S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of GMR Energy Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of GMR Energy Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. (a) As detailed in note 38(a), the Company's carrying value of investment in GMR Vemagiri Power Generation Limited ('GVPGL'), a subsidiary of the Company is Rs. 6,068.66 Million as at March 31, 2020. GVPGL have ceased operations and have been incurring losses with a consequent erosion of net worth resulting from the unavailability of adequate supply of natural gas. The carrying value of the investments in GVPGL is significantly dependent on the achievement of key assumptions made in the valuation assessment by an external expert around availability of natural gas, future tariff and realization of claims for losses incurred in earlier periods from the customer as detailed in the aforementioned note.

   (b) As detailed in note 4(2), the Company's carrying value of investment in GMR Badrinath Hydro Power Generation Private Limited ('GBHPL'), a subsidiary of the Company is Rs. 3,260.79 Million as at March 31, 2020. GBHPL have ceased the construction of the 300 MW hydro based power plant on Alaknanda river, Uttarakhand. The carrying value of the investments in GBHPL is significantly dependent on obtaining requisite regulatory approvals including environmental clearances, funding support for development and construction of the power plant and achievements of other key assumptions made in the valuation assessment by an external expert.

   Considering that we were unable to obtain sufficient evidence relating to the achievements of the key assumptions made in the valuation assessment of GVPGL and GBHPL, we are unable to comment on the appropriateness of the carrying value of the investments in GVPGL and GBHPL as at March 31, 2020.

   The matter relating to GVPGL was also qualified in our report for the year ended March 31, 2019.

S.R. Batliboi & Associates, Bengaluru

2. As detailed in note 4(6), the Company's carrying value of investment (including loans and accrued interest thereon) in GMR Kamalanga Energy Limited ('GKEL'), a joint venture of the Company is Rs. 12,784.00 Million as at March 31, 2020. GKEL have been incurring losses with a consequent erosion of net worth. During the year ended March 31, 2020, the management entered into a Binding sale agreement dated February 17, 2020 for sale of its equity stake in GKEL that would have resulted in additional impairment of investment in GKEL of Rs. 8,662.00 Million during the year ended March 31, 2020. The binding offer also excluded claims against GKEL of Rs. 7,700.00 Million that are under litigation and have been accounted by GKEL in the standalone financial statements. Subsequent to the year end, the buyer has put on hold the purchase of the equity stake in GKEL. The management continues to value the investment in GKEL at the carrying value in books based on a valuation assessment done by an external expert using the discounted future cash flow method which is significantly dependent on the achievement of the various assumptions considered in the aforesaid valuation and have not classified/ presented the investment in GKEL as "Asset held for sale". Accordingly, the measurement, classification and presentation of investment in GKEL is not in accordance with the requirements of Ind AS 105. Further having regard to the uncertainty and the final outcome of the litigations as regards claims against GKEL, we are unable to comment on the additional impact, if any, on the carrying value of investment in GKEL.

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

Material Uncertainty Related to Going Concern

We draw attention to note 1.1 in the standalone Ind AS financial statements which, indicate that the Company has accumulated losses of Rs 61,232.31 Million and its net worth has been substantially eroded, the Company has incurred cash losses during the current and previous years and the Company's current liabilities (including overdue borrowings) exceeded its current assets by Rs 15,185.60 Million as at the balance sheet date. These conditions, along with other matters as set forth in the aforesaid note indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not qualified in respect of this matter.

S.R. Batliboi & Associates LLP
Bengaluru

Emphasis of Matter

We draw attention to the following matters in the Notes of the accompanying standalone Ind AS financial statements for the year ended March 31, 2020:

1. Note 4(5) in connection with certain claims/counter claims and receivables from customers pending settlement/ realisation and certain other key assumptions including capacity utilization of plant in future years and renewal of Power Purchase Agreement with one of its customer expiring in June 2020, considered by the external expert in the valuation assessment of the investments in GMR Warora Energy Limited ('GWEL'), a subsidiary of the Company. The carrying value of the investment of Rs. 10,105.90 Million in GWEL is critically dependent upon the successful settlement of aforesaid matters and achievement of the assumptions as detailed in the aforesaid note. The management based on a valuation assessment made by an external expert during the year ended March 31, 2020, legal expert advice and favourable interim regulatory orders for certain claims/ receivables is confident of a favourable outcome and accordingly no adjustments have been made in the accompanying standalone Ind AS financial statements for the year ended March 31, 2020.

2. Note 38(c) relating to amounts due to certain oversees vendors which are outstanding beyond permissible time period of 3 years under the applicable regulations. As more fully discussed in the aforesaid note, the Company is confident that such delays will not require any adjustments in the accompanying standalone Ind AS financial statements for the year ended March 31, 2020.

3. Note 39 which describes the impact of the outbreak of Corona virus (COVID-19) on the business operations/ financial position/ future cash flows of the Company and its subsidiary companies including raising funds for completion of construction and commencement of operations for entities/ units currently under construction, tying up of untied power supplies, optimum capacity utilization, timely realisation of receivables, resolution of outstanding legal matters and settlement of claims thereof, achievement of cost optimization measures, rescheduling/refinancing of existing loans at lower rates of interest and achievement of other key assumptions considered in the valuation assessment of the carrying value of its investments as detailed in note 4 and 39. In view of the highly uncertain economic environment, a definitive assessment of impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not qualified in respect of these aforesaid matters.

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

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Director's Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.
Our opinion on the standalone Ind AS financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether such Other Information is materially inconsistent with the standalone Ind AS 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 as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of the Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk

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of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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(a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) Except for the possible effects / effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) Except for the possible effects / effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, the matters described in the Basis for Qualified Opinion paragraph and Emphasis of Matter paragraph above, clause (viii) specified in paragraphs 3 and 4 of the Order as detailed in "Annexure I" to this report and Qualified Opinion paragraph of "Annexure II" to this report, in our opinion, may have an adverse effect on the functioning of the Company;

(f) On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

(h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;

(i) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 4(2), 4(4), 4(5), 4(6), 31(II), 38(a) to the standalone Ind AS financial statements;

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ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 20061207AAAACH8115
Place: Bengaluru
Date: June 18, 2020

S.R. Batliboi & Associates LLP
Bengaluru

Annexure I referred to in clause 1 of paragraph on the report on other legal and regulatory requirements of our report of even date

Re: GMR Energy Limited ('the Company')

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

b) Property, plant and equipment have not been physically verified by the management during the year. All property, plant and equipment were physically verified by the management during the year ended March 31, 2018 in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us by the management, the title deeds (including the title deeds of the immovable property mortgaged with the lenders as security for the borrowings and confirmed by the lenders) of immovable properties included in property, plant and equipment are held in the name of the Company.

ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.

iii) According to the information and explanations given to us by the management of the Company, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv) In our opinion and according to the information and explanations given to us by the management of the Company, there are no loans, guarantees, and securities granted in respect of which provisions of sections 185 and 186 of the Act are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us by the management of the Company, the provisions of section 186(1) of the Act in respect of investments made has been complied with by the Company.

v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

vii) a) Undisputed statutory dues including provident fund, employees' state insurance, goods and service tax, professional tax, income tax, duty of custom, cess and other material statutory dues as applicable to the Company, have generally been regularly deposited with the appropriate authorities though there have been slight delays in few cases.

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b) According to the information and explanations given to us by the management of the Company, undisputed dues in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. in Million)	Period to which the amount relates	Due Date	Date of Payment
Income tax Act, 1961	Tax deducted at source	1.42	FY 2018-19	April 30, 2019	Not paid

c) According to the records of the Company, the dues outstanding of income-tax, duty of custom, goods and service tax, electricity duty and cess on account of any dispute, are as follows:

Name of the statue	Nature of dues	Amount of Demand (Rs. in Million)	Period for which amounts relates to	Forum where dispute is pending
Andhra Pradesh Electricity Duty Act, 1939	Electricity Duty	110.62	June 2010 to December 2011	High Court of Judicature, Andhra Pradesh

viii) In our opinion and according to the information and explanations given to us by the management of the Company, the Company has delayed in repayment of loans or borrowing to a financial institution and bank during the year and Rs. 2,034.59 Million of such dues were in arrears as on the balance sheet date. The lender wise details are tabulated as under:

Particulars	Amount of default as at balance sheet date (Rs. in Million)	Period of default (in days)
Life Insurance Corporation of India	Rs.867.92	481
Life Insurance Corporation of India	Rs.1,166.67	116

Further, we understand from the management that the Company has opted for moratorium of principal and interest due for the month of March 2020 as per the notification issued by the Reserve Bank of India dated March 27, 2020 on account of COVID-19, hence not included in above table.

The Company did not have any outstanding loans or borrowing dues in respect of government or dues to debenture holders during the year.

ix) According to the information and explanations given to us by the management of the Company, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans during the year and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management of the Company, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi) According to the information and explanations given to us by the management of the Company, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

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xiii) According to the information and explanations given to us by the management of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, hence not commented upon.

xv) According to the information and explanations given to us by the management of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013 during the year and hence, reporting requirements under clause 3(xv) are not applicable to the Company and, hence not commented upon.

xvi) According to the information and explanations given to us and based on a legal opinion obtained by the management of the Company, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R.Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/E300004

Per Sandeep Karnani
Partner
Membership number: 061207
UDIN: 20061207AAAACH8115
Place: Bengaluru
Date: June 18, 2020

S.R. Batliboi & Associates LLP Bengaluru

Annexure II to the independent auditor's report of even date on the standalone Ind AS financial statements of GMR Energy Limited

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

We have audited the internal financial controls over financial reporting of GMR Energy Limited ("the Company") as of March 31, 2020, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the 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 over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

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Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

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

Qualified Opinion

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 control over financial reporting with reference to these standalone Ind AS financial statements as at March 31, 2020:

(a) The Company's internal financial control with regard to assessment of carrying value of investments as more fully explained in note 38(a), 4(2) and 4(6) to the standalone Ind AS financial statements were not operating effectively and could potentially result in the Company not providing for adjustments, that may be required to be made to the carrying value of such investments.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, 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.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 over

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financial reporting with reference to these standalone Ind AS financial statements were operating effectively as of March 31, 2020.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the ICAI, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2020, and the related Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness referred to in the Qualified opinion paragraph above was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone Ind AS financial statements of the Company and this report affects our report dated June 18, 2020, which expressed a qualified opinion on those standalone Ind AS financial statements.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership number: 061207
UDIN:20061207AAAACH8115
Place: Bengaluru
Date: June 18, 2020

S.R. Batliboi & Associates LLP
Bengaluru

GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Standalone Balance Sheet as at March 31, 2020

	Notes	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Assets			
Non-current assets			
Property, plant and equipment	3(a)	98.00	98.27
Intangible assets	3(b)	-	-
Financial assets			
(i) Investments	4	38,323.50	51,989.47
(ii) Loans	5	962.07	1,653.40
(iii) Other financial assets	6	240.43	129.58
Non current tax assets (net)	7	84.09	89.82
		39,708.09	**53,960.54**
Current assets			
Financial assets			
(i) Trade receivables	9	45.00	60.01
(ii) Cash and cash equivalents	10	28.11	10.80
(iii) Other financial assets	6	65.02	105.72
Other current assets	8	23.67	30.74
		161.80	**207.27**
Assets classified as held for sale	27	1,198.57	1,920.63
		1,360.37	**2,127.90**
TOTAL		**41,068.46**	**56,088.44**
Equity and liabilities			
Equity			
Equity share capital	11	36,069.03	36,069.03
Other equity	12	(11,150.15)	5,854.55
		24,918.88	**41,923.58**
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	31(I)	3.57	-
		3.57	-
Current liabilities			
Financial Liabilities			
(i) Borrowings	14	2,925.60	789.02
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		7.82	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		133.52	111.58
(iii) Other financial liabilities	16	12,264.83	12,934.17
(iv) Lease liabilities	31(I)	0.54	-
Other current liabilities	17	5.44	0.89
Provisions	18	9.65	3.59
		15,347.40	**13,839.25**
Liabilities directly associated with the assets classified as held for sale	27	798.61	325.61
		16,146.01	**14,164.86**
TOTAL		**41,068.46**	**56,088.44**

Summary of significant accounting policies 2.3

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership Number: 061207

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: June 18, 2020

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

Srinivas Bommidala
Chairman & Director
DIN: 00061464

Madhva Bhimacharya Terdal
Director
DIN: 05343139

Manoj Kumar Singh
Chief Financial Officer

Ashis Basu
Chief Executive Officer

GMR Energy Limited

Sanjay Kumar Babu
Company Secretary - FCS-8649

Place: New Delhi
Date: June 18, 2020

GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Standalone Statement of Profit and Loss for the year ended March 31, 2020

	Notes	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Continuing operations			
Income			
Revenue from operations	19	173.10	157.34
Other income	20	9.80	5.26
Finance income	21	120.00	354.53
Total income (I)		**302.90**	**517.13**
Expenses			
Sub-contracting expenses		155.21	143.40
Employee benefit expenses	22	33.13	16.87
Other expenses	23	75.88	105.27
Depreciation and amortisation expenses	24	0.36	2.49
Finance costs	25	2,069.97	1,986.30
Total expenses (II)		**2,334.55**	**2,254.33**
(Loss) / profit before tax expenses and exceptional items from continuing operations (III = I - II)		**(2,031.65)**	**(1,737.20)**
Exceptional items (IV)	26	(14,078.07)	(1,791.54)
(Loss) / profit before tax expenses from continuing operations (V = III - IV)		**(16,109.72)**	**(3,528.74)**
Tax expenses of continuing operations			
Current tax		-	-
Deferred tax (credit) / expenses		-	-
(Loss)/ profit after tax expenses from continuing operations (VI)		**(16,109.72)**	**(3,528.74)**
Discontinued operations			
(Loss) / profit from discontinued operations before tax expenses	27	**(836.26)**	**520.55**
Tax expenses of discontinued operations			
Current tax		-	**424.70**
Deferred tax (credit) / expenses		-	-
(Loss) / profit after tax expenses from discontinued operations (VII)		**(836.26)**	**95.85**
(Loss) / profit for the year (VIII= VI+VII)		**(16,945.98)**	**(3,432.89)**
Other comprehensive income			
A (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax effect		-	-
B (i) Items that will not be reclassified to profit or loss			
- Re-measurement gains / (losses) on defined benefit plans	30(b)(ii)	**(1.13)**	**0.19**
(ii) Income tax effect		-	-
Other comprehensive (loss) / income for the year, net of tax (IX)		**(1.13)**	**0.19**
Total comprehensive income for the year (X = IX + VIII)		**(16,947.11)**	**(3,432.70)**
Earnings per equity share (Rs.) from continuing operations [nominal value of share Rs. 10 each (March 31, 2019: Rs. 10 each] Basic and diluted	28	(4.47)	(0.99)
Earnings per equity share (Rs.) from discontinued operations [nominal value of share Rs. 10 each (March 31, 2019: Rs. 10 each] Basic and diluted	28	(0.23)	0.03
Earnings per equity share (Rs.) from continuing and discontinued operations [nominal value of share Rs. 10 each (March 31, 2019: Rs. 10 each] Basic and diluted	28	(4.70)	(0.96)
Summary of significant accounting policies	2.3		

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership Number: 061207

S. R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: June 18, 2020

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

Srinivas Bommidala
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GMR Energy Limited

Sanjay Kumar Babu
Company Secretary - FCS-8649

Place: New Delhi
Date: June 18, 2020

GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Standalone Statement of Cash Flows for the year ended March 31, 2020

(Rs. in Million)

Particulars	March 31, 2020	March 31, 2019
A. Cash flow from operating activities		
(Loss)/ profit before tax from continuing operations	(16,109.72)	(3,528.74)
(Loss) / profit before tax from discontinued operations	(836.26)	520.55
(Loss) / Profit before tax	**(16,945.98)**	**(3,008.19)**
Non-cash adjustment to reconcile (loss) / profit before tax to net cash flows		
Depreciation and amortisation expenses	0.36	2.49
Provision for diminution in value of investments and loans	14,078.07	1,791.54
Provision / liability no longer required written back	(4.62)	(82.57)
Provision towards impairment of property, plant and equipments and right to use asset	810.48	1,053.87
Notional expense on modification of financial instrument	8.93	-
Impairment allowance on other than trade receivables	3.04	-
Loss on account of foreign exchange fluctuations(net)	6.74	-
(Profit) on sale of current investments (other than trade)	(0.76)	(1.84)
(Profit)/ loss on sale of subsidiary	(57.74)	(1,567.80)
(Profit)/ loss on sale of property, plant and equipment (net) / write off of property, plant and equipment	0.26	1.37
Finance costs	2,115.36	2,012.68
Finance income	(120.00)	(354.53)
Operating (loss) / profit before working capital changes	**(105.86)**	**(152.98)**
Adjustments for:		
(Increase) / Decrease in other assets	(21.41)	26.87
Decrease / (Increase) in other financial assets	12.40	(28.76)
Decrease / (Increase) in trade receivables	15.01	(60.01)
Decrease / (Increase) in inventories	0.10	(0.12)
(Decrease) / Increase in trade payables, other liabilities, other financial liabilities and provisions	213.47	37.41
Cash generated (used in) / from operations	**113.71**	**(177.59)**
Direct taxes (paid) / refund (including interest thereon)	5.81	77.07
Net cash flow (used in) / from operating activities	**119.52**	**(100.52)**
B. Cash flows from investing activities		
Proceeds from advance towards disposal of fixed assets (net of cost incurred towards dismantling)	266.65	-
Purchase of property, plant and equipment	(0.93)	-
Purchase of non current investments (including share application money)	(139.19)	(59.31)
Proceeds from sale of long term investments (net of taxes)	74.87	1,640.96
(Purchase) / sale of current investments (net)	0.76	61.18
(Investments) / redemption of bank deposits (net) (having original maturities of more than three months)	(10.72)	1,545.99
Inter corporate deposits / unsecured loans/ deposits refunded from subsidiaries and other companies	671.06	1,124.35
Inter corporate deposits / bills receivables / unsecured loans given to subsidiaries and other companies	(272.07)	(2,393.72)
Interest received	61.98	288.72
Net cash flow (used in) / from investing activities	**652.41**	**2,208.17**
C. Cash flows from financing activities		
Repayment of non-current borrowings (including current maturities)	(1,302.51)	(352.99)
Proceeds from current borrowings	2,641.98	1,087.50
Repayments of current borrowings	(505.40)	(907.50)
Finance costs paid	(1,588.69)	(2,047.06)
Net cash flow from / (used in) in financing activities	**(754.62)**	**(2,220.05)**
Net (decrease) / increase in cash and cash equivalents	**17.31**	**(112.40)**
Cash and cash equivalents at the beginning of the year	**10.80**	**123.20**
Cash and cash equivalents at the end of the year	**28.11**	**10.80**
Components of cash and cash equivalents		
Cash on hand	0.06	0.08
- on current accounts	28.05	10.72
Total cash and cash equivalents (note 10)	**28.11**	**10.80**

S. R. Batliboi & Associates LLP Bengaluru

GMR Energy Limited

GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Standalone Statement of Cash Flows for the year ended March 31, 2020

Explanatory notes to statement of cash flows

1. Changes in liabilities arising from financing activities :

(Rs. in Million)

	Lease liabilities	Non-current borrowings (including current maturities)	Current borrowings
As at April 01, 2018	-	**12,610.64**	**609.02**
Cash flow changes	-		
Repayment of borrowings	-	(352.99)	(907.50)
Proceeds from borrowings	-	-	1,087.50
Non-cash changes	-		
Changes in fair values	-	168.11	-
As at March 31, 2019	-	**12,425.76**	**789.02**
Cash flow changes	-		
Repayment of borrowings	-	(1,302.51)	(505.40)
Proceeds from borrowings	-	-	2,641.98
Non-cash changes			
Recognition of lease liabilities	103.07	-	-
Changes in fair values	11.34	190.82	-
As at March 31, 2020	**114.41**	**11,314.07**	**2,925.60**

Summary of significant accounting policies 2.3
The accompanying notes are an integral part of the standalone Ind AS financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership Number: 061207

S. R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: June 18, 2020

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

Srinivas Bommidala
Chairman & Director
DIN: 00061464

Madhva Bhimacharya Terdal
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Chief Financial Officer

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Chief Executive Officer

Sanjay Kumar Babu
Company Secretary - FCS-8649

Place: New Delhi
Date: June 18, 2020

GMR Energy Limited

GMR ENERGY LIMITED
Corporate Identity Number (CIN): U85110MH1996PLC274875
Standalone Statement of Changes in Equity for the year ended March 31, 2020

(Rs. in Million)

	Attributable to the equity holders						
	Equity share capital (refer note 11)	Reserves and surplus					Total equity
		General reserve (refer note 12)	Securities premium (refer note 12)	Capital redemption reserve (refer note 12)	Other reserves arising on account of restructuring (refer note 12)	Retained earnings (refer note 12)	
For the year ended March 31, 2020							
As at April 01, 2019	36,069.03	318.05	37,427.02	285.25	12,051.84	(44,227.61)	41,923.58
Profit (loss) for the year	-	-	-	-	-	(16,945.98)	(16,945.98)
Other comprehensive income	-	-	-	-	-	(1.13)	(1.13)
Total comprehensive income	-	-	-	-	-	(16,947.11)	(16,947.11)
Effect of adoption of Ind AS 116 Leases (refer note 2.1 (i))	-	-	-	-	-	(57.59)	(57.59)
As at March 31, 2020	36,069.03	318.05	37,427.02	285.25	12,051.84	(61,232.31)	24,918.88

(Rs. in Million)

	Attributable to the equity holders						
	Equity share capital (refer note 11)	Reserves and surplus					Total equity
		General reserve (refer note 12)	Securities premium (refer note 12)	Capital redemption reserve (refer note 12)	Other reserves arising on account of restructuring (refer note 12)	Retained earnings (refer note 12)	
For the year ended March 31, 2019							
As at April 01, 2018	36,069.03	318.05	37,427.02	285.25	12,051.84	(40,794.91)	45,356.28
Profit (loss) for the year	-	-	-	-	-	(3,432.89)	(3,432.89)
Other comprehensive income	-	-	-	-	-	0.19	0.19
Total comprehensive income	-	-	-	-	-	(3,432.70)	(3,432.70)
As at March 31, 2019	36,069.03	318.05	37,427.02	285.25	12,051.84	(44,227.61)	41,923.58

Summary of significant accounting policies 2.3

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

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI firm registration number: 101049W/E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership Number: 061207

S. R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: June 18, 2020

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

Srinivas Bommidala
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Chief Financial Officer

Ashis Basu
Chief Executive Officer

Sanjay Kumar Babu
Company Secretary - FCS-8649

Place: New Delhi
Date: June 18, 2020

GMR Energy Limited

GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Notes to the standalone Ind AS financial statements for the year ended March 31, 2020

1. Corporate information

GMR Energy Limited ('GEL' or 'the Company') is a public limited Company domiciled in India. 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.

The financial statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on June 18, 2020.

1.1. Going Concern

The Company has been incurring losses including cash losses. The Company has incurred net loss of Rs. 16,947.11 Million during the year ended March 31, 2020 and Rs. 3,432.70 Million during the year ended March 31, 2019 and has accumulated losses of Rs 61,232.31 Million as at March 31, 2020, which has resulted in substantial erosion of the Company's net worth and its current liabilities exceed its current assets as at March 31, 2020 by Rs. 15,185.60 Million respectively. Further, there have been delays in repayments of borrowings and interest thereof by the Company. 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 and continuing financial support by GMR Infrastructure Limited ('GIL') to construction and project stage entities, corporate guarantee issued by GIL to lenders of the Company and pari-passu pledge of 26% of the shares of GMR Airport Limited held by GIL to the lenders of the Company, the management of the Company has prepared the standalone financial statements on a going concern basis, which contemplates realisation of assets and settlement of liabilities in an orderly manner.

2. Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its standalone Ind AS financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these standalone Ind AS financial statements, unless otherwise indicated below:

2.1. Changes in accounting policies and disclosures

Impact of implementation of new standards/amendments:

During the year ended March 31, 2020, the Company has applied Ind AS 116 "Leases" for the first time. The nature and effect of the changes as a result of adoption is described below in 2.1 (i).

Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the standalone Ind AS financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

(i) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

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GMR Energy Limited

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets)

The effect of adoption Ind AS 116 as at April 01, 2019 (increase/ (decrease)) is, as follows:

Rs. in Million

Particulars	**Amount**
Property, plant and equipment	
Right of use assets	0.84
Groups of assets classified as held for sale	
Right of use assets	44.64
Total	**45.48**
Lease liabilities	4.14
Liabilities associated with Groups of assets classified as held for sale	
Lease liabilities	98.93
Total	**103.07**
Total adjustment on equity:	
Retained earnings	**(57.59)**

The Company has lease contracts for land used in its operations. Further, the Company also has certain leases of office premises with low value/ short term lease. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.3 (i) Leases for the accounting policy beginning April 01, 2019 and prior to it. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases

The Company did not classify any lease as finance leases under Ind AS 116.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

S. R. Batliboi & Associates LLP Bengaluru

GMR Energy Limited

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics

- Relied on its assessment of whether leases are onerous immediately before the date of initial application

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application

- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at April 01, 2019:

- Right of use assets of Rs. 45.48 million were recognised and presented separately in the balance sheet.
- Lease liability of Rs. 103.07 million were recognised.
- The net effect of these adjustments has been adjusted to retained earnings amounting to Rs. (57.59) million.

The lease liabilities as at April 01, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Rs. in million

Particulars	**Amount**
Assets	
Operating lease commitments as at March 31, 2019	264.42
Weighted average incremental borrowing rate as at April 01, 2019	12.00%
Discounted operating lease commitments as at April 01, 2019	103.07
Lease liabilities as at April 01, 2019	**103.07**

(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

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GMR Energy Limited

The Company applies significant judgement in identifying uncertainties over income tax treatments. The Company has determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the standalone Ind AS financial statements of the Company.

(iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the standalone Ind AS financial statements of the Company.

(iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

(v) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the standalone Ind AS financial statements as the Company does not have long-term interests in its associate and joint venture.

Annual Improvements to Ind AS 2018

(i) Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

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GMR Energy Limited

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the standalone Ind AS financial statements of the Company.

(ii) Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after April 01, 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the standalone Ind AS financial statements of the Company.

2.2. Basis of preparation

The standalone Ind AS financial statements ('SFS') of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the SFS.

The standalone Ind AS financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

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 (INR 000,000) except when otherwise indicated.

2.3. 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
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,

S.R. Batliboi & Associates LLP Bengaluru

GMR Energy Limited

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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

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.

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

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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 operational and maintenance contracts

Revenue is recognized upon the completion of specific activity as required by the customer. It is recognized in accordance with the terms of sale, including delivery of the service, the selling price is fixed or determinable, and collectability is reasonably assured.

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. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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 (n) Financial instruments – initial recognition and subsequent measurement.

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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 financial 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 finance income in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

d. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. 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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the standalone Ind AS 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 is proba
temporary differences can be utilised.

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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.

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

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.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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.

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,

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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 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. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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 assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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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. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the effect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer software	Definite (6 years)	Straight-line basis	Acquired

h. 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.

i. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Company has obtained land on operating lease for a term of 29-30 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (k) Impairment of non-financial assets.

Lease Liabilities

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

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(unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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.

Leases (prior to April 01, 2019 i.e. application of Ind AS 116)

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

Company as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Finance charges are recognised as finance costs in the standalone statement of profit and loss and are computed using the effective interest method. A leased asset is depreciated over the useful life of the asset.

Operating lease payments are recognised as an expense in the standalone statement of profit and loss on a straight-line basis over the lease term.

j. 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.

k. 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, intangible assets 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. Goodwill and the intangible Intangible assets with indefinite life are tested for impairment each year.

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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 excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying 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.

l. 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.

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If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.
An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).
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 consolidated 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.

m. 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 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

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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.
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.

n. 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.

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.

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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.

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

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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.

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.

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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.

o. 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.

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.

p. 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.

q. Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity. Final dividends on shares are recorded as a liability on the date of

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approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

r. Foreign currencies

The standalone Ind AS financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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

s. Corporate social responsibility ('CSR') expenditure

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

t. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such 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, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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3(a) Property, plant and equipment

(Rs. in Million)

Particulars	Freehold land	Right of use asset[3]	Buildings	Office equipments	Vehicles	Furniture and fixtures	Total
Gross Block							
Cost/ deemed cost							
As at April 01, 2018	97.75	-	122.61	3.56	0.16	2.76	226.84
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	(1.36)	-	(0.40)	(1.76)
As at March 31, 2019	97.75	-	122.61	2.20	0.16	2.36	225.08
Additions	-	0.84	-	0.09	-	-	0.93
Disposals	-	-	-	-	-	-	-
As at March 31, 2020	97.75	0.84	122.61	2.29	0.16	2.36	226.01
Accumulated Depreciation and impairment							
As at April 01, 2018	-	-	122.61	3.50	0.05	1.93	128.09
Charge for the year	-	-	-	0.04	0.01	0.43	0.48
Disposals	-	-	-	(1.36)	-	(0.40)	(1.76)
As at March 31, 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
Disposals	-	-	-	-	-	-	-
As at March 31, 2020	-	0.84	122.61	2.19	0.07	2.30	128.01
Net Block							
As at March 31, 2020	97.75	-	-	0.10	0.09	0.06	98.00
As at March 31, 2019	97.75	-	-	0.02	0.10	0.40	98.27

Notes

1. Refer note 13 as regards pledge of tangible asset against the borrowings of the Company.
2. The Company has pledged the following assets for the working capital limits availed from a bank
-Exclusive charge on the current assets of the Company
- Exclusive charge on Land & Building at Tanir Bavi village, Surathkal, Hobli, Mangalore of the Company.
-Second charge on all other fixed assets of the Company (including Barge plant, situated at survey no. 411 & 413, Kakinada, AP) of GEL.
3. Refer note 33(I)

4. The Company during the year ended March 31, 2017 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Company had availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and intangible assets has been carried forward at the amount as determined under the previous GAAP as at April 01, 2015.

3(b) Intangible assets

(Rs. in Million)

Particulars	Computer software	Total
Gross Block		
Cost/ deemed cost		
As at April 01, 2018	13.22	13.22
Additions	-	-
Impairment	(0.98)	(0.98)
Disposals	(12.24)	(12.24)
As at March 31, 2019	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2020	-	-
Accumulated Amortisation		
As at April 01, 2018	10.23	10.23
Charge for the year	2.01	2.01
Disposals	(12.24)	(12.24)
As at March 31, 2019	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2020	-	-
Net block		
As at March 31, 2020	-	-
As at March 31, 2019	-	-

1. Refer 3(a)(4)

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2020

4 Financial assets - Investments

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
A. Investments (valued at cost, unless otherwise stated)		
Unquoted		
a) In equity shares of subsidiaries		
- Indian Companies		
GMR Vemagiri Power Generation Limited ('GVPGL') [1, 7] [274,500,134 (March 31, 2019 : 274,500,134) equity shares of Rs. 10 each fully paid-up]	2,959.00	2,959.00
GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL') [2,10] [4,995,100 (March 31, 2019 : 4,995,100) equity shares of Rs. 10 each fully paid-up]	49.95	49.95
GMR Consulting Services Private Limited ('GCSPL') [10] [49,900 (March 31, 2019 :49,900) equity shares of Rs. 10 each fully paid-up]	0.50	0.50
GMR Warora Energy Limited ('GWEL') [1, 5, 10] [870,000,000 (March 31, 2019: 870,000,000) equity shares of Rs. 10 each fully paid-up]	9,987.50	9,987.50
GMR Maharashtra Energy Limited ('GMEL') [10] [50,000 (March 31, 2019: 50,000) equity shares of Rs. 10 each fully paid-up]	0.50	0.50
GMR Rajam Solar Power Private Limited ('GRSPPL') [10] [10,000 (March 31, 2019: 10,000) equity shares of Rs. 10 each fully paid-up]	0.10	0.10
GMR Gujarat Solar Power Private Limited ('GGSPPL') [1] [73,600,000 (March 31, 2019: 73,600,000) equity shares of Rs. 10 each fully paid-up]	736.00	736.00
GMR Bundelkhand Energy Private Limited ('GBEL') [10] [10,000 (March 31, 2019: 10,000) equity shares of Rs. 10 each fully paid-up]	0.10	0.10
GMR Indo Nepal Energy Links Limited ('GINELL') [10] [50,000 (March 31, 2019: 50,000) equity shares of Rs. 10 each fully paid-up]	0.50	0.50
GMR Indo Nepal Power Corridors Limited ('GINPCL') [10] [50,000 (March 31, 2019: 50,000) equity shares of Rs. 10 each fully paid-up]	0.50	0.50
- Body Corporates		
GMR Energy (Mauritius) Limited ('GEML') (Rs.3,954; March 31, 2019: Rs. 3,954) [95 (March 31, 2019: 95) equity shares of USD 1 each fully paid-up]	0.00	0.00
Himtal Hydropower Company Private Limited ('HHCPL')[3] [Nil (March 31, 2019: 92,985) equity shares of NPR 100 each fully paid-up]	-	13.14
b) In equity shares of joint ventures and associates		
- Indian Companies		
Rampia Coal Mine and Energy Private Limited (RCMEPL) [4] [24,348,016 (March 31, 2019: 24,348,016) equity shares of Re 1 each fully paid-up]	-	24.35
GMR Kamalanga Energy Limited ('GKEL') [1,6,10] [1,878,440,283 (March 31, 2019: 1,878,440,283) equity shares of Rs. 10 each fully paid-up]	18,876.71	18,876.71
GMR Bajoli Holi Hydropower Private Limited (GBHHPL) [1,9,12] [429,665,600 (March 31, 2019 : 411,095,600) equity shares of Rs. 10 each fully paid-up]	4,296.66	4,110.96
GMR Tenaga Operations and Maintenance Private Limited [25,000 (March 31, 2019: 25,000) equity shares of Rs. 10 each fully paid-up]	0.25	0.25
(c) Investment in additional equity of subsidiaries and joint ventures on account of fair valuation of loans, debentures, preference shares and guarantees		
GWEL [5,10]	449.22	449.22
GGSPPL[10]	32.77	32.77
GKEL [6,10]	3,950.41	3,950.41
GMEL [10]	109.74	109.74
GINPCL [10]	1.97	1.97
GINELL [10]	1.12	1.12
GRSPPL [10]	20.52	19.15
GBHHPL[12]	1,719.38	1,823.37
GBHPL[2,10]	5,985.64	5,982.82
GVPGL [7,10]	677.79	433.05
GBEL	41.66	38.00
Investments at cost		
d) In preference shares of subsidiaries (Unquoted)		
- Indian Companies		
GWEL [5,10] [170,008,060 (March 31, 2019: 170,008,060) 0.001% compulsorily convertible preference shares of Rs.10 each fully paid-up]	1,930.00	1,930.00
GVPGL [7,10] [50,000 (March 31, 2019: 50,000) 0.001% Non-cumulative compulsorily convertible preference shares of Rs.100,000 each fully paid-up]	2,864.92	2,864.92

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	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
- Body Corporate		
GEML [10] [11,331,900 (March 31, 2019: 10,781,900) class A preference shares of USD 1.00 each fully paid-up]	857.47	745.62
Investments at Fair value through statement of profit and loss		
e) In equity shares of other companies		
- Indian Companies		
Power Exchange India Limited [8] [4,000,000 (March 31, 2019: 4,000,000) equity shares of Rs 10 each fully paid-up]	-	-
GMR Energy Trading Limited [11] [14,060,000 (March 31, 2019: 14,060,000) equity shares of Rs 10 each fully paid-up]	140.60	140.60
Total (a+b+c+d+e)	**55,691.48**	**55,282.82**
Less: Transferred to Asset held for sale (refer note 4(3) and note 27)		
-HHCPL	-	13.14
Less: Provision for diminution in the value of investments		
- GBHPL [10]	2,774.80	1,275.80
- GVPGL [10]	433.05	433.05
- GEML [10]	857.47	733.02
- RCMEPL [4]	-	24.35
- GINPCL [10]	2.47	0.93
- GINELL [10]	1.62	0.52
- GRSPPL [10]	20.62	0.85
- GWEL [10]	2,260.82	317.32
- GBHHPL	91.64	91.64
- GKEL [10]	10,744.99	264.99
- GGSPPL	28.00	28.00
- GMEL [10]	110.24	109.74
- GCSPL [10]	0.50	-
- GBEL [10]	41.76	-
Total	**38,323.50**	**51,989.47**
Aggregate amount of non-current unquoted investments	55,691.48	55,282.82
Aggregate provision for diminution in the value of non-current unquoted investments	17,367.98	3,280.21

Notes:

1. Refer note 31(III)(iv) for details of shares pledged.

2. As at March 31, 2020, the Company has investments of Rs. 3,260.79 million (after provision for diminution in the value of investment of Rs. 2,774.80 Million) in GBHPL. Further, the Company also provided bank guarantee of Rs. 188.20 Million Government of Uttarakhand- Department of Energy and Power Grid Corporation of India Limited. 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 May 7, 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 March 31, 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 March 31, 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 April 17, 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 March 31, 2020, the management of the Company is of the view that the carrying value of its investments in GBHPL as at March 31, 2020 is appropriate.

3. Refer note 27(ii)

4. Pursuant to a writ petition filed before the Hon'ble Supreme Court of India ('the Court'), the Court through its Orders dated August 25, 2014 and September 24, 2014 ('the Orders') cancelled the allocations of all but four coal blocks made between 1993 and 2010 as the Court has considered the allocations being arbitrary and illegal under the applicable laws. The allocation of the Rampia coal mine to RCMEPL was cancelled by the aforesaid Orders. The Company has made a provision for diminution in the value of its investment (including share application money of Rs. 2.88 Million) in RCMEPL amounting to Rs. 27.23 Million during the year ended March 31, 2015 which has been written off during the year ended March 31, 2020 as RCMEPL has filled an application to Register of Companies ('ROC') for removing its name from register of Companies and the same is in the process of approval by ROC.

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5 (a) The Company has investments (including investments in equity share capital / preference share capital) of Rs. 10,105.90 Million (after provision for diminution in the value of investment of Rs. 2,260.82 Million) in GMR Warora Energy Limited ('GWEL'). Further, the Company 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. 6,407.61 Million as at March 31, 2020, which has resulted in substantial erosion of GWEL's net worth and its current liabilities exceed current assets. GWEL had claimed compensation for various "change in law" events including coal cost pass through, duties and taxes, carrying cost etc. 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 and unbilled revenue (including claims) of Rs 5,604.88 Million and the payment from the customers against the claims is substantially pending receipt. Based on certain favourable interim regulatory orders, the management is confident of a favourable outcome towards the outstanding receivables. 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. Further, GWEL received notices from one of its customer disputing payment of capacity charges since March 23, 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. The management based on its internal assessment is of the view that the aforesaid capacity charges are fully recoverable. GWEL has made profits before taxes during current period and for the year ended March 31, 2020 and March 31, 2019 and have favourable interim orders towards the aforementioned claims. The management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables (including claims) and based on business plans and valuation assessment by an external expert during the year ended March 31, 2020, the management of the Company is of the view that the carrying value of its investments in GWEL as at March 31, 2020 is appropriate.

5 (b) During the year March 31,2019, 0% Non cumulative redeemable preference shares of Rs.10 each issued by GWEL was converted into 0.001% compulsory convertible preference shares of Rs.10 each fully paid-up.

6 (a) The Company has investments (including investments in equity share capital, subordinate loans and interest accrued thereon) of Rs. 12,784.00 Million (after provision for diminution in the value of investment of Rs. 10,744.99 Million) in GKEL. The Company has 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. GKEL has accumulated losses of Rs. 18,034.90 Million as at March 31, 2020 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. 14,855.77 Million as at March 31, 2020, 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 as at March 31, 2020. 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(6)(b) and 4(6)(c) there are continuing litigation with the joint venture partner and capital creditors which are pending settlement. Also the second phase of GKEL i.e. UNIT IV for which construction has not commenced as at March 31, 2020.

During the year ended March 31, 2020, as part of the strategic initiatives being undertaken by the Management to ensure liquidity and timely payment of its obligations as detailed in note 1.1, the management of the Company, entered into binding share purchase agreement with a prospective buyer for sale of its equity stake in GKEL. However, subsequent to the year end, the transaction related to the sale of the equity stake in GKEL was put on hold. Considering the sale has not been completed by the buyer within the agreed timelines the investment has not been classified as held for sale. Though the realisable value as per the binding sale agreement is lower than the value determined as per the discounted cash flow method, the management continues to carry the investment in GKEL at carrying value determined as per the discounted cash flow method based on a valuation done by an external expert during the year ended March 31, 2020. 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 and joint venture partners in favour of GKEL, raising funds for completion of construction and commencement of operations for unit IV currently under construction, tying up of existing untied capacities, significant ramp up in production, achievement of cost optimization measures, rescheduling/ refinancing of existing loans at lower rates of interest and other key assumptions as detailed above. The Company is confident of achieving the various assumptions considered in the future cash flows as per the valuation assessment and is of the view that the carrying value of the investments in GKEL as at March 31, 2020 is appropriate.

6 (b) During the year ended March 31, 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. The matter is currently under arbitration. In view of ongoing arbitration, and considering the uncertainty regarding the settlement price of equity shares, no adjustments have been made in the standalone Ind AS financial statements.

6 (c) GKEL had appointed SEPCO Electric Power Construction Corporation (SEPCO) as the engineering, procurement and construction contractor for the power project pursuant to an international competitive bidding process. As at March 31, 2020, GKEL has payable amounting to Rs. 5,146.68 million on account of above services. Further, GKEL and SEPCO have initiated arbitration proceedings towards settlement of disputed dues / claims. GKEL invoked the bank guarantees of its EPC contractors amounting to Rs. 5,792.63 million. The EPC contractors have filed a claim approximately of Rs. 19,670.00 million in Singapore International Arbitration Counsel. GKEL has also filed its reply to the statement of claims and have filed counter claims approximating of Rs.16,600.29 million. Based on internal assessments and an external legal opinion, the management of the Company believes that the claim and the outstanding payable of the EPC contractor is not tenable, accordingly no adjustments have been made in the in the standalone Ind AS financial statements of the Company.

7. Refer note 38(a) as regards investments in GVPGL.

During the year ended March 31, 2019, 7% cumulative redeemable preference shares of Rs.100,000 each issued by GVPGL was converted into 0.001% Non-cumulative compulsory convertible preference shares of Rs.100,000 each fully paid-up.

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

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9. During the year ended March 31, 2018, the Company entered into a share subscription-cum-shareholders' agreement with Delhi International Airport Limited ('DIAL') whereby DIAL subscribed for certain equity shares of GBHHPL. Pursuant to the said agreement, GBHHPL became a joint venture of the Company from the year ended March 31, 2018.

10. During the year ended March 31, 2020 and March 31, 2019, 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 Ind AS financial statements of the Company.

11. 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.

12. As at March 31, 2020, the Company has investments (including investments in equity share capital and subordinate loan) of Rs. 6,183.27 Million (after provision for diminution in the value of investment of Rs. 91.64 Million) in GBHHPL. GBHHPL 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, possession of additional fund, completion of construction and commencement of operations thereof, refinancing of existing loan at lower rate, 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 March 31, 2020, the management of the Company is of the view that the carrying value of its investments in GBHHPL as at March 31, 2020 is appropriate.

13. 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:

	March 31, 2020	March 31, 2019
a) In equity shares		
GMR Pochanpalli Expressways Private Limited (GPEPL)	690,000	690,000
Delhi International Airport Private Limited (DIAL)	100	100
GMR Chennai Outer Ring Road Private Limited (GCORRPL)	3,000,000	3,000,000
GMR Ambala - Chandigarh Expressways Private Limited (GACEPL)	24,222,593	24,222,593
b) In preference shares		
GCORRPL	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.

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2020

5 Loans

	Non-Current	
	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Security deposits		
Unsecured, considered good		
Security deposit with related parties (refer note 29)	1.00	1.00
Security deposit with others	0.33	0.33
Total (A)	**1.33**	**1.33**
Loan and advances to related parties (refer note 29)		
Unsecured, considered good	960.74	1,652.07
Unsecured loans - credit impaired	131.36	96.36
	1,092.10	**1,748.43**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured loans - credit impaired	(131.36)	(96.36)
Total (B)	**960.74**	**1,652.07**
	962.07	**1,653.40**

Notes:

1. Also refer note 4(6), 4(10) and 4(12)

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	
	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Unsecured, considered good unless stated otherwise				
Application money paid towards investment (refer note 29)	139.19	39.06	-	-
Application money paid towards investment - credit impaired (refer note 29)	-	2.88	-	-
Non-current bank balances (refer note 10)	101.24	90.52	-	-
Other than trade receivables (refer note 29)	-	-	62.62	69.58
Other than trade receivables which have significant increase in credit risk	-	-	275.73	272.69
Interest accrued on fixed deposits	-	-	2.40	6.87
Interest accrued on unsecured loans / inter corporate deposits to related parties considered good (refer note 29)	-	-	-	29.27
Total	**240.43**	**132.46**	**340.75**	**378.41**
Less: Impairment allowance on application money - credit impaired	-	2.88	-	-
Less: Impairment allowance on other than trade receivables which have significant increase in credit risk	-	-	275.73	272.69
	240.43	**129.58**	**65.02**	**105.72**

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2020

7 Tax assets (net)

	Non-Current	
	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Advance income-tax (net of provision for tax and including amount paid under protest Rs. 68.92 Million (March 31, 2019 : Rs. 68.92 Million))	84.09	89.82
	84.09	**89.82**

8 Other assets

	Non-Current		Current	
	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Advances, other than capital advances	-	-	0.28	1.50
Prepaid expenses	-	-	16.43	29.24
Balances with statutory / government authorities	-	-	6.96	-
Balances with statutory / government authorities, unsecured which have significant increase in credit risk	45.99	45.99	-	-
Total	**45.99**	**45.99**	**23.67**	**30.74**
Less: Impairment allowance on balances with statutory / government authorities which have significant increase in credit risk (refer note 31(II)B(ii))	45.99	45.99	-	-
	-	-	**23.67**	**30.74**

9 Trade receivables

	Current	
	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Unsecured, considered good unless stated otherwise		
Receivable from related parties (refer note 29)	45.00	60.01
	45.00	**60.01**

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.

10 Cash and cash equivalents

	Non-Current		Current	
	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Cash and cash equivalents				
Balances with banks:				
– On current accounts	-	-	28.05	10.72
Cash on hand	-	-	0.06	0.08
Total (A)	-	-	**28.11**	**10.80**
Bank balances other than cash and cash equivalents				
– Restricted balances with bank*	101.24	90.52	-	-
Total (B)	**101.24**	**90.52**	-	-
Amount disclosed under non-current assets (refer note 6)	101.24	90.52	-	-
Total (C)	**101.24**	**90.52**	-	-
Total (A+B-C)	-	-	**28.11**	**10.80**

*Rs. 19.56 million has been offered as margin money against bank guarantee issued in favour of Government for Uttarakhand for GBHPL.

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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 April 01, 2018	4,000,000,000	40,000.00	172,500,000	1,725.00	14,275,000	14,275.00
At March 31, 2019	4,000,000,000	40,000.00	172,500,000	1,725.00	14,275,000	14,275.00
At March 31, 2020	**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 April 01, 2018	3,606,902,694	36,069.03
At March 31, 2019	3,606,902,694	36,069.03
At March 31, 2020	**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 March 31, 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 March 31, 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 March 31, 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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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))

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
GGAL		
1,301,531,411 (March 31, 2019: 1,301,531,411) equity shares of Rs. 10 each.	13,015.32	13,015.32
GEPML		
150,912,717 (March 31, 2019: 150,912,717) equity shares of Rs. 10 each.	1,509.13	1,509.13
GIL		
413,266,250 (March 31, 2019: 413,266,250) equity shares of Rs. 10 each.	4,132.66	4,132.66
Welfare trust for GMR Group Employees		
15,000,000 (March 31, 2019: 15,000,000) equity shares of Rs. 10 each	150.00	150.00
Power and Energy International (Mauritius) Limited		
1,082,070,808 (March 31, 2019: 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:

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
During the year ended March 31, 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 March 31, 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

	March 31, 2020		March 31, 2019	
Equity shares of Rs. 10 each	**Number of shares**	**% holding in the class**	**Number of shares**	**% holding in the class**
GGAL	1,301,531,411	36.08%	1,301,531,411	36.08%
GIL	413,266,250	11.46%	413,266,250	11.46%
GEPML	150,912,717	4.18%	150,912,717	4.18%
Claymore Investments (Mauritius) Pte. Limited	447,414,382	12.40%	447,414,382	12.40%
IDFC Private Equity Fund III*	118,487,402	3.29%	118,487,402	3.29%
Infrastructure Development Finance Company Limited*	23,697,279	0.66%	23,697,279	0.66%
Power and Energy International (Mauritius) Limited	1,082,070,808	30.00%	1,082,070,808	30.00%

* Joint investors under the same share subscription and shareholders agreement

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

GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Notes to the standalone Ind AS financial statements for the year ended March 31, 2020

12 Other Equity

		Rs. in Million
Securities premium		
Balance at April 01, 2018		37,427.02
Balance at March 31, 2019		37,427.02
Balance at March 31, 2020	(A)	**37,427.02**
General reserve		
Balance at April 01, 2018		318.05
Balance at March 31, 2019		318.05
Balance at March 31, 2020	(B)	**318.05**
Capital redemption reserve		
Balance at April 01, 2018		285.25
Balance at March 31,2019		285.25
Balance at March 31, 2020	(C)	**285.25**
Other reserves arising on account of restructuring		
Balance at April 01, 2018 (refer note 12(1))		12,051.84
Balance at March 31, 2019		12,051.84
Balance at March 31, 2020	(D)	**12,051.84**
Surplus in the statement of profit and loss		
Balance at April 01, 2018		(40,794.91)
Profit/ (loss) for the year		(3,432.89)
Less: Re-measurement (losses) / gains on defined benefit plans*		0.19
Balance at March 31, 2019		**(44,227.61)**
Profit/ (loss) for the year		(16,945.98)
Add: Effect of adoption of Ind AS 116 Leases (refer note 2.1 (i))		(57.59)
Add: Re-measurement (losses) / gains on defined benefit plans*		(1.13)
Balance at March 31, 2020	(E)	**(61,232.31)**
Total other equity (A+B+C+D+E)		
Balance at March 31, 2019		**5,854.55**
Balance at March 31, 2020		**(11,150.15)**

Note :

1.During the year ended March 31, 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 March 31, 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 and is utilised 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).

Surplus in the statement of profit and loss
Represents the profits / losses of the Company earned till date net of appropriations.

* As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains / (losses) of defined benefit plans as part of retained earnings.

GMR Energy Limited

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13 Financial liabilities - Borrowings

	Current Maturities	
	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Term loans		
Indian rupee term loan from a bank (secured) [1,3]	5,779.82	5,713.47
Indian rupee term loan from a financial institution (secured) [2]	5,534.25	6,712.29
	11,314.07	12,425.76
The above amount includes		
Secured borrowings	11,314.07	12,425.76
Amount disclosed under the head 'other current financial liabilities' (refer note 16)	(11,314.07)	(12,425.76)
	-	-

1.Secured Indian rupee term loan from a bank 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 13.35% to 13.40% p.a. (March 31, 2019: 12.00% to 13.35% p.a.) and is 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 has the right to exercise the put option and hence the loan is classified as current.

As at March 31, 2019, the Company has 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 for the year ended March 31, 2019.

2. Secured Indian rupee term loan from a financial institution which is 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) Pledge of shares of GIL held by GEPL. iii) Corporate Guarantee of GMR Infrastructure Limited. As at March 31, 2020, the Company has 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 has classified the entire loan as current for the years ended March 31, 2020 and March 31, 2019. 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 March 31, 2020.

3. Pursuant to the 'Statement on Developmental and Regulatory Policies' dated March 27, 2020 issued by the Reserve Bank of India which directly addressed the stress in financial conditions caused by COVID-19, the banks and financial institutions have provided a moratorium on payment of dues (principal and interest) for three (3) months starting March 1, 2020. The Company has applied and obtained approval from the bank for the moratorium of 3 months.

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

Particulars	Nature	March 31, 2020 (Rs. in Million)	March 31, 2019 (Rs. in Million)	March 31, 2020 Period of Default (No. of days)	March 31, 2019 Period of Default (No. of days)
Indian Rupee term loans from financial institution	Payment of principal	2,034.59	2,050.34	116-481	110-481
Indian Rupee term loans from financial institution	Payment of Interest	104.71	-	0-30	-
Indian Rupee term loans from bank	Payment of principal	-	10.00	-	0-30
Indian Rupee term loans from bank	Payment of Interest	-	59.22	-	0-30
Total		**2,139.30**	**2,119.56**		

14 Current borrowings

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Short term loans from related parties (unsecured) [1]	2,915.60	789.02
Short term loans from others [2]	10.00	-
	2,925.60	**789.02**
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	2,925.60	789.02

1. Short term loan from related parties of carries an interest rate of 10.70 % p.a.to 12.25% p.a. (March 31, 2019 : 10.70% to 12.00% p.a.).

2. Short term loan from others of Rs. 10.00 Million (March 31, 2019 : Rs. Nil) carries an interest rate of 11.00 % p.a. (March 31, 2019 : Nil).

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15 Trade payables

	Current	
	March 31, 2020 Rs. in Million	**March 31, 2019 Rs. in Million**
Total outstanding dues of creditors other than micro enterprises and small enterprises	7.82	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables to related parties (refer note 29)	19.71	14.89
Trade payables - others	113.81	96.69
	141.34	**111.58**

Notes:

1. Includes retention money of Rs. 16.43 Million (March 31, 2019: Rs. 9.17 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 35 (c)
- The dues to related parties are unsecured.

3. Trade payables include due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Amount due to suppliers under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier as at balance sheet date.The disclosure persuant to the said Act is as under:

	March 31, 2020 Rs. in Million	**March 31, 2019 Rs. in Million**
Principal amount remaining unpaid to any supplier as at the end of the accounting year	7.82	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

16 Other financial liabilities

	Current	
	March 31, 2020 Rs. in Million	**March 31, 2019 Rs. in Million**
Current maturities of non-current borrowings (refer note 13)	11,314.07	12,425.76
Interest payable (refer note 29)	715.59	412.39
Advance from vendor against the claim (refer note 31(II)(c))	161.09	-
Accrued salaries and benefits	5.91	1.77
Non trade payables (refer note 29)	0.54	20.82
Financial guarantee contracts (refer note 29)	67.63	73.43
	12,264.83	**12,934.17**

17 Other liabilities

	Current	
	March 31, 2020 Rs. in Million	**March 31, 2019 Rs. in Million**
Tax deductible at source payable	5.11	0.45
Other statutory dues	0.33	0.44
	5.44	**0.89**

18 Provisions

	Current	
	March 31, 2020 Rs. in Million	**March 31, 2019 Rs. in Million**
Provision for compensated absences	9.65	3.59
	9.65	**3.59**

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19 Revenue from operations

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Sale of services*		
Income from maintenance contracts (refer note 29)	173.10	157.34
	173.10	**157.34**

* The same is recognised over a point of time.

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
a) **Contract Balances:**		
Trade receivables (refer note 9)		
- Current	45.00	60.01
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

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Fair value gain on financial instrument at fair value through profit and loss	0.76	1.84
Provision / liability no longer required written back	4.62	3.16
Gain on account of foreign exchange fluctuations(net)	3.74	-
Other non-operating income	0.68	0.26
	9.80	**5.26**

21 Finance income

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Interest income on		
Bank deposits	7.20	64.94
Income tax refunds	0.08	15.66
Long term loans (refer note 29)	21.04	115.60
Notional income on unwinding of financial instruments (refer note 29)	91.68	158.33
	120.00	**354.53**

22 Employee benefit expenses

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Salaries, wages and bonus	31.46	15.43
Contribution to provident and other funds (refer note 30)	1.39	1.08
Gratuity expenses (refer note 30)	0.12	0.19
Staff welfare expenses	0.16	0.17
	33.13	**16.87**

23 Other expenses

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Rates and taxes	0.25	2.05
Legal and professional fees*	43.57	90.72
Travelling and conveyance	4.89	1.32
Directors' sitting fees	1.58	1.39
Power and fuel	1.89	3.67
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	3.04	-
Land lease rentals	7.82	-
Miscellaneous expenses	3.07	6.12
	75.88	**105.27**

*Legal and professional fees includes remuneration to auditors as follows:

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
As auditors:		
Audit fee (including fee for audit of consolidated financial statements of the Company excluding GST)	10.20	10.20
Other services (including certification fees)	4.00	4.00
Reimbursement of expenses	1.47	0.75
	15.67	**14.95**

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24 Depreciation and amortisation expenses

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Depreciation of property, plant and equipment (refer note 3(a))	0.36	0.48
Amortisation of intangible assets (refer note 3(b))	-	2.01
	0.36	**2.49**

25 Finance costs

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Interest (refer note 29)	2,027.45	1,923.62
Bank and other finance charges	42.52	62.68
	2,069.97	**1,986.30**

26 Exceptional items (net)

	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
Provision for diminution in the value of investments and loans	14,078.07	1,791.54
	14,078.07	**1,791.54**

Breakup:

	March 31, 2020 Rs. in Million
Provision for diminution in the value of investments	14,043.07
Provision for diminution in the value of loans	35.00
	14,078.07

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

Opening Balance	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
Closing Balance	**17,367.98**

1. Refer note 4(10) and 5

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GMR Energy Limited

27. Discontinued Operations

i) During the year ended March 31, 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 March 31, 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 December 31, 2020. Based on the realisable value as per the agreement, the Company has made a further provision towards impairment of Rs. 765.00 million (March 31, 2019: Rs. 1,053.87 million) towards its plant and machinery and has 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 March 31, 2020 is appropriate.

ii) During the year ended March 31, 2018, the board of directors of the Company approved the plan to divest the Company's stake in HHCPL. Further, during the year ended March 31, 2019, the Company had entered into a securities purchase agreement for divestment of it's 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 March 31, 2019 and the transfer of balance 3.39% is completed during the year ended March 31, 2020. Accordingly, the Company has disclosed profit of Rs. 57.74 million on transfer of balance stake (March 31, 2019: Rs. 1,567.80 million) as exceptional item from discontinued operations.

(Loss) / profit from discontinued operations	**March 31, 2020 Rs. in Million**	**March 31, 2019 Rs. in Million**
Income		
Other income	10.35	89.96
Total income (I)	**10.35**	**89.96**
Expenses		
Sub-contracting expenses	1.26	0.78
Stores and spares consumed	0.41	0.08
Employee benefit expenses	4.96	4.42
Land lease rentals	2.90	15.50
Other expenses	39.79	36.18
Finance costs	45.39	26.38
Total expenses (II)	**94.71**	**83.34**
Profit / (loss) before tax expenses and exceptional items (III = I - II)	**(84.36)**	**6.62**
Exceptional items (IV)		
a) Profit on sale of subsidiary(refer note 27(ii))	57.74	1,567.80
b) Provision for diminution in value of PPE (refer note 27(i))	(765.00)	(1,053.87)
c) Provision for diminution in value of right of use asset (refer note 31(I))	(44.64)	-
(Loss) / profit from discontinued operations before tax expenses (V = III - IV)	**(836.26)**	**520.55**
Tax expenses of discontinuing operations		
Current tax (on sale of stake in HHCPL)	-	424.70
Deferred tax	-	-
(Loss) / profit from discontinuing operations	**(836.26)**	**95.85**

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

	March 30, 2020 Rs. in Million	**March 31, 2019 Rs. in Million**
Groups of assets classified as held for sale		
Property, plant and equipment (net of provision) (note 27(i))	1,120.25	1,886.04
Contract work in progress	51.71	-
Inventory (Stores, spares and components (net of provision of inventory of Rs. 157.14 Million (March 31, 2019: Rs. 157.14 Million)	0.26	0.36
Investment in HHCPL (refer note 27 (ii)) (represented by Nil (March 31, 2019: 92,985) equity shares of HHCPL of NPR 100 each fully paid-up)	-	13.14
Loan to HHCPL	-	4.01
Others financial assets	9.24	14.68
Other current assets	17.11	2.40
Total	**1,198.57**	**1,920.63**
Liabilities associated with Groups of assets classified as held for sale		
Trade payables	265.81	229.01
Provisions	104.14	96.60
Lease liabilities (refer note 31(I))	110.30	-
Other financial liabilities	40.47	-
Advance against sales consideration	277.89	-
Total	**798.61**	**325.61**
Net assets directly associated with held for sale	**399.96**	**1,595.02**

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28. Earnings Per Share ('EPS')

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders (after adjusting for interest on the 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Nominal Value of equity shares (Rs. per share)	10	10
Total number of equity shares outstanding at the beginning of the year	3,606,902,694	3,606,902,694
Add: Issue / conversion into equity shares during the year	-	-
Total number of equity shares outstanding at the end of the year	3,606,902,694	3,606,902,694
Weighted average number of equity shares for basic earnings per share	**3,606,902,694**	**3,606,902,694**
Weighted average number of equity shares for diluted earnings per share	**3,606,902,694**	**3,606,902,694**
(Loss) / profit from continuing operations as per statement of profit and loss (Rs. in Million)	(16,109.72)	(3,528.74)
(Loss) / profit from discontinued operations as per statement of profit and loss (Rs. in Million)	(836.26)	95.85
(Loss) / profit as per statement of profit and loss (Rs. in Million)	(16,945.98)	(3,432.89)
Less: dividend in cumulative preference shares, including taxes thereon (Rs. in Million)	-	-
(Loss) / profit for basic earnings per share (Rs. in Million)	(16,945.98)	(3,432.89)
(Loss) / profit for diluted earnings per share (Rs. in Million)	(16,945.98)	(3,432.89)
EPS for continuing operations - Basic and Diluted (Rs.)	(4.47)	(0.99)
EPS for discontinued operations - Basic and Diluted (Rs.)	(0.23)	0.03
Earnings per share for continuing and discontinued operations - Basic and Diluted (Rs.)	(4.70)	(0.96)

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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 enterprises that jointly control the Company, its subsidiaries and joint ventures / associates	GMR Chhattisgarh Energy Limited ('GCEL') (till July 26, 2019)
	GMR Coastal Energy Private Limited ('GCEPL')
	GMR Kakinada Energy Private Limited ('GKEPL')
	Celebi Delhi Cargo Terminal Management India Private Limited ('CDCTM')
	GMR Genco Assets Limited ('GENCO')
	GMR Energy Trading Limited ('GETL')
	GMR Power Corporation Limited ('GPCL')
	GMR Rajahmundry Energy Limited ('GREL')
	Raxa Security Services Limited ('RSSL')
(iii) Enterprise where key management personnel or their relative exercise significant influence and where transactions have taken place during the year / previous year.	GMR Family Fund Trust ('GFFT')
	GMR Varalakshmi Foundation ('GVF')
(iv) Key Management Personnel ('KMP')	Mr. Srinivas Bommidala, Chairman & Director (Chairman w.e.f. April 01, 2018)
	Mr. G.B.S Raju, Director (resigned w.e.f. July 26, 2019)
	Mr. Madhva Bhimacharya Terdal, Director
	Mr. Srinivasachari Rajagopal, Independent Director (w.e.f September 30, 2019)
	Mr. Ramakrishna Rajasekharan Nair, Independent Director (resigned w.e.f September 30, 2019)
	Mrs. Meena Lochani Raghunathan, Director
	Mr. Azman Bin Mohd, Director (resigned w.e.f April 17, 2019)
	Mr. Bimal Jayant Parekh, Independent Director
	Mr. Nazmi Bin Othman, Director (w.e.f. January 07, 2019)
	Mr. Srinivasa Dikshitar Tatwamasi Dixit, Independent Director (resigned w.e.f. September 12, 2018)
	Mr. Leo Moggie, Director (resigned w.e.f. February 20, 2018)
	Mr. Satish Kumar Mandhana, Nominee Director (resigned w.e.f. September 24, 2019)
	Mr. R S S L N Bhaskarudu - Independent Director (w.e.f September 30, 2019)
	Mr. M Ramachandran - Independent Director (w.e.f September 30, 2019)
	Mr. Mohd. Shahazwan Bin Mohd Harris, Nominee Director (w.e.f July 26, 2019)
	Mr. Manoj Kumar Singh, Chief Financial Officer
	Mr. Ashis Basu, Chief Executive Officer, (w.e.f. May 02, 2018)
	Mr. Rajeev Kumar, Company Secretary (resigned w.e.f July 26, 2019)
	Mr. Sanjay Kumar Babu, Company Secretary (w.e.f . September 24, 2019)
	Mr Sanjay Barde Narayan, Chief Executive Officer (w.e.f May 02, 2018)

1. Refer note 33 for the details of subsidiaries and joint ventures.

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29 Related Party transactions

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

(Rs. in Million)

Sl. No	Particulars	Year ended	
		March 31, 2020	March 31, 2019
1	Income from supply of operational and maintenance contract		
	– GWEL	173.10	157.34
2	Interest income on loans and advances to related parties		
	– GETL	21.04	115.60
3	Notional income on unwinding financial assets- Loans		
	– GKEL	84.73	74.31
	– GBHHPL	-	36.87
	– GRSPPL	1.15	0.95
	– GINPCL	-	0.39
	– GINELL	-	0.23
	– GWEL	-	30.63
4	Notional income on unwinding financial assets- Guarantee		
	– GWEL	1.21	1.21
	– GKEL	4.59	4.58
5	Notional income on unwinding financial assets- Preference shares		
	– GWEL	-	9.16
6	Logo fees		
	– GEPL Rs. 1,180 (March 31, 2019: Rs. 1,120)	0.00	0.00
7	Donations given		
	– GVF	0.04	0.19
8	Management fees (cross charges)		
	– GIL	5.11	1.48
9	Interest paid on loan taken		
	– GPCL	-	29.39
	– GGSPPL	84.66	79.46
	– GEPL	3.23	9.51
	– GIL	152.61	-
10	Notional expense on modification of financial instrument (net)		
	– GBHHPL	8.93	-
11	Share application money paid		
	– GEML	139.19	39.06
	– HHCPL	-	20.00
	– GTOM	-	0.25
12	Investment in equity shares - share application money allotted		
	– HHCPL	-	68.71
	– GTOM	-	0.25
13	Investment in preference shares - share application money allotted		
	– GEML	39.06	3.21
14	Conversion of inter corporate deposit into compulsory convertible preference shares		
	– GWEL	-	297.39
15	Conversion of investment in additional equity into compulsory convertible preference shares		
	– GWEL	-	1,486.69
16	Conversion of redeemable non-convertible preference shares into compulsory convertible preference shares		
	– GWEL	-	145.92
17	Conversion of cumulative redeemable preference shares into compulsory convertible preference shares		
	– GVPGL	-	2,864.92

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(Rs. in Million)

Sl. No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
18	Conversion of inter corporate deposit into equity shares		
	– GBHHPL	31.31	-
19	Conversion of investment in additional equity into equity shares		
	– GBHHPL	154.39	-
20	Sale of investments in equity shares		
	– HHCPL	13.14	373.45
21	Sale of investment in share application money		
	– HHCPL	4.01	125.52
22	Inter corporate deposit / unsecured loan given		
	– GBHPL	4.95	1,553.34
	– GCSPL	10.32	7.74
	– GBEPL	3.66	0.05
	– GINELL	-	0.10
	– GINPCL	-	0.10
	– GRSPPL	0.90	1.50
	– GMEL	-	1.24
	– GETL	-	400.00
	– GBHHPL	2.50	216.20
	– GVPGL	249.74	213.45
23	Inter corporate deposit / unsecured loan refunded		
	– GBHHPL	-	10.50
	– GBHPL	2.13	10.34
	– GCSPL	1.11	14.30
	– GBEPL	-	85.05
	– GMEL	-	0.28
	– GVPGL	5.00	-
	– GETL	662.82	1,003.88
24	Conversion of inter corporate deposit into investment in additional equity		
	– GBHPL	2.83	1,543.00
	– GVPGL	244.74	213.45
	– GRSPPL	1.37	-
	– GMEL	-	0.46
	– GBEPL	3.66	38.00
	– GBHHPL	50.40	162.94
25	Unsecured loan availed		
	– GPCL	-	737.50
	– GGSPPL	-	180.00
	– GEPL	39.00	170.00
	– GIL	2,592.98	-
26	Unsecured loan repaid		
	– GPCL	-	737.50
	– GEPL	39.00	170.00
	– GIL	466.40	-
27	Security deposit – refunded to the Company		
	– GFFT	-	12.32
	– RSSL	5.44	-
28	Corporate guarantee extinguished		
	– GCEL	-	106.30
29	Letter of credit expired		
	– GVPGL	-	54.60

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(Rs. in Million)

Sl. No	Particulars	Year ended	
		March 31, 2020	March 31, 2019
30	Bank guarantee availed by		
	– GTOM	-	13.40
31	Bank guarantee extinguished		
	– GBHHPL	-	1.80
	– GWEL	-	160.00
	– GTOM	-	13.40
32	Reimbursement of expenses on behalf of		
	– GCEL	-	59.65
	– GKEL	2.50	-
33	Provision for diminution in value of investments		
	– GKEL	10,480.00	-
	– GBHPL	1,499.00	1,275.80
	– GWEL	1,943.50	-
	– GBEL	41.76	-
	– GRSPPL	19.77	-
	– GINPCL	1.53	-
	– GINELL	1.10	-
	– GCSPL	0.50	-
	– GVPGL	-	433.05
	– GEML	55.40	-
	– GMEL	0.50	82.69
34	Provision for bad and doubtful loans credit impaired		
	– GINELL	1.99	-
	– GMEL	0.50	-
	– GRSPPL	9.98	-
	– GINPCL	3.34	-
	– GCSPL	19.19	-
35	Provision for diminution in value of investments now written off		
	–RCMEPL	24.35	-
36	Impairment allowance on application money made now written off		
	–RCMEPL	2.88	-
37	Release of pledge on deposit for loan taken by a subsidiary		
	– GBHPL	-	1,525.00

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(c) Outstanding balances at the year end

(Rs. in Million)

Sl. No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Trade receivables - current		
	– GWEL	45.00	60.01
2	Other than trade receivables – Current		
	– PEIML	-	6.74
	– GCEL	-	59.65
3	Interest accrued on unsecured loans / inter corporate deposits / non-convertible debentures to group companies – Non-current		
	– GETL	-	29.27
4	Security deposit – Non-current		
	– RSSL	-	5.44
	– CDCTM	1.00	1.00
5	Non Trade Payables		
	– GGAL	-	15.14
6	Trade payable – Current		
	– GEPL (Rs. 1,180)	0.00	0.00
	– GIL	19.71	14.84
	– RSSL	-	2.11
	– GVF	-	0.04
	– GKEL	-	0.05
7	Unsecured loans / inter corporate deposit , considered good (excluding interest accrued) – Non-current		
	– GBHHPL	258.87	347.01
	– GCSPL	-	9.98
	– GINELL	-	1.99
	– GINPCL	-	3.34
	– GRSPPL	-	9.30
	– GMEL	-	0.50
	– GKEL	701.87	617.14
	– GETL	-	662.82
8	Unsecured loans / inter corporate deposit , credit impaired – Non-current		
	– GENCO	45.78	45.78
	– GKEPL	8.31	8.31
	– GMEPL	10.49	10.49
	– GRSPPL	9.98	-
	– GCSPL	19.19	-
	– GINPCL	3.34	-
	– GCEPL	31.78	31.78
	– GMEL	0.50	-
	– GINELL	1.99	-
9	Application money paid towards investment - Non-current, considered good		
	– GEML	139.19	39.06
10	Application money paid towards investment - credit impaired		
	– RCMEPL	-	2.88
11	Investment in share application money - Classified as held for sale		
	– HHCPL	-	4.01
12	Unsecured short term loans payable		
	– GGSPPL	789.02	789.02
	– GIL	2,126.58	-
13	Interest payable		
	– GGSPPL	262.23	177.94
	– GEPL	-	9.05
	– GIL	59.49	-
	– GPCL	-	23.95
14	Financial guarantee contracts - Current		
	– GKEL	63.22	67.81
	– GWEL	4.41	5.62

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(Rs. in Million)

Sl. No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
15	Pledge of deposit for Bank Guarantee issued on behalf of subsidiary		
	– GBHPL	19.56	19.56
16	Corporate Guarantee outstanding		
	– GCEL	-	8,600.00
	– GWEL	750.00	750.00
	– GKEL	6,000.00	6,000.00
17	Bank Guarantee outstanding		
	– GCEL	-	2,638.11
	– GBHPL	188.20	188.20

(d) Remuneration paid to Key managerial personnel :

Rs. in Million

Detail of KMP	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Employee benefit expenses	Sitting fees	Employee benefit expenses	Sitting fees
Mr. Srinivasachari Rajagopal	-	0.52	-	0.38
Mr. Ramakrishna Rajasekharan Nair	-	0.09	-	0.26
Mr. Bimal Jayant Parekh	-	0.47	-	0.33
Mr. Satish Kumar Mandhana	-	0.12	-	0.24
Mr. Srinivasa Dikshitar Tatwamasi Dixit	-	-	-	0.19
Mr. M. Ramachandran	-	0.19	-	-
Mr. R S S L N Bhaskarudu	-	0.19	-	-
Mr. Sanjay Babu - Company Secretary	1.18	-	-	-
Mr. Manoj Kumar Singh - Chief Financial Officer	3.26	-	-	-
Mr. Rajeev Kumar- Company Secretary	1.87	-	5.61	-

Note:

- 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:

(i) The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company.
(ii) Also refer note 4 on non-current investments and current investments.
(iii) The Company has provided securities by way of pledge of investments for loans taken by certain Companies (refer note 31(III)(iv)).
(iv) Enterprises that jointly control the Company has pledged certain shares held in the Company as security towards the borrowings of the Company (refer note 13).
(v) Enterprises that jointly control the Company has securitised certain assets towards the working capital facility of the Company.

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30 Gratuity and other post-employment benefit plans

a) Defined contribution plan

Contribution to provident and other funds included under employee benefit expense (note 22 and 27) are as below:

(Rs. in Million)

Particulars	March 31, 2020	March 31, 2019
Contribution to provident and pension fund	1.14	0.87
Contribution to Superannuation fund	0.77	0.58
Total	**1.91**	**1.45**

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 22 and 27)):

(Rs. in Million)

Particulars	March 31, 2020	March 31, 2019
Current Service Cost	0.28	0.29
Net interest cost on defined benefit obligations	(0.16)	(0.10)
Net benefit expenses	**0.12**	**0.19**

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

(Rs. in Million)

Particulars	March 31, 2020	March 31, 2019
Actuarial (gain)/ loss on obligations due to defined benefit obligations experience	0.75	(0.21)
Actuarial (gain)/ loss on obligations due to defined benefit obligations assumption changes	0.34	-
Actuarial loss / (gain) arising during the year	1.09	(0.21)
Return on plan assets lesser/(greater) than discount rate	0.04	0.02
Actuarial loss / (gain) recognised in OCI	**1.13**	**(0.19)**

Balance Sheet

iii. Net defined benefit asset/ (liability):

(Rs. in Million)

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation	6.17	3.14
Fair value of plan assets	6.23	4.44
Plan asset/ (liability)	**0.06**	**1.30**

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

(Rs. in Million)

Particulars	March 31, 2020	March 31, 2019
Opening defined benefit obligation	3.14	2.94
Current service cost	0.28	0.29
Interest cost	0.23	0.22
Transferred (to) / from group companies	1.54	-
Actuarial loss / (gain) on obligations due to defined benefit obligations experience	0.75	(0.21)
Actuarial loss / (gain) on obligations due to defined benefit obligations assumption changes	0.34	-
Benefits paid	(0.11)	(0.10)
Closing defined benefit obligation	**6.17**	**3.14**

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

(Rs. in Million)

Particulars	March 31, 2020	March 31, 2019
Opening fair value of plan assets	4.44	4.23
Expected return on plan asset	0.39	0.32
Contributions by employer	0.01	0.01
Transferred (to) / from group companies	1.54	-
Benefits paid	(0.11)	(0.10)
Return on plan assets (lesser) / greater than discount rate	(0.04)	(0.02)
Closing fair value of plan assets	**6.23**	**4.44**

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

Particulars	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
Discount rate	6.80%	7.60%
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 March 31, 2020 and March 31, 2019 are as shown below:

(Rs. in Million)

Impact on the defined benefit obligation	March 31, 2020	March 31, 2019
Discount rate		
Effect due to 1% increase in discount rate	(0.42)	(0.21)
Effect due to 1% decrease in discount rate	0.48	0.24
Attrition rate		
Effect due to 1% increase in attrition rate	0.09	0.03
Effect due to 1% decrease in attrition rate	(0.10)	(0.04)
Salary escalation rate		
Effect due to 1% increase in salary increase rate	0.23	0.19
Effect due to 1% decrease in salary increase rate	(0.25)	(0.19)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

ix. The following payments are expected contributions to the defined benefit plan in future years:

(Rs. in Million)

Particulars	March 31, 2020
March 31, 2021	0.42
March31, 2022	1.72
March 31, 2023	0.39
March 31, 2024	0.41
March 31, 2025	0.43
March 31, 2026 to March 31, 2030	2.32

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2019: 10 years)

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31 Leases, Commitments and Contingencies

I Leases

Operating 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:

Rs. in Million

Particulars	March 31, 2020
As at April 01, 2019 (Refer note 2.1(i))	45.48
Additions	-
Impairment (Refer note 3 and note 27)	(45.48)
As at March 31, 2020	-

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

Rs. in Million

Particulars	March 31, 2020
As at April 01, 2019 (Refer note 2.1(i))	103.07
Additions	11.34
Accretion of interest	-
Payments	
As at March 31, 2020	**114.41**
Current (Including Liabilities associated with Groups of assets classified as held for sale)	**110.84**
Non- Current	**3.57**

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

Rs. in Million

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

The maturity analysis of lease liabilities are disclosed in Note 35.

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

Rs. in Million

a. Particulars	March 31, 2020	March 31, 2019
- Corporate guarantees (refer note 29)	8,350.00	15,350.00
- Bank guarantees (refer note 29)	3,502.66	3,505.97
- Matters relating to income tax under dispute	-	857.92

Others in addition to (a) above

b. During the year ended March 31, 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 (March 31, 2019: Rs. 146.11 Million) for the period since June 2010 has been considered as a contingent liability as at March 31, 2020 and accordingly no adjustments have been made to the standalone Ind AS financial statements of the Company for the year ended March 31, 2020.

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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 March 31, 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 November 21, 2001 to June 6, 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 March 31, 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 March 04, 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 March 31, 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.

c. Also refer note 4(6)(b) and 4(6)(c).

d. Also refer note 38(c).

e. GEL have entered into Technical Service Agreement ('TSA') and Parts and Repair Work Supply Agreement ('PRWST') with General Electric International Inc. (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 March 31, 2020. During the current period, 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 group and GE, entered into a settlement, wherein group has agreed to pay the outstanding dues 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 Group agreed to pay additional interest as per the TSA. However, the Company has not paid the liability and not accounted for interest thereon considering they are in the process of filling the application with the RBI for condonation of delay and hence no adjustments have been made in the standalone financial statements.

f. 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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g. 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 January 01, 2009 to May 31, 2009 at a specified rate. The period was subsequently extended up to June 5, 2009 vide Order No. EN 325 NCE 2009 dated September 22, 2009. The Company had a contract with a buyer till January 31, 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 June 05, 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 March 26, 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 April 26, 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 September 6, 2012.

In reply to the petition filed by the Company, KERC, vide their order dated November 30, 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 March 31, 2013, the Company has withdrawn its SLP filed before the Hon'ble Supreme Court of India.

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

During the year ended March 31, 2015, the Company has received an order dated May 23, 2014 from APTEL allowing them tariff of Rs. 6.90 per unit for all electricity supplied from January 1, 2009 to May 31, 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 March 31, 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 March 31, 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 financial statements of the Company for the year ended March 31, 2020.

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h. A search under section 132 of the IT Act was carried out at the premises of the Company by the income tax authorities on October 11, 2012, followed by search closure visits on various dates during the year ended March 31, 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 March 31, 2015 and March 31, 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.

i. 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 (March 31, 2019: Rs. 0.54 Million).

ii. The management of the Company has made a provision of Rs. 45.99 Million (March 31, 2019: Rs. 45.99 Million) as at March 31, 2020 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.

March 31, 2020	March 31, 2019
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.

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

Nature of relationship	Outstanding commitment for financial assistance	
	March 31, 2020 (Rs. in Million)	March 31, 2019 (Rs. in Million)
Fellow subsidiaries	5.00	742.18
Joint ventures	8,774.76	8,777.26
Subsidiaries	8,688.16	8,688.70
Others	17.10	17.10
Total	**17,485.02**	**18,225.24**

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.

March 31, 2020	March 31, 2019
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	
	March 31, 2020	March 31, 2019
A.	(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	302,408,756
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.

32 Income Tax

The Company has no taxable income for the financial year ended March 31, 2020 and March 31, 2019 and accordingly, no current tax expense has been recorded. The Company has significant carry forward unused tax losses. Since it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised, no deferred tax asset has been recognised in the financials for the unused carry forward tax losses and the taxable losses for the year.

In the previous year the Company had recognised a profit of Rs. 1,567.80 Million towards sale of investment in HHCPL for which it had paid a capital gain tax of Rs. 424.70 Million. Refer note 27(ii)

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2020

33 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 March 31, 2020	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
					March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Subsidiaries								
Indian								
1	GMR Vemagiri Power Generation Limited (GVPGL)	India	January 08,1997	Subsidiary	100.00%	100.00%	100.00%	100.00%
2	GMR Badrinath Hydro Power Generation Private Limited (GBHPL)	India	February 17,2006	Subsidiary	99.90%	99.90%	99.90%	99.90%
3	GMR Consulting Services Limited (GCSPL)	India	February 28,2008	Subsidiary	99.80%	99.80%	99.80%	99.80%
4	GMR Maharashtra Energy Limited (GMEL)	India	May 26, 2010	Subsidiary	98.80%	98.80%	98.80%	98.80%
5	GMR Bundelkhand Energy Private Limited (GBEL)	India	June 18, 2010	Subsidiary	100.00%	100.00%	100.00%	100.00%
6	GMR Rajam Solar Power Private Limited (GRSPPL)	India	June 18, 2010	Subsidiary	100.00%	100.00%	100.00%	100.00%
7	GMR Gujarat Solar Power Limited (GGSPPL)	India	March 26, 2008	Subsidiary	100.00%	100.00%	100.00%	100.00%
8	GMR Indo-Nepal Energy Links Limited (GINELL)	India	January 07, 2011	Subsidiary	100.00%	100.00%	100.00%	100.00%
9	GMR Indo-Nepal Power Corridors Limited (GINPCL)	India	January 06, 2011	Subsidiary	100.00%	100.00%	100.00%	100.00%
10	GMR Warora Energy Limited (GWEL)	India	August 04, 2005	Subsidiary	100.00%	100.00%	100.00%	100.00%
Foreign								
1	Himtal Hydropower Company Private Limited (HHCPL)[1]	Nepal	April 12, 2001	N/A[1]	-	3.00%	-	3.00%
2	GMR Upper Karnali Hydropower Limited (GUKPL)	Nepal	May 02, 2008	Subsidiary	69.35%	69.35%	73.00%	73.00%
3	Karnali Transmission Company Private Limited (KTCPL)	Nepal	April 27, 2010	Subsidiary	95.00%	95.00%	100.00%	100.00%
4	Marsyangdi Transmission Company Private Limited (MTCPL)[3]	Nepal	April 27, 2010	N/A[3]	-	95.00%	-	100.00%
5	GMR Energy (Mauritius) Limited (GEML)	Mauritius	February 27, 2008	Subsidiary	95.00%	95.00%	95.00%	95.00%
6	GMR Lion Energy Limited (GLEL)	Mauritius	February 29, 2008	Subsidiary	95.00%	95.00%	100.00%	100.00%
Joint Venture								
Indian								
1	Rampia Coal Mine and Energy Private Limited (RCMEPL)[4]	India	February 19, 2008	Joint Venture	17.39%	17.39%	17.39%	17.39%
2	GMR Kamalanga Energy Limited (GKEL)	India	December 28, 2007	Joint Venture	87.42%	87.42%	87.42%	87.42%
3	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)[2]	India	October 01, 2008	Joint Venture	79.86%	79.17%	79.86%	79.17%
4	GMR Tenaga Operations and Maintenance Private Limited (GTOM)	India	April 09, 2018	Joint Venture	50.00%	50.00%	50.00%	50.00%

1 Refer Note 27(ii) with respect to disposal of equity stake in HHCPL.

2 Additional stake acquired in Joint Venture during the year.

3 Ceased to be a subsidiary pursuant to sale of stake in MTCPL.

4 RCMEPL, has filled an application to Register of Companies ('ROC') for removing its name from register of Companies and the same is in the process of approval by ROC.

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34 Significant accounting judgements, estimates and assumptions

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.

Significant judgements and the estimates relating to the carrying values of assets and liabilities include impairment of investments (including loans) in subsidiaries, joint ventures and associates, impairment of non current assets, provision for employee benefits and others provisions, commitments and contingencies and fair value measurements of investments.

A. Judgement

i. 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 Ind AS financial statements continues to be prepared on a going concern basis.

ii. During the year ended March 31, 2020, as part of the strategic initiatives being undertaken by the Management to ensure liquidity and timely payment of its obligations it has entered into a binding sale agreement to sale its stake in GKEL. However, for the reasons detailed in note 4(6)(a), the Company has not valued its investment at the realisable value as per the binding sale agreement and have continued to carry the investment based on a valuation assessment done by an external expert as per discounted cash flow method which is higher than the realisable value . Further, the Company has not classified its investment in GKEL as held for sale as the management believes that the transaction for sale has not been completed within due date by the buyer.

B. Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. 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. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 35 for further disclosures.

ii. 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. 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. Refer note 31(II) for further disclosures.

iii. Defined benefit plans
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.

Further details about gratuity obligations are given in note 30.

iv. Impairment of non current assets including property, plant and equipment, inventory 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 immovable property/ investments or observable market prices less incremental costs for disposing of the immovable property/ 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.

Refer note 4 towards provision for diminution in the value of investments in certain investments, note 5 and note 27(i) for impairment of property, plant and equipment.

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35 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policies, to the financial statements.

(a) Financial assets and liabilities

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2020 and March 31, 2019 :

Particulars	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
At FVPTL				
Investments (other than investments in subsidiaries and joint venture)	140.60	140.60	140.60	140.60
At Amortised cost				
Trade receivables	45.00	60.01	45.00	60.01
Cash and cash equivalents	28.11	10.80	28.11	10.80
Loans	962.07	1,653.40	962.07	1,653.40
Other financial assets	305.45	235.30	305.45	235.30
Total Financial assets	**1,481.23**	**2,100.11**	**1,481.23**	**2,100.11**
Financial liabilities				
At Amortised cost				
Borrowings	14,239.67	13,214.78	14,239.67	13,214.78
Trade payables	141.34	111.58	141.34	111.58
Others financial liabilities	950.76	508.41	950.76	508.41
Lease liabilities	4.11	-	4.11	-
Total Financial liabilities	**15,335.88**	**13,834.77**	**15,335.88**	**13,834.77**

(i) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
(ii) Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss.
(iii) As regards the carrying value and fair value of investments in subsidiaries and joint ventures, refer note 4.

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(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2020:

Rs. in Million

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets (Refer note 35(a))					
Measured at FVPTL					
Investments (other than investments in subsidiaries and joint venture)	March 31, 2020	140.60	-	-	140.60
Measured at cost / amortised cost					
Trade receivables	March 31, 2020	45.00	-	-	45.00
Cash and cash equivalents	March 31, 2020	28.11	-	-	28.11
Loans	March 31, 2020	962.07	-	-	962.07
Other financial assets	March 31, 2020	305.45	-	-	305.45
		1,481.23	-	-	1,481.23
Financial liabilities (Refer note 35(a))					
Measured at cost / amortised cost					
Borrowings	March 31, 2020	14,239.67	-	14,239.67	-
Trade payables	March 31, 2020	141.34	-	-	141.34
Others financial liabilities	March 31, 2020	950.76	-	-	950.76
Lease liabilities	March 31, 2020	4.11	-	-	4.11
		15,335.88	-	14,239.67	1,096.21

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2019:

Rs. in Million

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets (Refer note 35(a))					
Measured at FVPTL					
Investments (other than investments in subsidiaries and joint venture)	March 31, 2019	140.60			140.60
Measured at cost / amortised cost					
Trade receivables	March 31, 2019	60.01	-	-	60.01
Cash and cash equivalents	March 31, 2019	10.80	-	-	10.80
Loans	March 31, 2019	1,653.40	-	-	1,653.40
Other financial assets	March 31, 2019	235.30	-	-	235.30
		2,100.11	-	-	2,100.11
Financial liabilities (Refer note 35(a))					
Measured at cost / amortised cost					
Borrowings	March 31, 2019	13,214.78	-	13,214.78	-
Trade payables	March 31, 2019	111.58	-	-	111.58
Others financial liabilities	March 31, 2019	508.41	-	-	508.41
		13,834.77	-	13,214.78	619.99

Notes

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(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 March 31, 2020 and March 31, 2019.

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(c) Financial risk management objectives and policies

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.

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) Market risk - interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.
Interest rate sensitivity:

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

Rs. in Million

	Increase/decrease in basis points	Effect on profit before tax
March 31, 2020		
INR	+50	(29.05)
INR	-50	29.05
March 31, 2019		
INR	+50	(29.65)
INR	-50	29.65

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

(b) Market risk- 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 operating activities.

(i) Foreign currency exposure

The following table demonstrate the unhedged exposure in USD exchange rate as at March 31, 2020 and March 31, 2019. The Company's exposure to foreign currency changes for all other currencies is not material.

Amount in Million

Particulars	March 31, 2020	March 31, 2019
Advance against sales consideration*	(3.90)	-
Trade payables	(2.16)	(2.16)
Total in USD	**(6.06)**	**(2.16)**
Total in INR	**(458.53)**	**(149.53)**

*During the year ended March 31, 2020, the Company entered into a service agreement and Sale and Purchase Agreement to sell Barge Mounted Plant for USD 20.00 Million out of which the Company has received USD 3.90 Million and balance is expected to be received in the year 2021.

(ii) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities has been listed in the below table. The Company's exposure to foreign currency changes for all other currencies is not material.

Rs. in Million

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2020	5%	(22.93)
	-5%	22.93
March 31, 2019	5%	(7.48)
	-5%	7.48

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2020 and March 31, 2019 excluding financial assets and liabilities which do not present a material exposure. The period end balances are not necessarily representative of the average balances outstanding during the period.

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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.

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 39,664.13 million, Rs 53,948.98 million, as at March 31,2020 and March 31, 2019 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.

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.

(Rs. in Million)

Particulars	0-1 year	1 to 5 years	> 5 years	Total
March 31, 2020				
Borrowings	14,270.09	-	-	14,270.09
Other financial liabilities	883.13	-	-	883.13
Trade and other payables	141.34	-	-	141.34
Lease liabilities	0.54	3.01	4.00	7.55
	15,295.10	**3.01**	**4.00**	**15,302.11**
March 31, 2019				
Borrowings	13,436.03	-	-	13,436.03
Other financial liabilities	434.98	-	-	434.98
Trade and other payables	111.58	-	-	111.58
	13,982.59	-	-	**13,982.59**

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

(ii) The above excludes interest and other finance charges to be paid on the borrowings and other financial liabilities, by the Company.

(iii) Also refer note 1.1 for going concern disclosure.

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36 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	**March 31, 2020**	**March 31, 2019**
Borrowings (refer note 13 and note 14)	14,239.67	13,214.78
Total debt (i)	**14,239.67**	**13,214.78**
Equity share capital (refer note 11)	36,069.03	36,069.03
Other equity (refer note 12)	(11,150.15)	5,854.55
Total Capital (ii)	**24,918.88**	**41,923.58**
Capital and borrowing (iii = i + ii)	**39,158.55**	**55,138.36**
Gearing ratio % (i / iii)	**36%**	**24%**

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 March 31, 2020 and March 31, 2019.

37 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 March 31, 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.173.10 Million (March 31, 2019 : Rs. 157.34 Million)

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38 **Other disclosure**

(a) GMR Vemagiri Power Generation Limited ('GVPGL'), 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, GVPGL, is facing shortage of natural gas supply. As a result, the GVPGL had not generated and sold electrical energy since May 2013 till March 31, 2015. GVPGL 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. GVPGL have ceased operations and have been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply. GVPGL has incurred net loss of Rs. 741.83 million during the year ended March 31, 2020 and has accumulated losses of Rs. 6,966.67 million as at March 31, 2020.

GVPGL 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 and 2008, excluding interest, and based on legal opinion is confident of recovery of such claims. During the year ended March 31, 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 GVPGL. Further, during the year ended March 31, 2020, the APDISCOMs appealed against, the aforesaid judgement before the Honourable Supreme Court. The Supreme Court vide its order dated February 4, 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 March 31, 2020.

Additionally, during the year ended March 31, 2020, in case of GVPGL'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 GVPGL and pay applicable tariff including capacity charges, CERC has passed order dated January 28, 2020, declaring that natural gas for the purpose of PPA includes Deep Water Gas from domestic sources. Accordingly, GVPGL is entitled to claim capacity charges from APDISCOMs from November 2016 based on availability declaration for generation of power on the basis of deep water gas, along with late payment surcharge.

GVPGL has calculated a claim amount of Rs. 7,413.13 million for the period from November 2016 till February 2020. As at March 31, 2020, GVPGL 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 carried out a valuation assessment of GVPGL during the year ended March 31, 2020 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 from the customer and other operating parameters, which it believes reasonably reflect the future expectations from this project The management of the Company will monitor these aspects closely and take actions as are considered appropriate and is confident that GVPGL will be able to generate sufficient profits in future years and meet its financial obligations as they arise. Based on the aforementioned reasons, claims for capacity charges, business plans, legal opinion and a valuation assessment carried out by an external expert during the year ended March 31, 2020, the management is of the view that the Company's investments in GVPGL of Rs. 6,068.66 million (after provision for diminution in the value of investment) as at March 31, 2020 is appropriate.

(b) 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 March 31, 2020, 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.

(c) As at March 31, 2020, the amount payable in foreign currency by the Company to overseas vendors of USD 2.16 million is outstanding for more than 3 years. The management is in the process of filing the application with RBI for condonation of the delays and is confident that such delays will not require any adjustments accompanying standalone Ind AS financial statements of the Company.

39 Estimation uncertainty relating to the global health pandemic on COVID-19:

The spread of COVID-19 has severely impacted businesses operations around the globe including India. The subsidiaries and joint venture's of the Company (SPVs) are in the business of generation of electricity which is an essential service as emphasised 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 and uncertain economic environment, the demand for power is expected to be lower in the recent 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(5) and 4(6) thereby causing significant stress on the cash flows of the SPVs. However, the Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till August 2020. This will mitigate the stress on cash flows during the period of COVID-19.

As detailed in note 6(a), the sale of equity stake in GKEL has been put on hold subsequent to the year ended March 31, 2020 and as detailed the note 27(i) there is a delay in the sale of Barge Plant. There is a further delay in construction of Hydro plant in GBHHPL as detailed in note 4(12).

The holding Company GMR Infrastructure Limited ('GIL') has committed to provide the continuing financial support to the Group 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. The Company will continue to closely monitor these aspects and take actions as are appropriate based on future economic conditions.

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40 Certain amounts (currency value or percentages) shown in 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 Previous year figures have been regrouped.
The figures of the previous periods have been regrouped/reclassified, where necessary, to conform with the current year's classification.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership Number: 061207

S. R. Batliboi & Associates LLP
Bengaluru

Place: Bengaluru
Date: June 18, 2020

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

Srinivas Bommidala
Chairman and Director
DIN: 00061464

Madhva Bhimacharya Terdal
Director
DIN: 05343139

Manoj Kumar Singh
Chief Financial Officer

Ashish Basu
Chief Executive Officer

Sanjay Kumar Babu
Company Secretary - FCS-8649

Place: New Delhi
Date: June 18, 2020

GMR Energy Limited