Add: Re-measurement gains/(losses) on defined benefit plans (net of tax, if any)	0.24	(1.13)
Add: Loss for the year	(8,716.28)	(16,945.98)
Add: Effect of adoption of Ind AS 116 Leases	-	(57.59)
Balance at the end of the year	(69,948.35)	(61,232.31)
(e) Other reserve arising on account of restructuring (refer note 12(1))		
Balance at the beginning of the year	12,051.84	12,051.84
Balance at the end of the year	12,051.84	12,051.84
Total (a+b+c+d+e)	(19,866.19)	(11,150.15)

Note:

1. During the year ended 31 March 2017, the Company along with certain GMR Group entities entered into a Subscription and Shareholders Agreement with Tenaga Nasional Berhad (Tenaga) and its affiliate, Power and Energy International (Mauritius) Limited ('Investors') whereby the investors have acquired a 30% equity stake in a select portfolio of GEL assets on a fully diluted basis for a consideration of USD 300.00 Million through primary issuance of equity shares of GEL. The transaction was completed on November 4, 2016 and GEL has allotted equity shares to the Investors for the said consideration of USD 300.00 Million. As per the conditions precedent to the completion of the transaction, GEL's investment in certain component entities of GEL (excluded entities) have been transferred from GEL to GMR Group companies along with the transfer of loan payable by the Company to GIL and its other subsidiaries towards discharge of consideration for the investment in entities transferred. Pursuant to the above transaction, compulsory convertible preference shares issued by the Company to the PE investors and to certain GMR Group entities have been converted into equity shares.

Pursuant to such restructuring, during the year ended 31 March 2017, the Company has accounted a surplus amounting to Rs. 12,051.84 Million which has been included in Other equity.

Nature and purpose of reserves

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

Represents amounts transferred from debenture redemption reserve to general reserve post redemption of debentures.

Capital redemption reserve

Capital redemption reserve represents amounts set aside on redemption of shares.

Other reserves arising on account of restructuring

As explained in note 12(1).

Retained earnings

Retained earnings are the profits of the Company earned till date net of appropriations.

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GMR Energy Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

13 Non-current borrowings

	31 March 2021	31 March 2020
Term loans		
Indian rupee term loan from a bank (secured) ^{1,4}	6,169.89	5,779.82
Indian rupee term loan from a financial institution (secured) ^{2,4}	2,333.23	5,534.25
Loans from related parties - unsecured (refer note (3) below and note 29)	4,165.97	-
	12,669.09	11,314.07
The above amount includes		
Secured borrowings	8,503.12	11,314.07
Amount disclosed under the head 'other current financial liabilities' (refer note 16)	(4,770.14)	(11,314.07)
	7,898.95	-

1. Secured Indian rupee term loan from a bank of Rs. 6,169.89 million (31 March 2020: 5,779.82 Million) is secured by way of first charge on all long term loans and advances, such that cover of 1.0x of the outstanding facility amount is maintained throughout the tenor of the loan, pledge of over 26% shareholding of GWEL and GVPGL held by the Company, residual charge on the proceeds remaining after the sale of movable fixed assets and current assets charged by other lenders and pari-passu pledge of 26% of shares of GMR Airport Limited held by GIL. The loan carries an interest rate of 12.80% to 13.35% p.a. (31 March 2020 : 13.35% to 13.40% p.a.) and was initially repayable in 16 unequal quarterly instalments commencing after 15 months from the date of first disbursement. The bank has a put option for full or part of the facility amount at the end of 36 months from the date of first disbursement and every 3 months thereafter.

With effect from April 2020, the bank had the right to exercise the put option. Further, during the year ended 31 March 2019, the Company had defaulted in the principal repayment and payment of interest and accordingly, pursuant to the breach of financial covenants on account of delay in repayments of principal and interest, the Company had classified the entire loan as current as at 31 March 2020.

The put option has not been exercised by the lender during the year. Further, the Company has negotiated a revised repayment schedule with the Lender during the year in accordance with which loan of Rs. 4,105.85 million is repayable in 9 equal quarterly instalments starting from October 2020 and loan of Rs. 2,064.04 million is repayable in 11 equal quarterly instalments starting from September 2020. Accordingly, the Company has classified the loan as per the revised repayment schedule agreed with the lender during the year.

2. Secured Indian rupee term loan from a financial institution of Rs. 2,333.23 million (31 March 2020 : Rs. 5,534.25 million) which was initially repayable in 6 equal instalments after fifth year from the date of first disbursement. The loan carries an interest of 12.00% p.a. payable quarterly. The loan is secured by i) exclusive first charge on Barge Mount power plant located at Kakinada. ii) Corporate guarantee of GMR Infrastructure Limited.

During the year ended 31 March 2020, the Company had defaulted in the principal repayment and quarterly payment of interest. Pursuant to the breach of financial covenants and on account of default in repayments of principal, the Company had classified the entire loan as current as at 31 March 2020. Further, in case of default of two consecutive principal instalments or interest thereon or any combination thereof, the lender has the right to convert at its option, the whole or part of the defaulted amount of the loan into fully paid-up equity shares of the Company, at par. However, no such rights have been exercised by the lender as at 31 March 2021.

During the year ended 31 March 2021, the Company has repaid the overdue amount to the financial institution and the balance amount is repayable as per the original repayment schedule. Accordingly, the Company has classified the loan as per the repayment schedule originally agreed with the lender.

3. Loan from related parties carries an interest rate of 12.25% p.a. and is repayable on the expiry of 3 years from the date of disbursement.

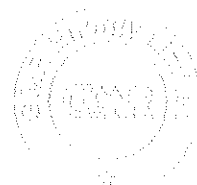
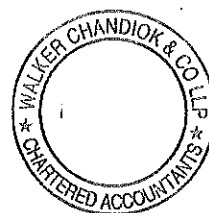
4. The period and amount of default as on the balance sheet date with respect to abovementioned borrowings are as follows:

Particulars	Nature	31 March 2021 (Rs. in Million)	31 March 2020 (Rs. in Million)	31 March 2021 Period of Default (No. of days)	31 March 2020 Period of Default (No. of days)
Indian Rupee term loans from financial institution	Payment of principal	-	2,034.59	-	116-481
Indian Rupee term loans from financial institution	Payment of interest	-	104.71	-	0-30
Indian Rupee term loans from bank*	Payment of principal	523.93	-	0-90	-
Indian Rupee term loans from bank**	Payment of interest	137.15	-	0-90	-

*Out of the abovementioned amount, the Company has repaid principal balance of Rs. 513.23 million subsequent to year ended 31 March 2021.

**Out of the abovementioned amount, the Company has repaid interest due of Rs. 68.99 million subsequent to year ended 31 March 2021.

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5.Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Non-current borrowings (including current maturities)	Current borrowings	Other financial liabilities: current (interest accrued)	Total
Balance as at 1 April 2019	12,425.76	789.02	412.39	13,627.17
Proceeds from current/ non-current borrowings (including current maturities)	-	2,641.98	-	2,641.98
Repayment of current/ non-current borrowings (including current maturities)	(1,302.51)	(505.40)	-	(1,807.91)
Interest expense	-	-	2,082.71	2,082.71
Interest paid	-	-	(1,588.69)	(1,588.69)
Borrowings measured at amortized cost	190.82	-	(190.82)	-
Balance as at 31 March 2020	11,314.07	2,925.60	715.59	14,955.26
Proceeds from current/ non-current borrowings (including current maturities)	4,165.97	949.70	-	5,115.67
Repayment of current/ non-current borrowings (including current maturities)	(3,244.04)	(270.00)	-	(3,514.04)
Interest expense	-	-	2,032.05	2,032.05
Interest accrued converted into borrowings*	402.66	-	(402.66)	-
Interest paid	-	-	(1,261.18)	(1,261.18)
Borrowings measured at amortized cost	30.43	-	(30.43)	-
Balance as at 31 March 2021	12,669.09	3,605.30	1,053.37	17,327.76

*The Company had applied and obtained approval from the bank for a moratorium of 3 months, due to which the interest accrued during the moratorium period will be repaid as per the repayment schedule agreement with the lender.

14 Current borrowings	31 March 2021	31 March 2020
Loans from others (refer note (i))	-	10.00
Loans from related parties - unsecured (refer note (ii) below and note 29)	3,605.30	2,915.60
	<u>3,605.30</u>	<u>2,925.60</u>

The above amount includes

Secured borrowings	-	-
Unsecured borrowings	3,605.30	2,925.60

(i) Short term loan from others of Rs. Nil (31 March 2020 : Rs. 10 million) carries an interest rate of Nil (31 March 2020 : 11.00 % p.a.).

(ii) Short term loan from related parties of carries an interest rate of 10.70 % p.a. to 12.50 % p.a. (31 March 2020 : 10.70 % p.a. to 12.25 % p.a.).

15 Trade payables	31 March 2021	31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 3 below)	9.39	7.82
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables to related parties (refer note 29)	20.49	19.71
Trade payables - others	98.44	113.81
	<u>128.32</u>	<u>141.34</u>

Notes:

1. Includes retention money of Rs. 20.61 Million (31 March 2020 : Rs. 16.43 Million). Retention money is payable on the completion of the contracts or after the completion of the defect liability period as defined in the respective contracts. These payments are kept as retention to ensure performance of the vendor obligation and hence are not discounted for present value of money.

2. Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing
- For explanations on the Company's credit risk management processes, refer note 34(ii)(a).
- The dues to related parties are unsecured.

3. The Management is in continuous process of obtaining confirmations from its vendors regarding their registrations under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Under the MSMED Act, 2006 which came into force with effect from 02 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of information and records available with the Company, the following disclosures are made for the amounts due to Micro, Small and Medium Enterprises. Further, in view of the management, the impact of interest, if any, that may be payable in accordance with the provision of the Act are not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

3. Disclosure as per "The Micro, Small and Medium Enterprises Development Act, 2006"	31 March 2021	31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	9.39	7.82
The amount of interest paid by the buyer in terms of section 16, 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 this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of allowance of deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

16 Other financial liabilities	31 March 2021	31 March 2020
Current maturities of non-current borrowings (refer note 13)	4,770.14	11,314.07
Interest accrued on borrowings (refer note 29)	1,053.37	715.59
Advance from vendor against the claim (refer note 31(II)(c))	161.09	161.09
Accrued salaries and benefits	10.82	5.91
Non trade payables (refer note 4(4)(b))	910.00	0.54
Financial guarantee contracts (refer note 29)	61.93	67.63
	<u>6,967.35</u>	<u>12,264.83</u>

17 Other liabilities	31 March 2021	31 March 2020
Tax deductible at source payable	3.84	5.11
Other statutory dues	0.17	0.33
Other liabilities	0.18	-
	<u>4.19</u>	<u>5.44</u>

18 Provision	31 March 2021	31 March 2020
Provision for compensated absences	3.69	9.65
	<u>3.69</u>	<u>9.65</u>



GMR Energy Limited

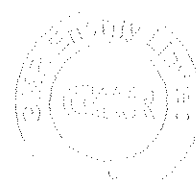
Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

	31 March 2021	31 March 2020
19 Revenue from operations		
Sale of services*		
Income from maintenance service (refer note 29)	185.30	173.10
	<u>185.30</u>	<u>173.10</u>
* The same is recognised over a point of time.		
a) Contract Balances:		
Trade receivables (refer note 8)		
- Current	77.10	45.00
b) Contract Liabilities	-	-
c) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to Rs Nil.		
20 Other income		
Interest income		
Bank deposits	7.84	7.20
Long term investments (refer note 29)	-	21.04
Notional income on unwinding financial assets (refer note 29)	137.73	91.68
Income tax refunds	5.84	0.08
Gain on account of foreign exchange fluctuations (net)	-	3.74
Fair value gain on financial instrument at fair value through profit and loss	-	0.76
Other non operating income	0.29	0.68
Provision/liability no longer required written back	10.42	4.62
	<u>162.12</u>	<u>129.80</u>
21 Employee benefit expenses		
Salaries, wages and bonus	17.10	31.46
Contribution to provident and other funds (refer note 30)	1.50	1.39
Gratuity expenses (refer note 30)	0.38	0.12
Staff welfare expenses	0.36	0.16
	<u>19.34</u>	<u>33.13</u>
22 Finance costs		
Interest expense (refer note 29)	1,878.16	2,027.45
Other borrowing costs	117.03	42.52
	<u>1,995.19</u>	<u>2,069.97</u>
23 Depreciation and amortisation expenses		
Depreciation of property, plant and equipment (refer note 3)	0.17	0.36
	<u>0.17</u>	<u>0.36</u>
24 Other expenses		
Rates and taxes	0.09	0.25
Legal and professional fees	19.08	25.34
Auditor's remuneration (refer note(i) below)	14.96	18.23
Travelling and conveyance	1.11	4.89
Directors' sitting fees	3.53	1.58
Power and fuel	0.46	1.89
Notional expense on modification of financial instruments (net) (refer note 29)	-	8.93
Provision for diminution in value of right of use asset (refer note 31(I))	-	0.84
Impairment allowance on other than trade receivables	16.93	3.04
Land lease rentals	-	7.82
Miscellaneous expenses	2.07	3.07
	<u>58.23</u>	<u>75.88</u>
(i) Auditor's remuneration*		
Audit fee (including fee for audit of consolidated financial statements of the Company including GST)	14.40	12.04
Other services (including certification fees)	0.30	4.72
Reimbursement of expenses	0.26	1.47
	<u>14.96</u>	<u>18.23</u>

*inclusive of taxes



GMR Energy Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

25 Exceptional items

	31 March 2021	31 March 2020
Provision for diminution in the value of investments and loans	5,885.47	14,078.07
Loss on recognition of derivative liability	910.00	-
	<u>6,795.47</u>	<u>14,078.07</u>

Breakup:

	31 March 2021	31 March 2020
Provision for diminution in the value of investments	5,885.47	14,043.07
Provision for diminution in the value of loans	-	35.00
Loss on recognition of derivative liability	910.00	-
	<u>6,795.47</u>	<u>14,078.07</u>

Reconciliation of provision for diminution in the value of non-current unquoted investments

As at 1 April 2019	3,280.21
Add: Provision for diminution in the value of investments during the year	14,043.07
Less: Provision for diminution in value of investments now written off	(24.35)
Add: Reinstatement of provision in overseas subsidiaries	69.05
As at 31 March 2020	<u>17,367.98</u>
Add: Provision for diminution in the value of investments during the year	5,885.47
As at 31 March 2021 (refer note 4)	<u>23,253.45</u>

26 Tax expense

Particulars	31 March 2021	31 March 2020
Current income tax (including earlier years)	(13.80)	-

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2020 : 26%) and the reported tax expense in the statement of profit and loss are as follows:

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Loss before tax from continuing operations	(8,686.47)	(16,109.72)
Loss before tax from discontinued operations	(43.61)	(836.26)
Accounting loss before income tax	<u>(8,730.08)</u>	<u>(16,945.98)</u>
At India's statutory income tax rate of 25.17% (31 March 2020 : 26%)	(2,197.36)	(4,405.95)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Unrecognised deferred tax on unabsorbed losses	2,197.36	4,405.95
Tax impact of earlier year items	(13.80)	-
Tax expense	<u>(13.80)</u>	<u>-</u>

Note:

1) The Company has carry forward business losses of Rs. 22,765.61 million that are available for off setting for 8 years against future taxable business profits, unabsorbed depreciation of Rs. 5,688.72 million that is available for off setting for indefinite period and capital losses of Rs. 15,797.72 million that are available for off setting of 8 years against future long term capital gains. The abovementioned losses will expire between the assessment years 2022-2023 to 2029-30. The Company has not recognised deferred tax asset in respect of the abovementioned business losses, unabsorbed depreciation and capital losses and certain other temporary differences since it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

27 Discontinued operations

- i) During the year ended 31 March 2017, the Company had entered into memorandum of understanding for the sale of its Barge Mounted Power Plant located at Kakinada, however the sale was not completed. The Company continued to look for buyers and accordingly had disclosed the same as discontinued operations at the expected realisable value. During the year ended 31 March 2020, the Company entered into a Sale and Purchase Agreement to sell Barge Mounted Plant for USD 15.50 million. Based on the revised management estimate, the transaction is expected to be concluded by 30 June 2021. Based on the realisable value as per the agreement, the Company had made a further provision towards impairment of Rs Nil (31 March 2020 : Rs. 765.00 million) towards its plant and machinery during the year and had disclosed as exceptional item from discontinued operations. Based on the aforesaid agreement, the management is of the view that the carrying value of the property, plant and equipment of Rs. 1,120.25 million as disclosed under Groups of assets classified as held for sale as at 31 March 2021 is appropriate.
- ii) During the year ended 31 March 2018, the board of directors of the Company approved the plan to divest the Company's stake in HHCPL. Further, during the year ended 31 March 2019, the Company had entered into a securities purchase agreement for divestment of its equity stake in HHCPL for a consideration of USD 35.30 million. The Company had completed transfer of 96.61% of its stake as on 31 March 2019 and the transfer of balance 3.39% was completed during the year ended 31 March 2020. Accordingly, during the previous year, the Company had disclosed profit of Rs. Nil on transfer of balance stake (31 March 2020 : Rs. 57.74 million) as exceptional item from discontinued operations.

Loss from discontinued operations	31 March 2021	31 March 2020
Income		
Other income	8.45	10.35
Total income	8.45	10.35
Expenses		
Sub-contracting expenses	16.40	1.26
Stores and spares consumed	0.01	0.41
Employee benefit expenses	4.85	4.96
Finance costs	19.23	45.39
Other expenses	11.57	42.69
Total expenses	52.06	94.71
Loss before tax expenses and exceptional items	(43.61)	(84.36)
Exceptional items		
a) Profit on sale of subsidiary (refer note 27 (ii))	-	57.74
b) Provision for diminution in value of right of use asset (refer note 31(I))	-	(44.64)
c) Provision for diminution in value of property, plant and equipment (refer note 27 (i))	-	(765.00)
Loss from discontinued operations before tax expenses	(43.61)	(836.26)
Tax expenses of discontinuing operations	-	-
Loss from discontinuing operations (VI)	(43.61)	(836.26)

The details of assets/disposal group classified as held for sale and liabilities associated thereto are as under :

	31 March 2021	31 March 2020
Groups of assets classified as held for sale		
Property, plant and equipment (refer note 27(i))	1,120.25	1,120.25
Capital work in progress	242.97	51.71
Inventory (stores, spares and components (net of provision of inventory of Rs.157.14 Million (31 March 2020 : Rs.157.14 Million)	0.38	0.26
Others financial assets	5.52	9.24
Other current assets	-	17.11
Total	1,369.12	1,198.57
Liabilities associated with Groups of assets classified as held for sale		
Trade payables	210.81	265.81
Provisions	128.67	104.14
Lease liabilities (refer note 31(I))	102.83	110.30
Other financial liabilities	25.82	40.47
Advance against sales consideration	466.60	277.89
Total	934.73	798.61
Net assets directly associated with held for sale	434.39	399.96



GMR Energy Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

28 Earnings Per Share ('EPS')

Basic EPS is calculated by dividing the loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares

Diluted EPS is calculated by dividing the profit attributable to equity shareholders (after making adjustments for convertible securities) 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. However, there are no such convertible securities issued by the Company and hence the diluted EPS is equal to the basic EPS.

Particulars	31 March 2021	31 March 2020
Face value of equity shares (Rs. per share)	10	10
Weighted average number of equity shares used for computing earning per share (basic and diluted) (refer note 11)	3,606,902,694	3,606,902,694
Loss from continuing operations as per statement of profit and loss (Rs. in Millions)	(8,672.67)	(16,109.72)
Loss from discontinued operations as per statement of profit and loss (Rs. in Millions)	(43.61)	(836.26)
Loss from continuing and discontinuing operations (Rs. in Millions)	(8,716.28)	(16,945.98)
EPS for continuing operations - Basic and diluted (Rs.)	(2.40)	(4.47)
EPS for discontinued operations - Basic and diluted (Rs.)	(0.01)	(0.23)
EPS for continuing and discontinued operations - Basic and diluted (Rs.)	(2.42)	(4.70)

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GMR Energy Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

29 Related Party transactions :

a) Names of related parties and nature of related party relationship :

(i) Enterprises that jointly control the Company	GMR Enterprises Private Limited ('GEPL')
	GMR Infrastructure Limited ('GIL')
	GMR Generation Assets Limited ('GGAL')
	GMR Energy Projects (Mauritius) Limited ('GEPML')
	Tenaga Nasional Berhad ('Tenaga')
	Power and Energy International (Mauritius) Limited ('PEIML')
(ii) Transactions with subsidiaries and joint ventures of enterprises that jointly control the Company	GMR Coastal Energy Private Limited ('GCEPL')*
	GMR Kakinada Energy Private Limited ('GKEPL')*
	Celebi Delhi Cargo Terminal Management India Private Limited ('CDCTM')
	GMR Chhattisgarh Energy Limited ('GCEL') (till July 26, 2019)
	GMR Genco Assets Limited ('GENCO')*
	GMR Energy Trading Limited ('GETL')
	GMR Power Corporation Limited ('GPCL')*
	GMR Rajahmundry Energy Limited ('GREL')
(iii) Enterprise where key management personnel exercise significant influence and where transactions have taken place during the year / previous year.	Raxa Security Services Limited ('RSSL')
	GMR Varalakshmi Foundation ('GVF')
(iv) Key managerial personnel ('KMP')	Mr. Srinivas Bommidala, Vice Chairman and Director
	Mr. GBS Raju, Director (resigned w.e.f 26 July 2019)
	Mr. Madhva Bhimacharya Terdal, Director
	Mr. Srinivasachari Rajagopal, Independent Director (w.e.f 30 September 2019)
	Mr. Ramakrishna Rajasekharan Nair, Independent Director (till 30 September 2019)
	Mrs. Meena Lochani Raghunathan, Director (till 15 August 2020)
	Mr. Azman Bin Mohd, Director (till 17 April 2019)
	Mr. Bimal Jayant Parakh, Independent Director
	Mr. Satish Kumar Mandhana, Nominee Director (till 24 September 2019)
	Mr. Nazmi Bin Oathman, Nominee Director
	Mr. M. Ramachandran, Independent Director (w.e.f. 30 September 2019)
	Mr. Mohd Shahazwan Bin Mohd Harris, Nominee Director (w.e.f 30 September 2019)
	Mr. G. M. Rao, Chairman and Director (w.e.f. 15 August 2020)
	Mr. Kiran Kumar Grandhi, Director (w.e.f. 15 August 2020)
	Mr. Siva Kameswari Vissa, Director (w.e.f. 15 August 2020)
	Mr. Manoj Kumar Singh, Chief Financial Officer
	Mr. Ashis Basu, Chief Executive Officer
	Mr. Sanjay Barde Narayan, Chief Executive Officer
	Mr. Sanjay Kumar Babu, Company Secretary (w.e.f. 24 September 2019)
	Mr. Rajeev Kumar, Company Secretary (till 26 July 2019)
	Mr. R S S L N Baskaradu (w.e.f 30 September 2019 till 15 August 2020)

1. Refer note 32 for the details of subsidiaries and joint ventures.

*These companies have been merged with GMR Generation Assets Limited w.e.f 3 April 2020.



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

29 Related party transactions :

b) Summary of transactions with the above related parties is as follows:

Sl. No	Particulars	For year ended	
		31 March 2021	31 March 2020
1	Income from supply of operational and maintenance contract – GWEL	185.30	173.10
2	Interest income on long term investments in related parties – GETL	-	21.04
3	Notional income on unwinding financial assets- loans – GKEL	96.31	84.73
	– GBHHPL	35.64	-
	– GRSPPL	-	1.15
4	Notional income on unwinding financial assets- corporate guarantee – GWEL	1.20	1.21
	– GKEL	4.58	4.59
5	Logo fees – GEPL Rs. 1,120 (31 March 2020 : Rs. 1,120)	0.00	0.00
6	Donations given – GVF	-	0.04
7	Management fees (cross charges) – GIL	0.78	5.11
8	Interest expense on loan taken – GIL	391.38	152.61
	– GGSPPL	84.43	84.66
	– GEPL	-	3.23
	– GETL	9.04	-
	– GGAL	13.62	-
9	Notional expense on modification of financial instrument – GBHHPL	-	8.93
10	Share application money paid – GEML	149.77	139.19
11	Investment in preference shares - share application money allotted – GEML	139.19	39.06
12	Conversion of intercorporate deposit into equity shares – GBHHPL	-	31.31
13	Conversion of investment in additional equity into equity shares – GBHHPL	-	154.39
14	Sale of investments in equity shares – HHCPL	-	13.14
15	Sale of investment in share application money – HHCPL	-	4.01
16	Inter corporate deposit /unsecured loan given – GBHPL	1.91	4.95
	– GCSPL	4.20	10.32
	– GBEPL	-	3.66
	– GRSPPL	-	0.90
	– GBHHPL	-	2.50
	– GVPGL	50.25	249.74
	– GINELL	0.13	-
	– GINPCL	0.10	-
17	Inter corporate deposit /unsecured loan refunded – GBHPL	-	2.13
	– GCSPL	-	1.11
	– GBEL	9.78	-
	– GVPGL	1.95	5.00
	– GETL	-	662.82

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GMR Energy Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

Sl. No	Particulars	For year ended	
		31 March 2021	31 March 2020
18	Conversion of inter corporate deposit into investments in additional equity		
	- GBHPL	1.91	2.83
	- GVPGL	50.25	244.74
	- GRSPPL	-	1.37
	- GBEPL	-	3.66
	- GBHHPL	-	50.40
	- GCSPL	4.20	-
	- GINELL	0.13	-
	- GINPCL	0.10	-
19	Unsecured loan availed		
	- GETL	344.70	-
	- GGAL	255.00	-
	- GEPL	-	39.00
	- GIL	4,515.97	2,592.98
20	Unsecured loan repaid		
	- GETL	260.00	-
	- GEPL	-	39.00
	- GIL	-	466.40
21	Security deposit-refunded to the Company		
	- RSSL	-	5.44
22	Reimbursement of expenses on behalf of		
	- GKEL	-	2.50
23	Provision for diminution in value of investments		
	- GKEL	1,156.38	10,480.00
	- GBHPL	200.55	1,499.00
	- GWEL	3,059.90	1,943.50
	- GBHHPL	1,145.92	-
	- GBEL	-	41.76
	- GRSPPL	-	19.77
	- GINPCL	0.03	1.53
	- GINELL	0.21	1.10
	- GCSPL	4.20	0.50
	- GVPGL	318.28	-
	- GEML	-	55.40
	- GMEL	-	0.50
24	Provision for bad and doubtful loans credit impaired		
	- GINELL	-	1.99
	- GMEL	-	0.50
	- GRSPPL	-	9.98
	- GINPCL	-	3.34
	- GCSPL	-	19.19
24	Provision for diminution in value of investments now written off		
	- RCMEPL	-	24.35
25	Impairment allowance on application money made now written off		
	- RCMEPL	-	2.88
26	Corporate guarantee issued		
	- GUKPL	377.38	-

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c) Outstanding balance at the year end

Sl. No	Particulars	For year ended	
		31 March 2021	31 March 2020
1	Trade receivable - current - GWEL	77.10	45.00
2	Security deposit - non-current - CDCTM	1.00	1.00
3	Trade payable - current - GEPL (Rs. 1,189) - GIL	0.00 20.49	0.00 19.71
4	Non-current investments (including additional equity of subsidiaries and joint ventures on account of fair valuation of loans, debentures, preference shares and guarantees) (refer note (v) below)		
	- GVPGL	5,800.63	6,068.66
	- GBHPL	3,062.29	3,260.80
	- GWEL	7,046.00	10,105.90
	- GGSPPPL	740.77	740.77
	- GKEL	10,925.75	12,082.13
	- GBHHPL	4,778.47	5,924.39
	- GTOM	0.25	0.25
	- GEML	139.05	-
	- GETL	140.60	140.60
5	Loans - non-current (refer note (vi))		
	- GBHHPL	294.82	258.87
	- GKEL	797.85	701.87
6	Unsecured loans/inter corporate deposit, which have significant increase in credit risk - non-current		
	- GENCO	-	45.78
	- GKEL	-	8.31
	- GMEPL	-	10.49
	- GRSPPPL	9.98	9.98
	- GCSPL	19.19	19.19
	- GINPCL	3.34	3.34
	- GCEPL	-	31.78
	- GMEL	0.50	0.50
	- GINELL	1.99	1.99
7	Application money paid towards investment - non-current, considered good - GEML	149.77	139.19
8	Other amounts recoverable - GGAL	59.65	-
9	Unsecured current borrowings - GGSPPPL - GIL - GGAL - GETL	789.02 2,476.58 255.00 84.70	789.02 2,126.58 - -
10	Unsecured non current borrowings - GIL	4,165.97	-
11	Interest accrued on borrowings - GGSPPPL - GGAL - GIL - GETL	346.32 18.15 447.51 3.33	262.23 - 59.49 -
12	Financial guarantee contracts - current - GKEL - GWEL	58.72 3.21	63.23 4.41
13	Pledge of deposit for bank guarantee issued on behalf of Subsidiary - GBHHPL	19.56	19.56
14	Corporate guarantee outstanding - GUKPL - GWEL - GKEL	377.38 750.00 6,000.00	- 750.00 6,000.00
15	Bank guarantee outstanding - GBHPL	188.20	188.20

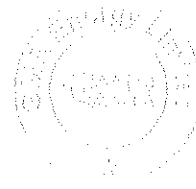
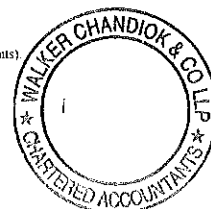
d) Remuneration paid to key managerial personnel :

Detail of KMP	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Short term employee benefits*	Sitting fees	Short term employee benefits*	Sitting fees
Mr. Srinivasachari Rajagopal	-	0.42	-	0.52
Mr. Ramakrishna Rajaschharan Nair	-	-	-	0.09
Mr. Binul Jayant Parakh	-	0.38	-	0.47
Mr. Satish Kumar Mandhana	-	-	-	0.12
Mr. M Ramachandran	-	0.41	-	0.19
Mr. R S S L N Baskaradu	-	0.09	-	0.19
Mr. Azman Bin Mohd	-	0.71	-	-
Mr. Nazmi Bin Othman	-	0.86	-	-
Mr. Mohd Shalazwan Bin Mohd Harris	-	0.38	-	-
Mr. Siva Kameshwari Vissa	-	0.28	-	-
Mr. Sanjay Babu - Company Secretary	1.93	-	1.18	-
Mr. Manoj Kumar Singh - Chief Financial Officer	3.17	-	3.26	-
Mr. Rajeev Kumar - Company Secretary	-	-	1.87	-

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

Notes:

- The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company.
- Refer note 4 on non-current investment.
- The Company has provided security by way of pledge of investment for loans taken by certain Company (refer note 31(III)(iv)).
- Enterprises that jointly control the Company has securitised certain assets towards the borrowing facilities of the Company.
- Non-current investments are net off provision for diminution in the value of investments.
- The maximum outstanding balance at any time during the year is Rs. 4,109.16 million for GKEL and Rs. 1,794.26 million for GBHHPL. (amounts are exclusive of non cash adjustments)



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

30 Employee benefits

a) Defined contribution plan

Contribution to provident and other funds included under employee benefit expense (note 21 and 27) are as below:

	31 March 2021	31 March 2020
Contribution to provident and pension fund	1.26	1.14
Contribution to superannuation fund	0.80	0.77
Total	2.06	1.91

b) Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service.

The scheme is funded by way of a separate irrevocable Trust and the company is expected to make regular contributions to the Trust. The fund is managed by an insurance company and the assets are invested in their conventional group gratuity product. The fund provides a capital guarantee of the balance accumulated and declares interest periodically that is credited to the fund account. Although we know that the fund manager invests the funds as per products approved by Insurance Regulatory and Development Authority of India and investment guidelines as stipulated under section 101 of Income Tax Act, the exact asset mix is unknown and not publicly available. The Trust assets managed by the fund manager are highly liquid in nature and we do not expect any significant liquidity risks. The Trustees are responsible for the investment of the assets of the Trust as well as the day to day administration of the scheme.

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 standalone balance sheet for gratuity benefit:

i. Net employee benefit expenses (recognised in the statement of profit and loss (note 21)):

Particulars	31 March 2021	31 March 2020
Current service cost	0.39	0.28
Net interest cost on defined benefit obligations	(0.01)	(0.16)
Net benefit expenses	0.38	0.12

ii. Remeasurement (gains) / loss recognised in other comprehensive income:

Particulars	31 March 2021	31 March 2020
Actuarial (gain)/loss on obligations due to defined benefit obligations experience	(0.28)	0.75
Actuarial (gain)/loss on obligations due to defined benefit obligations assumption changes	-	0.34
Actuarial (gain)/loss arising during the year	(0.28)	1.09
Return on plan assets lesser than discount rate	0.04	0.04
Actuarial (gain)/loss recognised in other comprehensive income	(0.24)	1.13

Balance sheet

iii. Net defined benefit asset/ (liability):

Particulars	31 March 2021	31 March 2020
Defined benefit obligation	3.74	6.17
Fair value of plan assets	5.96	6.23
Plan asset	2.22	0.06

iv. Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2021	31 March 2020
Opening defined benefit obligation	6.17	3.14
Current service cost	0.39	0.28
Interest cost	0.40	0.23
Transferred (to) / from group companies	(2.30)	1.54
Actuarial (gain)/loss on obligations due to defined benefit obligations experience	(0.28)	0.75
Actuarial loss on obligations due to defined benefit obligations assumption changes	-	0.34
Benefits paid	(0.64)	(0.11)
Closing defined benefit obligation	3.74	6.17

v. Changes in the fair value of the plan assets are as follows:

Particulars	31 March 2021	31 March 2020
Opening fair value of plan assets	6.23	4.44
Expected return on plan asset	0.40	0.38
Contributions by employer	0.01	0.01
Transferred from group companies	-	1.54
Benefits paid	(0.64)	(0.11)
Return on plan assets lesser than discount rate	(0.04)	(0.04)
Closing fair value of plan assets	5.96	6.23



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

vi. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2021	31 March 2020
Investments with the insurer	100%	100%

vii. The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.80%
Salary escalation	6.00%	6.00%
Employee turnover	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult

Notes:

i) Plan assets are fully represented by balance with the Life Insurance Corporation of India.

ii) The long term estimate of the expected rate of return on fund assets has been arrived at based on the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.

iii) The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iv) Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

b. Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

viii. A quantitative sensitivity analysis for significant assumption as at 31 March 2021 and 31 March 2020 are as shown below:

Impact on the defined benefit obligation	31 March 2021	31 March 2021
Discount rate		
Effect due to 1% increase in discount rate	(0.23)	(0.42)
Effect due to 1% decrease in discount rate	0.27	0.48
Attrition rate		
Effect due to 1% increase in attrition rate	0.03	0.09
Effect due to 1% decrease in attrition rate	(0.03)	(0.10)
Salary escalation rate		
Effect due to 1% increase in salary increase rate	0.18	0.23
Effect due to 1% decrease in salary increase rate	(0.19)	(0.25)

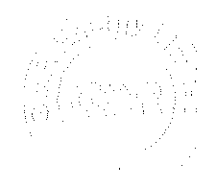
The sensitivity analysis above have been determined based on method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.

ix. The following payments are expected benefits payments in future years:

Particulars	31 March 2021
31 March 2022	1.51
31 March 2023	0.16
31 March 2024	0.18
31 March 2025	0.20
31 March 2026	0.22
31 March 2027 to 31 March 2031	1.47

Particulars	31 March 2020
31 March 2021	0.42
31 March 2022	1.72
31 March 2023	0.39
31 March 2024	0.41
31 March 2025	0.43
31 March 2026 to 31 March 2030	2.79

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2020 : 10 years).



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

31 Commitments and Contingencies

I Leases

Lease: Company as lessee

The Company has obtained land and office premises on operating lease having a term of 29-30 years and 11 months respectively and are renewable as mutually agreed between the parties. There is no escalation clause in the lease agreement pertaining to office premises, however there is an escalation clause of 15% after every 3 years in the land lease agreement. There are no subleases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Amount
As at 1 April 2019	45.48
Additions	-
Impairment (refer note 3 and note 27)	(45.48)
As at 31 March 2020	-
As at 31 March 2021	-

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

Particulars	Amount
As at 1 April 2019	-
Additions	103.07
Accretion of interest	11.34
Payments during the year	-
As at 31 March 2020	114.41
Additions	-
Accretion of interest	11.54
Adjustments during the year	(19.05)
As at 31 March 2021	106.90

Current

Continuing operations	0.54
Discontinued operations	102.83
Non-current	3.53

The following are the amounts recognised in the statement of profit or loss:

Particulars	31 March 2021	31 March 2020
Provision for diminution in value of right of use asset	-	45.48
Interest expense on lease liabilities	11.54	11.34
Expense relating to short-term leases (included in other expenses)	3.09	10.72
Total amount recognised in profit or loss	14.63	67.54

Information about extension and termination options

Right of use assets	Office premises
Number of leases	2
Range of remaining terms (in years)	9-17
Average remaining lease term (in years)	13
Number of leases with extension option	-
Number of leases with termination option	-

The maturity analysis of lease liabilities are disclosed in note 34.

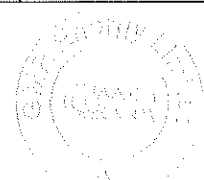
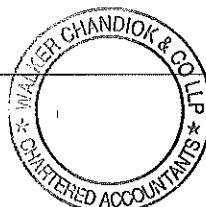
II Contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

A. Contingent Liabilities

a. Particulars	31 March 2021	31 March 2020
- Corporate guarantees (refer note 29)	7,127.38	8,350.00
- Bank guarantees (refer note 29 for related party portion)	2,236.28	3,502.66
- Matters relating to income tax under dispute	52.71	-



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in Rs. millions unless otherwise stated)

Others in addition to (a) above

b. During the year ended 31 March 2012, the Company received an intimation from the Chief Electrical Inspectorate, Government of Andhra Pradesh ('GoAP'), whereby GoAP had demanded electricity duty on generation and sale of electrical energy amounting to Rs. 110.62 Million calculated at the rate of six paise for each electricity unit generated by the Company for the period from June 2010 to December 2011.

Based on an internal assessment and a legal opinion obtained by the Company, the management is confident that the provisions of Electricity Duty Act and Rules, 1939 in respect of payment of electricity duty are not applicable to the Company and accordingly, electricity duty liability of Rs. 146.11 Million (31 March 2020 : Rs. 146.11 Million) for the period since June 2010 has been considered as a contingent liability as at 31 March 2021 and accordingly no adjustments have been made to the standalone financial statements of the Company for the year ended 31 March 2021.

c. GEL had entered into a Power Purchase Agreements ('PPAs') with Karnataka Power Transmission Corporation Limited for supply of energy during the period December 15, 1997 to July 7, 2008. GEL had a Fuel Supply Agreement ('FSA') with a fuel supplier towards purchase of Naphtha for generation of electricity during the aforementioned period. The FSA provided for payment of liquidated damages to the fuel supplier in the event there was a shortfall in the purchase of the annual guaranteed quantity.

During the year ended 31 March 2013, GEL received a demand towards liquidated damages amounting to Rs. 2,961.64 Million along with an interest of Rs. 55.54 Million towards failure of GEL to purchase the annual guaranteed quantity for the period from 21 November 2001 to 6 June 2008 under the erstwhile FSA. GEL had disputed the demand from the supplier towards the aforementioned damages. Further, GEL has filed its statement of defense and counter claim amounting to Rs. 359.62 Million along with interest at the rate of 18% p.a.

The matter was under arbitration. During the year ended 31 March 2017, the Arbitration Tribunal issued its arbitral award directing the fuel supplier to pay Rs.322.10 Million to GEL towards its counter claim filed by GEL and rejected the claims of the fuel supplier. Subsequently, the fuel supplier filed an appeal before the District Civil Court of Bangalore for setting aside the entire arbitration award. The fuel supplier has also filed an interim application under Section 36 of the Arbitration and Conciliation Act for grant of interim stay on execution of the Arbitration award. The District City Civil Court vide its order issued the stay order on the operation of the Arbitration Award on furnishing of a bank guarantee by the fuel supplier equivalent to 50% of counter claim amount. Fuel supplier has filed writ petition before Karnataka High Court for setting aside the interim stay order dated 4 March 2017. Karnataka high court has dismissed the objection petition. GEL has filed execution petition before Delhi High Court for execution of Arbitral award, the outcome of which is awaited.

Fuel supplier has filed an appeal before Bangalore High court against the order passed by the District Civil Court. Hon'ble High Court, ordered stay of the Award subject to Fuel supplier depositing 50% of the Award amount. Hon'ble High Court has allowed GEL to withdraw the amount on furnishing BG of equivalent amount. Company has filed application for permission to withdraw amount upon submission of Corporate Guarantees. During the year ended 31 March 2020, High court allowed the Company's Application with the condition that Group give Affidavit-cum-Undertaking to state that it will not encumber/sell its land offered as security, till the disposal of the Appeal of fuel supplier.

Further, based on submission of two Corporate Guarantee copies by GEL and GGAL and Affidavit of undertaking by GBEL the court had permitted GEL to withdraw the amount which has been deposited by the fuel supplier on a condition that GEL shall re-deposit the aforesaid amount before the Court, within a time frame to be stipulated by the Court at the time of final disposal if the fuel supplier is successful in the appeal. The amount withdrawn by the Company has been shown as payable under other financial liabilities.

The final outcome of the case is pending conclusion. However, based on its internal assessment and a legal opinion, the management of the Company is confident that the claim of the fuel supplier towards such liquidated damages is not tenable and accordingly no adjustments have been made to the standalone financial statements of the Company and the claim from the fuel supplier has been considered as a contingent liability.

d. Also refer note 4(4)(b) and 4(4)(c).

e. Also refer note 4(5).

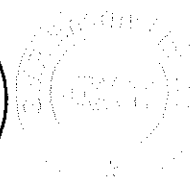
f. GEL had entered into Technical Service Agreement ('TSA') and Parts and Repair Work Supply Agreement ('PRWST') with General Electric International Inc. and its affiliates (collectively referred as 'GE') for scheduled maintenance of gas turbines in gas based power plants. GE has raised invoices on the Company as per the terms in the agreement, which are outstanding as at date. The Company has not paid the liability in contravention with Master Circular issued by the Reserve Bank of India ('RBI') on Import of Goods and Services dated 1 July 2014 (as amended).

During the year ended 31 March 2020, GE served demand notice under section 8 of the Insolvency and Bankruptcy Code, 2016 of India demanding payment of outstanding amount. Pursuant to the above, the Company and GE, entered into a settlement, wherein the Company has agreed to pay the outstanding dues amounting to USD 2.16 million to GE as per the proposed payment plan mentioned in the settlement agreement. In case the Company fail to make payment as per the agreed schedule, the Company agreed to pay additional interest as per the TSA. On 18 July 2020, GE approached International Court of Arbitration of the International Chamber of Commerce (ICC) by filing Emergency Application under ICC Arbitration Rules against the Company. The Emergency Arbitrator, having jurisdiction to adjudicate a contract aggregating to USD 0.89 million between the Company and one of the affiliate of General Electric International Inc., vide its order dated 3 August 2020, directed the Company to pay USD 0.89 million to GE. During the year ended 31 March 2021, the Company, in accordance with the order of the emergency arbitrator and approval of the RBI (as per which no penalty or delay fee was charged), has paid USD 0.89 million to GE. The Company is in the process of filing the application with the RBI for condonation of delay and for approval of payment of remaining amount of USD 1.27 million and hence no adjustments have been made in these standalone financial statements.

During the year ended 31 March 2021, the overseas vendors had initiated arbitration proceeding towards recovery of such overdue payable, which is pending in the Arbitral Tribunal of International Court of Arbitration of International Chamber of Commerce.

g. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

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(All amounts in Rs. millions unless otherwise stated)

h. The Government of Karnataka vide its Order No. EN 540 NCE 2008 dated January 1, 2009 ('the Order') invoked Section 11 of the Electricity Act, 2003 ('the Electricity Act') and directed the Company to supply power to the State Grid during the period 1 January 2009 to 31 May 2009 at a specified rate. The period was subsequently extended up to 5 June 2009 vide Order No. EN 325 NCE 2009 dated 22 September 2009. The Company had a contract with a buyer till 31 January 2009 at a selling rate higher than such specified rate and, as such, filed a petition before the Hon'ble High Court of Karnataka challenging the Order. Revenue in respect of power supplied during January 2009 has been recognised in the books as per the original contracted rate, based on a legal opinion. The differential revenue, so recognised in the books, amounts to Rs. 447.62 Million.

Based on the interim directions of the Hon'ble High Court of Karnataka in the month of March 2009, Karnataka Electricity Regulatory Commission ('KERC') has recommended a higher band of tariff than the specified rate in the Order. However, revenue for the four months period ended 5 June 2009 has been recognised, on a prudent basis, as per the rate specified in the Order.

The Hon'ble High Court of Karnataka, in its order dated 26 March 2010, dismissed the petition of the Company challenging the Order invoking section 11(1) of the Electricity Act with a direction that if the Order had any adverse financial impact on the Company, then a remedy is provided to the Company to approach the appropriate commission under the Electricity Act empowered to offset the adverse financial impact in such manner as it considers appropriate. The Company had filed a Special Leave Petition ('SLP') before the Hon'ble Supreme Court of India to appeal against the said Order of the Hon'ble High Court of Karnataka, and has sought ex-parte ad-interim order staying the operation of the said Order and to direct Electricity Supply Companies to pay minimum rate prescribed by KERC.

Additionally, the Company filed a petition before KERC to decide on the adverse financial impact suffered by the Company because of invoking of powers u/s 11 (1), in reply to which the Government of Karnataka undertakings ('respondents') filed their reply on 26 April 2012 contesting the Company's claim of Rs. 1,667.50 Million and made a counter claim of Rs. 2,235.30 Million against the Company on account of adverse impact suffered by the respondents. In response to counter claim made by the respondent, the Company filed an updated petition with KERC on 6 September 2012.

In reply to the petition filed by the Company, KERC, vide their order dated 30 November 2012 through a majority judgment directed for a tariff of Rs. 6.90 / Kwh for the entire period for which the Order was in force to offset the adverse financial impact suffered by the Company. The Company has filed an appeal before the Appellate Tribunal of Electricity ('APTEL'), New Delhi challenging the KERC's order to the limited extent that KERC has failed to fully offset the adverse financial impact suffered by the Company. Further, during the year ended 31 March 2013, the Company has withdrawn its SLP filed before the Hon'ble Supreme Court of India.

During the year ended 31 March 2014, respondents filed a review petition before KERC against the majority judgment passed by it, which was rejected by KERC.

During the year ended 31 March 2015, the Company has received an order dated 23 May 2014 from APTEL allowing them tariff of Rs. 6.90 per unit for all electricity supplied from 1 January 2009 to 31 May 2009 and directed the respondents to pay interest at the rate of 12% from the date of KERC order. The respondents have filed a civil appeal before the Hon'ble Supreme Court of India against APTEL order and Company has filed an execution petition seeking execution of the above mentioned order of APTEL.

During the year ended 31 March 2016, the Hon'ble Supreme Court of India has passed the interim orders directing the customer to pay the dues to the Company against Company furnishing security of immovable property/ bank security. The Company has received an amount of Rs. 671.55 Million from the customers, pursuant to which it has recognised differential revenue of Rs. 223.93 Million during the year ended 31 March 2016. Further, the final order from Hon'ble Supreme Court of India is pending receipt.

In view of the above, the management of the Company is confident that there will not be any adverse financial impact on the Company with regard to the aforementioned transactions and accordingly, no adjustments have been made to the standalone financial statements of the Company for the year ended 31 March 2021.

i. A search under section 132 of the IT Act was carried out at the premises of the Company by the income tax authorities on 11 October 2012, followed by search closure visits on various dates during the year ended 31 March 2013 to check the compliance with the provisions of the IT Act. The income tax department has subsequently sought certain information / clarifications. During the year ended 31 March 2015 and 31 March 2016, block assessments have been completed for the Company and appeals have been filed with the income tax department against the disallowances made in the assessment orders. The management of the Company believes that it has complied with all the applicable provisions of the IT Act with respect to its operations.

j. Also refer note 4 as regards various pending litigations and claims made by the Company and its subsidiaries and joint ventures.

B. Litigation provided for

i. Provision made in respect of disputes towards utilisation of duty entitlement pass book scrips Rs. 0.54 Million (31 March 2020: Rs. 0.54 Million).

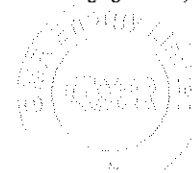
ii. The management of the Company has made a provision of Rs. 45.99 Million (31 March 2020 : Rs. 45.99 Million) as at 31 March 2021 against excise duty being disputed by the central excise authorities with regard to refund of excise duty.

III Capital and other commitments

i. The Company has entered into agreements with the lenders of the following subsidiaries wherein it has committed to hold at all times at least 51% of the equity share capital of subsidiaries and not to sell, transfer, assign, dispose off, pledge or create any security interest till the final settlement of all the obligations to the lenders or with the permission of the lenders except pledge of shares to the respective lenders as covered in the respective agreements with the lenders.

31 March 2021	31 March 2020
GWEL	GWEL
GGSPPL	GGSPPL
GBHHPL	GBHHPL

The Company has entered into a Share Subscription and Share Holding Agreement with Infrastructure Development Finance Company Limited ('shareholder') in which it has committed to the shareholder that either the Company directly, or indirectly (along with the other group Companies as defined in the shareholding agreement) will hold at least 51% of the paid up equity share capital of GKEL.



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(All amounts in Rs. millions unless otherwise stated)

ii. The Company has committed to provide financial assistance as tabulated below:

Nature of relationship	Outstanding commitment for financial assistance	
	31 March 2021	31 March 2020
Fellow subsidiaries	5.00	5.00
Joint ventures	8,774.76	8,774.76
Subsidiaries	8,481.80	8,688.16
Others	17.10	17.10
Total	17,278.66	17,485.02

iii. The Company has provided commitment to the lenders of the following subsidiaries to fund the cost overruns over and above the estimated project cost, if any, to the extent as defined in the respective agreements executed with the lenders.

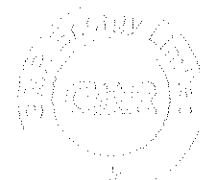
31 March 2021	31 March 2020
GWEL	GWEL
GGSPPL	GGSPPL
GBHHPL	GBHHPL
GKEL	GKEL

iv. The Company has certain long term unquoted investments included in note 4 which have been pledged as security towards loan facilities sanctioned to the Company and the investee companies.

Name of the Company	Year ended	
	31 March 2021	31 March 2020
	(Equity shares of Rs.10 each fully paid up)	
GVPGL	197,640,102	197,640,102
GWEL	869,999,997	869,999,997
GGSPPL	73,600,000	73,600,000
GBHHPL	311,879,456	311,879,456
GKEL	1,878,440,283	1,878,440,283

v. The Company has committed to provide continued financial support to ensure that its subsidiaries and joint ventures are able to meet their debts and liabilities as they fall due and they continue as going concerns.

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32 Interest in significant investment in subsidiaries, joint ventures and associates as per Ind AS- 27

Sl. No.	Name of entity	Country of incorporation	Date of incorporation	Relationship as at 31 March 2021	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
					31 March 2021	31 March 2020	31 March 2021	31 March 2020

Subsidiaries

Indian								
1	GMR Vemagiri Power Generation Limited (GVPGIL)	India	8 January 1997	Subsidiary	100.00%	100.00%	100.00%	100.00%
2	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	India	17 February 2006	Subsidiary	99.90%	99.90%	99.90%	99.90%
3	GMR Consulting Services Limited (GCSPL)	India	28 February 2008	Subsidiary	99.80%	99.80%	99.80%	99.80%
4	GMR Maharashtra Energy Limited (GMEIL)	India	26 May 2010	Subsidiary	98.80%	98.80%	98.80%	98.80%
5	GMR Bundelkhand Energy Private Limited (GBEL)	India	18 June 2010	Subsidiary	100.00%	100.00%	100.00%	100.00%
6	GMR Rajam Solar Power Private Limited (GRSPPL)	India	18 June 2010	Subsidiary	100.00%	100.00%	100.00%	100.00%
7	GMR Gujarat Solar Power Limited (GGSPPL)	India	26 March 2008	Subsidiary	100.00%	100.00%	100.00%	100.00%
8	GMR Indo-Nepal Energy Links Limited (GINELL)	India	7 January 2011	Subsidiary	100.00%	100.00%	100.00%	100.00%
9	GMR Indo-Nepal Power Corridors Limited (GINPCL)	India	6 January 2011	Subsidiary	100.00%	100.00%	100.00%	100.00%
10	GMR Warora Energy Limited (GWEL)	India	4 August 2005	Subsidiary	100.00%	100.00%	100.00%	100.00%

Foreign

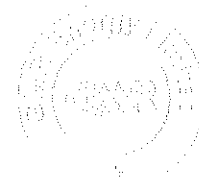
1	GMR Upper Kamali Hydropower Limited (GUKPL)	Nepal	2 May 2008	Step down subsidiary	69.35%	69.35%	73.00%	73.00%
2	Kamali Transmission Company Private Limited (KTCPL)	Nepal	27 April 2010	Step down subsidiary	95.00%	95.00%	100.00%	100.00%
3	GMR Energy (Mauritius) Limited (GEML)	Mauritius	27 February 2008	Subsidiary	95.00%	95.00%	95.00%	95.00%
4	GMR Lion Energy Limited (GLEL)	Mauritius	29 February 2008	Step down subsidiary	95.00%	95.00%	100.00%	100.00%

Joint venture

Indian								
1	Rampia Coal Mine and Energy Private Limited (RCMEPL)*	India	19 February 2008	Joint Venture	0.00%	17.39%	0.00%	17.39%
2	GMR Kamalanga Energy Limited (GKEL)	India	28 December 2007	Joint Venture	87.42%	87.42%	87.42%	87.42%
3	GMR Bajoli Holi Hydropower Private Limited (GBHPL)	India	1 October 2008	Joint Venture	79.86%	79.86%	79.86%	79.86%
4	GMR Tenaga Operations and Maintenance Private Limited (GTOM)	India	9 April 2018	Joint Venture	50.00%	50.00%	50.00%	50.00%

*RCMEPL, had filled an application to Register of Companies ("ROC") for removing its name from register of Companies during the previous year ended 31 March 2020. During the current year, the same has been approved the by ROC and its name has been struck off.

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33. Fair value measurement

i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the financial statements are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

ii) Financial assets and financial liabilities measured at fair value – recurring fair value measurements

Particulars	As at 31 March 2021			As at 31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit and loss						
Investments (other than investments in subsidiaries and joint venture) (refer note i below)	-	-	140.60	-	-	140.60
Total	-	-	140.60	-	-	140.60

(i) Unquoted equity instruments for which cost has been considered as an appropriate estimate of fair value as cost represents the best estimate of fair value within that range.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2021 and 31 March 2020.

(iv) As regards the carrying value and fair value of investments in subsidiaries and joint ventures, refer note 4.

34. Financial risk management

i) Financial instruments by category

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets measured at amortized cost				
Trade receivables		77.10	45.00	45.00
Cash and cash equivalents	5.94	5.94	28.11	28.11
Other financial assets	1,417.71	1,417.71	1,267.52	1,267.52
Investments - in subsidiaries and joint venture	32,493.21	32,493.21	38,182.90	38,182.90
Financial assets measured at fair value through profit and loss				
Investments (other than investments in subsidiaries and joint venture)	140.60	140.60	140.60	140.60
Total	34,134.56	34,134.56	39,664.13	39,664.13
Financial liabilities measured at amortized cost				
Borrowings - including current maturities	16,274.39	16,274.39	14,239.67	14,239.67
Trade payables	128.32	128.32	141.34	141.34
Other financial liabilities (excluding current maturities of non-current borrowings)	2,197.21	2,197.21	950.76	950.76
Lease liabilities	4.07	4.07	4.11	4.11
Total	18,603.99	18,603.99	15,335.88	15,335.88

ii) Risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

A 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. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, and financial guarantees provided by the Company.

a) Credit risk management

The carrying value of financial assets (including investment in subsidiaries, joint ventures and other equity investments) represents the maximum credit risk. The maximum exposure to credit risk was Rs 34,134.56 million, Rs 39,664.13 million, as at 31 March 2021 and 31 March 2020 respectively, being the total carrying value of trade receivables, loans, balances with bank, bank deposits, investments and other financial assets.

The carrying value of investments in subsidiaries and joint ventures is monitored based on the business plan and valuation assessment thereof as at every period end by the Company.

With respect to Trade receivables/unbilled revenue, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Asset group	Basis of categorisation	Provision for expected credit loss*
A. Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss or life time expected credit loss or fully provided for
C. High credit risk	Investments, certain loans and other financial assets	Life time expected credit loss or fully provided for

* Life time expected credit loss is provided for trade receivables



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Assets under credit risk –			31 March 2021	31 March 2020
	Credit rating	Particulars		
A: Low credit risk		Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets	408.08	379.89
C: High credit risk		Investments, other financial assets and loans	57,272.59	56,927.95

(ii) Concentration of financial assets

The Company's entire trade receivables pertains to its operation and maintenance business.

b) Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month or lifetime expected credit losses for following financial assets –

As at 31 March 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	5.94	-	5.94
Trade receivables	77.10	-	77.10
Investments - in subsidiaries and joint venture	55,746.66	(23,253.45)	32,493.21
Investments (other than investments in subsidiaries and joint venture)	140.60	-	140.60
Other financial assets	1,745.37	(327.66)	1,417.71

As at 31 March 2020

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	28.11	-	28.11
Trade receivables	45.00	-	45.00
Investments - in subsidiaries and joint venture	55,550.88	(17,367.98)	38,182.90
Investments (other than investments in subsidiaries and joint venture)	140.60	-	140.60
Other financial assets	1,674.61	(407.09)	1,267.52

B Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital loans from various banks and inter-corporate loans. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, sale of assets and strategic partnership with investors, support letter from shareholders, etc.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

Maturities of financial liabilities

31 March 2021	Less than 1 year	1 to 5 Years	Above 5 Years	Total
Non-derivatives				
Borrowings (including interest accrued)	9,428.81	7,898.95	-	17,327.76
Trade payable	128.32	-	-	128.32
Other financial liabilities	1,081.91	-	-	1,081.91
Leases liabilities	0.57	2.57	2.57	5.71
Total	10,639.61	7,901.52	2.57	18,543.69

31 March 2020	Less than 1 year	1 to 5 Years	Above 5 Years	Total
Non-derivatives				
Borrowings (including interest accrued)	14,955.26	-	-	14,955.26
Trade payable	141.34	-	-	141.34
Other financial liabilities	167.54	-	-	167.54
Leases liabilities	0.54	3.01	4.00	7.55
Total	15,264.68	3.01	4.00	15,271.69

(i) The above excludes any financial liabilities arising out of financial guarantee contract as detailed in note 31(II)

C Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

a) Interest rate risk

Liabilities

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 manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	31 March 2021	31 March 2020
Variable rate borrowing	6,169.89	5,779.82
Fixed rate borrowing	10,104.50	8,459.85
Total borrowings	16,274.39	14,239.67

Sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates.

Particulars	31 March 2021	31 March 2020
Interest rates – increase by 50 basis points (31 March 2020: 50 basis points)	(30.85)	(28.90)
Interest rates – decrease by 50 basis points (31 March 2020: 50 basis points)	30.85	28.90

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.



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b) 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 investing and financing activities. The Company's exposure to foreign currency changes from operating activities is not material.

The following table demonstrate the unhedged exposure in USD exchange rate as at 31 March 2021 and 31 March 2020. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	31 March 2021	31 March 2020
Advance against sales consideration*	(6.45)	(3.90)
Trade payables	(1.36)	(2.16)
Total in USD	(7.81)	(6.06)
Total in INR	(573.67)	(458.53)

*During the year ended 31 March 2020, the Company entered into a service agreement and Sale and Purchase Agreement to sell Barge Mounted Plant for USD 20.00 Million (including USD 4.5 million for service agreement) out of which the Company has received USD 6.45 million and balance is expected to be received in the year ended 31 March 2022.

Sensitivity

Profit or loss and equity is sensitive to higher/lower foreign currency changes from Foreign balance as a result of changes in exchange rates.

Particulars	31 March 2021	31 March 2020
Exchange rate – increase by 5% (31 March 2020: 5%)	(28.68)	(22.93)
Exchange rate – decrease by 5% (31 March 2020: 5%)	28.68	22.93

c) Price risk

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through profit or loss. To manage the price risk arising from investments in equity securities, the Company diversifies its portfolio of assets.

Sensitivity

Profit or loss and equity is sensitive to higher/lower prices of instruments-

Particulars	31 March 2021	31 March 2020
Investments (other than investments in subsidiaries and joint venture)		
Price increase by (2%) - FVTPL instrument	2.81	2.81
Price decrease by (2%) - FVTPL instrument	(2.81)	(2.81)

35. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity and other support from shareholders, cash generated from operations and sale of certain assets, long term and short term bank borrowings and issue of non-convertible / convertible debt securities and strategic partnership with investors.

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference share, share premium and all other equity reserves attributable to the equity holders of the Company.

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 adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

Particulars	31 March 2021	31 March 2020
Borrowings (refer note 13)	16,274.39	14,239.67
Less: Cash and cash equivalents	(5.94)	(28.11)
Adjusted net debt	16,268.45	14,211.56
Equity share capital (refer note 11)	36,069.03	36,069.03
Other equity (refer note 12)	(19,866.19)	(11,150.15)
Total Capital (ii)	16,202.84	24,918.88
Capital and borrowing (iii = i + ii)	32,471.29	39,130.44
Gearing ratio % (i / iii)	50%	36%

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. Breaches in meeting the financial covenants and repayment terms would permit the bank to immediately call loans and borrowings. Also refer note 13 for details of borrowings of the Company.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

36 Segment reporting

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses including transactions with any of the Company's other components (b) whose operating results are regularly reviewed by the Company's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available. The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

The Company is engaged in generation of electrical energy and has commenced operational and maintenance services during the year ended 31 March 2018. These activities of the Company are incidental to the generation of energy and therefore subject to the same risk and reward and accordingly falls within single business segment.

Revenue from one customer amounted to 100% of the total revenue; amounting to Rs 185.30 Million (31 March 2020 : Rs 173.10 Million)

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