PHANIBHUSHAN&CO
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the members of GMR GenerationAssets Limited

Report on the Audit of Ind ASFinancial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of **GMR Generation Assets Limited**(the **"Company"**), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income),Statement of Changes in Equityand the Statement of cashflowsfor the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, , the aforesaid Ind AS financial statements for the year ended 31st March, 2021give the information required by 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 31st March, 2021, itsloss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rulesthereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Ind AS financial statements.

Emphasis of Matter :
Material Uncertainty Relating to Going Concern :
We draw attention to Note. 2(a) to the accompanying Ind AS financial statements as at March 31, 2021, which indicate that the Company has accumulated losses of Rs.2682.90 croresand its net worth has been fully eroded and as at the year end it is negative by Rs.714.46 crores, the Company has incurred cash losses during the current and previous years and the Company's current liabilities exceeded its current assets by Rs.59.53croresas at March 31, 2021. Further as detailed in Note 2(a)to the accompanying Ind AS financial statements, the Company is dependent on the parent company to provide support to meet its operational expenditure and repay its liabilities.These events or conditions, along as set forth in the aforesaid note indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.
Our opinion is not modified in this regard.

H.NO 7-1-396/B/9&13, Flat No. 202. VRK Towers, Beside Brilliant Grammar High school, Near S R Nagar Police station BK Guda Hyderabad 500038.
Mobile :9666671816,8466962898 E-Mail:fcaphani@gmail.com

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 board report, but does not include the Ind AS financial statements and our auditor's report thereon. The board report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act")with respect to the preparation of these Ind AS financialstatements that give a true and fair view of the financial position,financial performanceincluding other comprehensive income / loss, changes in equity and cash flows of the Company in accordancewith accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)specified under section 133 of the Act.

Thisresponsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguardingof 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 maintenanceof adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation ofthe financial statements that give a true and fair view and are freefrom material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraudor error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficientand appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting fromfraud ishigher 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 financial controls relevant to the audit in order to design audit procedures thatare appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing ouropinion on whether the Company has adequate internal financial controls system in place and the operatingeffectiveness of such controls.

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethicalrequirements regarding independence, and to communicate with them all relationships and other matters that mayreasonably 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 Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

(c) The Balance Sheet, the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of changes in equity dealt with by this Reports are in agreement with the books of account.

(d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules, 2015 as amended,

(e) On the basis of written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report

(g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the managerial remuneration for the year ended March 31, 2021 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..

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

a. The company has disclosed the details and impact of pending litigations on the financial position of the Company in its Ind AS financial statements -. Refer note 28 and 33 to the Ind AS financial statements.
b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For**PHANI BHUSHAN & CO**
Chartered Accountants
Firm's registration number: 012481S
PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.06.01 19:12:32 +05'30'
M. PHANI BHUSHAN KUMAR
Partner
Membership number: 223397
Place: HYDERABAD

Date: 01st June 2021
UDIN: **21223397AAAACR8148**

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT
GMR Genertion Assets Limited

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of **GMR GenerationAssets Limited**on the Ind AS financial statements for the year ended 31st March 2021, we report that:

i. a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

b. Fixed Assets have been physically verified by the management during the year, and no major discrepancies have been noticed on such verification.The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets.
(c) *The company is having an immovable property and depicted as Assets held for sale in the financial statements. However the same is not yet registered in the name of the Company for want of certain clearances.*

ii. The The nature of company's operations does not warrant requirement of holding stocks and therefore had no stocks of finished goods, stores, spare part and raw materials during/at the end of the year.

iii. In our opinion and according to the information and explanation given to us the company has not granted any loans, secured or unsecured to the companies, firms, Limited Liability Partnership or other parties listed in the register maintained under section 189 of the companies Act 2013.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans to directors, including entities in which they are interested and in respect of loans, advances given, investments made and, guarantees or securitiesgiven as applicable to the Company.

v. The company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly the provisions of Clause 3(v) of the Order are not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records, under section 148(1) of the Companies Act, 2013 in respect of the business operations carried out by the Company

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion the Company is generally regular in payment of undisputed statutory dues including Provident Fund, income tax, Goods and Services Tax, Customs Duty, and other material statutory dues as applicable with appropriate authorities. We are informed by the company that the provisions of Employee state insurance scheme, Investor education and protection fund, and excise duty are not applicable.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, Goods and Services Tax, customs duty, cess and other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable

viii. *Based on our audit procedure and as per the information and explanation given by the Management, the company has defaulted in the repayment of the loans taken from the banks and financial institutions during the year.* Further the company has not issued any debenture at any point of time and as such there are no dues outstanding at the end of the year to debenture holders.

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

x. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice of India and according to the information and explanations given to us, we have not come across any instance of fraud by the Company or on the company by its officers or employees during this year.

xi. According to the information and explanations given to us,and based on our examination of records 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 and according to the information and explanations given to us, the Company has long term investments and loans to subsidiary companies. Hence, the Company has made an application for registration as NBFC with Reserve Bank of India.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares during this year. During the year the Company has not made preferential allotment or private placement of fully or partly convertible debentures.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For**PHANI BHUSHAN & CO**
Chartered Accountants
Firm's registration number: 012481S

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.06.01 19:13:31 +05'30'

M. PHANI BHUSHAN KUMAR
Partner
Membership number: 223397
Place: HYDERABAD

Date: 01st June 2021
UDIN: **21223397AAAACR8148**

Annexure B to Auditors' Report of even date
Re : GMRGeneration Assets Limited
Report on the Internal Controls on 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 GenerationAssets Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls overFinancial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial ControlsOver Financial Reporting
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition,

use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For**PHANI BHUSHAN & CO**
Chartered Accountants
Firm's registration number: 012481S

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.06.01 19:13:49 +05'30'

M. PHANI BHUSHAN KUMAR
Partner
Membership number: 223397
Place: HYDERABAD

Date: 01st June 2021
UDIN: **21223397AAAACR8148**

GMR GENERATION ASSETS LTD.

Standalone Balance Sheet as at March 31, 2021

(Rs. in crore)

Particulars	Notes	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property plant and equipment	3	0.21	2.54
Right of use	3.1	0.10	0.11
Intangible assets	4	6.05	6.64
Financial assets			
Investment in subsidaries, associate and a joint venture	5	711.63	1,005.01
Other investments	6	0.00	0.00
Loans	7	0.03	143.96
Other financial assets	10	-	-
Income tax asset		9.99	25.71
Other non current assets	11	0.67	4.26
		728.68	**1,188.25**
Current assets			
Financial assets			
Trade receivables	8	114.14	114.17
Cash and cash equivalents	9	0.22	0.64
Loan	7	725.68	983.56
Other financial assets	10	201.83	216.84
Assets held for sale		59.59	59.59
Other current assets	11	7.18	87.50
		1,108.65	**1,462.32**
Total assets		**1,837.33**	**2,650.56**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	1,968.43	6,323.25
Other equity	13	(2,682.90)	(6,384.48)
Equity attributable to equity holders of the parent		(714.46)	(61.23)
Non-controlling interests		-	-
		(714.46)	**(61.23)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Long term borrowings	14	1,374.34	1,524.43
Other financial liabilities	15	9.24	51.01
Provisions	16	0.03	0.09
		1,383.61	**1,575.53**
Current liabilities			
Financial liabilities			
Short term borrowings	17	-	401.57
Trade payables	18		
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues of other then micro and small enterprises		78.32	27.70
Other financial liabilities	15	138.04	141.75
Provisions	16	0.02	0.01
Other current liabilities	19	951.79	565.24
		1,168.18	**1,136.26**
Total liabilities		**2,551.79**	**2,711.79**
Total equity and liabilities		**1,837.33**	**2,650.57**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For PHANIBHUSHAN & CO.
Chartered Accountants
Firm Regn .No. 012481S

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.06.01 19:19:01 +05'30'

M. PHANI BHUSHAN KUMAR
Partner
M.No : 223397

Place: Hyderabad
Date:

For and on behalf of Board of Directors of
GMR GENERATION ASSETS LTD

NIRJHAR SARKAR
Digitally signed by NIRJHAR SARKAR
Date: 2021.06.01 17:51:37 +05'30'

Nirjhar Sarkar
Director
DIN: 03581604

ASHIS BASU
Digitally signed by ASHIS BASU
Date: 2021.06.01 18:10:02 +05'30'

Ashis Basu
Director
DIN: 01872233

MANOJ KUMAR AGGRAWAL
Digitally signed by MANOJ KUMAR AGGRAWAL

Manoj Kumar Aggrawal
Chief Financial Officer
PAN: AAGPA1142B

CHIRAG BHAYAL
Digitally signed by CHIRAG BHAYAL
Date: 2021.06.01 19:12:00 +05'30'

Chirag Bhayal
Company Secretary
ACS: A45462

Place: Delhi
Date:

GMR GENERATION ASSETS LTD.

Standalone statement of profit and loss for the year ended March 31, 2021

(Rs. in crore)

Particulars	Notes	March 31, 2021	March 31, 2020
Continuing operations			
INCOME			
Revenue from operations	20	0.76	1.77
Other income	21	73.98	96.79
Total income		**74.74**	**98.56**
EXPENSES			
Employee benefit expenses	22	0.84	0.89
Finance costs	23	183.53	260.28
Depreciation and amortisation expenses	24	2.94	2.96
Other expenses	25	2.73	38.61
Total expenses		**190.03**	**302.75**
Profit/(loss) before share of (loss)/profit of associates and joint venture and tax expenses and exceptional items from continuing operations		**(115.29)**	**(204.19)**
		-	-
Profit /(loss) before exceptional items and tax from continuing operation		**(115.29)**	**(204.19)**
Exceptional item	26	**477.51**	**995.32**
Profit /(loss) before tax from continuing operation		**(592.80)**	**(1,199.50)**
Tax expenses of continuing operations			
Current tax		-	-
Adjustments of tax relating to earlier periods		0.10	0.64
Deferred tax expenses/(credit)		-	(0.01)
Total tax expenses		0.10	0.63
Profit/(loss) after tax from continuing operations		**(592.89)**	**(1,200.13)**
Profit /(loss) for the year/period (A)		**(592.89)**	**(1,200.13)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on post employment defined benefit plans		(0.02)	(0.05)
Income tax effect		0.01	0.01
Net Re-measurement gains / (losses) on post employment defined benefit plans		(0.00)	(0.04)
Other comprehensive income for the year/period, net of tax (B)		**(0.00)**	**(0.04)**
Total comprehensive income for the year/period, net of tax (A+B)		**(592.90)**	**(1,200.17)**
Weighted average number of equity shares for basic EPS		196.84	632.33
Earnings per equity share from continuing and discontinuing operations - Basic and diluted, computed on the basis of profit from continuing and discontinuing operations attributable to equity holders (per equity share of Rs 10 each)			
Basic		(3.01)	(1.90)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For PHANIBHUSHAN & CO.
Chartered Accountants
Firm Regn. No. 012481S

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.06.01 19:19:54 +05'30'

M. PHANI BHUSHAN KUMAR
Partner
M.No : 223397

Place: Hyderabad
Date:

For and on behalf of Board of Directors of
GMR GENERATION ASSETS LTD

NIRJHAR SARKAR

Nirjhar Sarkar
Director
DIN: 03581604

ASHIS BASU

Ashis Basu
Director
DIN: 01872233

MANOJ KUMAR AGGRAWAL
Digitally signed by MANOJ KUMAR AGGRAWAL

Manoj Kumar Aggrawal
Chief Financial Officer
PAN: AAGPA1142B

CHIRAG BHAYAL
Digitally signed by CHIRAG BHAYAL
Date: 2021.06.01 19:12:58 +05'30'

Chirag Bhayal
Company Secretary
ACS: A45462

Place: Delhi
Date:

GMR GENERATION ASSETS LTD.

Cash Flow Statement

Particulars	**March 31, 2021**	**(Rs. in crore)** **March 31, 2020**
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Profit/ (Loss) before tax from continuing operations	(592.89)	(1,199.50)
Profit/ (Loss) before tax from discontinued operations	-	-
Profit / (loss) before income tax including discontinued operation	**(592.89)**	**(1,199.50)**
Adjustments to reconcile (loss) / profit before tax to net cash flows		
Depreciation of property, plant and equipment and amortization of intangible assets	2.94	2.96
Provision for diminution in value of investment	293.39	1,013.55
Bad debt written off	0.01	3.85
Net loss or fair valuation of investments	0.01	(0.01)
Exchange differences (net)	0.03	34.77
Provision no longer required	(22.13)	(22.31)
Finance costs	183.53	260.28
Re-measurement of post employment defined benefit plans	(0.00)	-
Finance income	(51.79)	(95.88)
Operating profit before working capital changes	**(186.91)**	**(2.29)**
Movements in working capital :		
Trade receivables	0.02	(0.06)
Other financial assets	14.94	(51.74)
Other current assets	80.51	12.78
Trade payables	72.79	57.21
Other financial liabilities	(0.36)	(0.49)
Provisions	(0.06)	(0.33)
Other current liabilities	386.55	(0.40)
Cash generated from operations	**367.49**	**14.68**
Direct taxes paid	(15.63)	1.93
Net cash flow from operating activities (A)	**351.86**	**16.61**
CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES		
Loans (given to) / repaid by others	401.77	(310.62)
Finance income received	118.50	40.16
Net cash flow used in investing activities (B)	**520.27**	**(270.46)**
CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES		
Proceeds from / (repayment of) borrowings	(709.84)	448.95
Finance costs paid	(162.71)	(195.77)
Net cash flow (used in) / from financing activities (C)	**(872.55)**	**253.18**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(0.42)	(0.67)
Cash and cash equivalents as at April 1,2021	0.64	1.31
Cash and cash equivalents as at March 31, 2021	**0.22**	**0.64**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks:		
- on current accounts	0.18	0.60
- Deposit Account	0.04	0.04
Total cash and cash equivalents	**0.22**	**0.64**

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

For PHANIBHUSHAN & CO.
Chartered Accountants
Firm Regn. No. 012481S

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.06.01 19:20:35 +05'30'

M. PHANI BHUSHAN KUMAR
Partner
M.No : 223397

Place: Hyderabad
Date:

For and on behalf of Board of Directors of
GMR GENERATION ASSETS LTD.

NIRJHAR SARKAR

Nirjhar Sarkar
Director
DIN: 03581604

ASHIS BASU

Ashis Basu
Director
DIN: 01872233

MANOJ KUMAR AGGRAWAL
Digitally signed by MANOJ KUMAR AGGRAWAL

Manoj Kumar Aggrawal
Chief Financial Officer
PAN: AAGPA1142B

CHIRAG BHAYAL
Digitally signed by CHIRAG BHAYAL
Date: 2021.06.01 19:13:19 +05'30'

Chirag Bhayal
Company Secretary
ACS: A45462

Place: Delhi
Date:

GMR GENERATION ASSETS LTD.

Notes to the standalone financial statements for the year ended March 31, 2021

Statement of changes in equity

(Rs. in crore)

Particulars	Attributable to the equity holders							
				Reserves and surplus			Items of OCI	
	Equity share capital	Equity component of compound financial instruments	Share application money pending allotment	Securities premium	General reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit plans (OCI)	Total equity
Balance as at April 1, 2019	6,323.25	650.97	-	1.53	-	(6,815.22)	0.00	160.53
Profit/ (loss) during the year	-	-	-	-	-	(1,200.13)	-	(1,200.13)
Other comprehensive income	-	-	-	-	-	-	(0.04)	(0.04)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(1,200.13)**	**(0.04)**	**(1,200.17)**
Additions during the year			753.08	4.17		-		757.25
Adjustment in retained earnings	-	-	-	-	-	196.22	-	196.22
Balance as at March 31, 2020	**6,323.25**	**650.97**	**753.08**	**5.70**	**-**	**(7,819.13)**	**(0.03)**	**(86.16)**
Opening balance	6,323.25	650.97	753.08	5.70	24.99	(7,819.13)	(0.06)	(61.21)
Profit/ (loss) during the year	-	-	-	-	-	(592.89)	-	(592.89)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(592.89)**	**-**	**(592.89)**
Amount transferred to retained earnings	-	(622.44)	-	-	-	622.44	-	-
Capital reduction	(4,354.82)	-				-		(4,354.82)
Adjustment during the year	-	-	(753.08)	-	-	-		(753.08)
Adjustment in retained earnings	-	-	-	-	-	5,047.48	-	5,047.48
Balance as at March 31, 2021	**1,968.43**	**28.53**	**(0.00)**	**5.70**	**24.99**	**(2,742.10)**	**(0.06)**	**(714.51)**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date
For PHANIBHUSHAN & CO.
Chartered Accountants
Firm Regn .No. 012481S

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.06.01 19:21:20 +05'30'

M. PHANI BHUSHAN KUMAR
Partner
M.No : 223397

Place: Hyderabad
Date:

For and on behalf of Board of Directors of
GMR GENERATION ASSETS LTD.

NIRJHAR SARKAR

ASHIS BASU

MANOJ KUMAR AGGRAWAL
Digitally signed by MANOJ KUMAR AGGRAWAL

CHIRAG BHAYAL
Digitally signed by CHIRAG BHAYAL
Date: 2021.06.01 19:13:41 +05'30'

Nirjhar Sarkar
Director
DIN: 03581604

Ashis Basu
Director
DIN : 01872233

Manoj Kumar Aggrawal
Chief Financial Officer
PAN: AAGPA1142B

Chirag Bhayal
Company Secretary
ACS: A45462

Place:Delhi
Date:

1 Corporate Information and Significant Accounting Policies:

1.1 Corporate Information:

GMR Generation Assets Limited ("the Company") is promoted as a Special Purpose Vehicle (SPV) by GMR Infrastructure Limited to develop and operate 2.1 MW wind power project in Moti Sindhodi, Gujarat.

The project has been developed by Suzlon Energy on turnkey basis and was commissioned on 04.07.2011. Generation of power has started from the above project, and the entire power is being sold to Gujarat Urja Vikas Nigam Ltd as per PPA terms.
Information on other related party transactions is provided in Note 28.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors passed in the Board Meeting held on 01 June 2021.

2 Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and the relevant amendment rules issued thereafter.
Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in case.

The financial statements are presented in Indian Rupees (INR) and all the values have been rounded off to the nearest crore, except as otherwise stated.

Though the Company has incurred loss of Rs. 592.90 Cr (March 31, 2020 Rs. 1,200.17 Cr) which has resulted into negative net worth of Rs. 714.46 Cr (March 31, 2020 Rs. 61.23 Cr), on the basis of confirmation of continued financial support to meet its financial obligations, in the foreseeable future, by the Holding Company, GMR Infrastructure Ltd, Company continues to prepare its financial statements on a going concern basis.

b) Summary of significant accounting policies

i) Use of estimates

The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

A liability is treated as current when:
a) It is expected to be settled in normal operating cycle
b) It is held primarily for the purpose of trading
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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.

iii) Property, Plant & Equipments:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost including goverment grants and decommissioning costs less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties, levies. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs 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.

Recognition:

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP in terms of paragraphs D7AA & D13AA of Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' and use that carrying value as the deemed cost of the property, plant and equipment after making adjustments for decommissioning liability (paragraph D21 of Ind AS 101), transaction cost of long term borrowings and Government grants as per Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 5 (Revised).

Depreciation and amortisation

Depreciation on tangible assets dedicated for generation of power covered under CERC tariff regulations including common assets are provided on straight line method (other than BTG of Unit I and II and CTU Transmission Lines), at rates specified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulation.

In respect of BTG of Unit I and II and CTU Transmission lines, the Company has estimated 40 years as the useful life of the components as per technical evaluation and accordingly provided depreciation over the remaining useful life of the asset using Straight Line Method w.e.f April 1, 2016 in terms of the requirement of Schedule II of Companies Act 2013.

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

Asset Type	Estimated useful life (in years)
Buildings	25
Roads	3
Plant & Machinery - Thermal plant *	40
Plant & Machinery - General	15
Office equipments	5
Furniture & Fixtures	10
Electrical Equipments	10
Computer equipments	3
Motor cycles	8
Motor Cars	8
Railway Siding	25
Locomotive	15
Earthmoving equipment	09

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

Leasehold land from Government Authorities are amortised as per Central Electricity Regulatory Commission at rates specified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulation.

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.

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.

Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Machinery spares which are specific to a particular item of Property , Plant & Equipments and whose use is expected to be irregular are capitalized as Property, Plant & Equipments.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months and having a value of more than 0.50 Million.

iv) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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. 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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 or loss when the asset is derecognised.

v) Borrowing cost

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

vi) Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, the cost of the asset shown at gross value and grant there on is treated as capital grant which is recognised as income in the statement of profit and loss over the period and proportion in which depreciation is charged. Revenue grants are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

Grants of non-monetary assets are recorded at fair value and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying assets i.e. by equal annual instalments.

vii) 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.

i) 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.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

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

iii) 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.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

a. another systematic basis is more representative of the time pattern of the user’s benefit even if the payments to the lessors are not on that basis; or

b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

viii) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis and includes all applicable costs in bringing goods to their present locations and condition.

ix) Impairment of non-financial assets

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 units' (CGUs) net selling price 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 group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of twenty to twenty five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the twenty fifth year. 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 or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

Intangible assets with indefinite useful lives (if available) are tested for impairment annually as at December 31st at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

x) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, 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.

xi) Decommissioning liability

The Company records a provision for decommissioning costs on power plant projects, where 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 risk free rate. The unwinding of the discount is expensed as incurred and recognised in the 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.

xii) Retirement and other Employee Benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc.,are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Retirement benefit in the form of provident fund, pension fund, superannuation fund etc. are defined contribution scheme. The Company has no obligation, other than the contribution payable.

The Company recognizes contribution payable as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the 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.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short—term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long—term employee benefit for measurement purposes. Such long—term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year—end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The company presents the accumulated leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non—current liability.

Gratuity is a defined benefit scheme. The cost of providing benefits under the scheme is determined on the basis of actuarial valuation under projected unit credit (PUC) method.

Remeasurements, 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 balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements 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.

xiii) Financial Instruments - Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
a. Debt instruments at amortised cost
b. Debt instruments at fair value through other comprehensive income (FVTOCI)
c. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost: A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI: A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.
In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). The company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company’s continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Lease receivables under Ind AS 17
d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
e) Loan commitments which are not measured as at FVTPL
f) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on;
a) Trade receivables or contract revenue receivables; and
b) All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:
a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms
As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

xiv) Financial Instruments - Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss : Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

Loans and borrowings : This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

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 derecognition 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 or loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. 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

Convertible preference shares

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

On issuance of the convertible preference shares, 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 fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

xv) Revenue Recognition

a) Revenue from energy units sold is recognised on accrual basis as per the terms of the Power Purchase Agreement (PPA) and Letter of Intent (LOI) [collectively hereinafter referred to as 'the PPAs'] and tariff rates determined by CERC. Revenue includes unbilled revenue accrued up to the end of the accounting year. The revenue is also recognised / adjusted towards truing up of fixed charges and energy charges in terms of CERC tariff regulation 2014-19, wherever applicable.

Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to the customers based on the units of energy delivered and rates agreed with customers.

b) Revenue from sale of infirm power are recognised as per the guidelines of Central Electricity Regulatory Commission. Revenue prior to date of commercial operation are reduced from Project cost.

c) Revenue/charges from Unscheduled Interchange for the deviation in generation with respect to scheduled units are recognized/ charged at rate notified by CERC from time to time, are adjusted to revenue from sale of energy.

d) Revenue earned in excess of billings has been included under "other assets" as unbilled revenue and billings in excess of revenue have been disclosed under "other liabilities" as unearned revenue.

e) Revenue from sale of power is net of prompt payment rebate eligible to the customers.

f) Claims for delayed payment charges and any other claims, which the Company is entitled to under the PPAs, are accounted for in the year of acceptance by the customers. Similarly Commission, liquidated damages and any other charges are accounted for in the year of acceptance.

g) Interest is recognized using the time proportion method based on rates implicit in the transaction. Dividend income is accounted for in the year in which the right to receive the same is established by the reporting date.

xvi) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

xvii) Foreign currencies

The financial statements are presented in INR, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company uses an 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 with the exception of the following:

-Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

-Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

-Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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.

xviii) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management after discussion. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every five years. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions
b) Contingent consideration
c) Quantitative disclosures of fair value measurement hierarchy
d) Investment in unquoted equity shares (discontinued operations)
e) Property, plant and equipment under revaluation model
f) Investment properties
g) Financial instruments (including those carried at amortised cost)
h) Non-cash distribution

xix) Taxes on income

Current income tax

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income 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 provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income)

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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

xx) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Property, plant and equipment

(Rs. in crore)

Particulars	Buildings	Vehicles	Computers	Office Equipment	Furniture & Fixtures	Freehold Land	Total
Cost							
As at 31.03.2019	54.57	0.38	0.01	0.20	0.13	15.11	70.40
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at 31.03.2020	**54.57**	**0.38**	**0.01**	**0.20**	**0.13**	**15.11**	**70.40**
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at 31.03.2021	**54.57**	**0.38**	**0.01**	**0.20**	**0.13**	**15.11**	**70.40**
Depreciation							
As at 31.03.2019	**5.54**	**0.13**	**0.00**	**0.17**	**0.08**	**-**	**5.92**
Charge for the year	2.28	0.04	0.00	0.01	0.02		2.35
Deductions	-	-	-	-	-	-	-
As at 31.03.2020	**7.82**	**0.17**	**0.00**	**0.17**	**0.10**	**-**	**8.27**
Charge for the year	2.28	0.03	0.00	0.01	0.02	-	2.34
Deductions	(44.48)	-	-	-	-	(15.11)	(59.59)
As at 31.03.2021	**54.57**	**0.20**	**0.01**	**0.18**	**0.12**	**15.11**	**70.20**
Net block							
As at 31.03.2021	**-**	**0.18**	**0.01**	**0.02**	**0.01**	**-**	**0.21**
As at 31.03.2020	**46.76**	**0.21**	**0.00**	**0.03**	**0.03**	**15.11**	**62.14**

4 Intangible Assets

(Rs. in crore)

Particulars	Intangible	Total
Gross block		
Cost		
As at 31.03.2019	9.60	9.60
Additions		
Disposals	-	-
As at 31.03.2020	**9.60**	**9.60**
Additions	-	-
Disposals	-	-
As at 31.03.2021	**9.60**	**9.60**
Amortization		
As at 31.03.2019	2.37	2.37
Charge for the year	0.59	0.59
Disposals		
As at 31.03.2020	**2.96**	**2.96**
Charge for the year	0.59	0.59
Disposals	-	-
As at 31.03.2021	**3.55**	**3.55**
Net block		
As at 31.03.2021	**6.05**	**6.05**
As at 31.03.2020	**6.64**	**6.64**

GMR GENERATION ASSETS LTD.

Notes to the standalone financial statements for the year ended March 31, 2021

3.1 Right of use

	Right of use	(Rs. in crore)
Particulars	**Land**	**Total**
Gross block		
At cost/deemed cost		
As at April 1, 2019	-	-
As at March 31, 2020	-	-
Opening	0.13	0.13
As at March 31, 2021	**0.13**	**0.13**
Accumulated depreciation		
As at April 1, 2019	-	-
As at March 31, 2020	-	-
Opening	0.02	0.02
Charge for the year	0.02	0.02
As at March 31, 2021	**0.03**	**0.03**
Net block		
As at April 1, 2019	-	-
As at March 31, 2020	-	-
As at March 31, 2021	**0.10**	**0.10**

5 Investment in subsidaries, associate and a joint venture

	(Rs. in crore)	
	Non current	
	March 31, 2021	March 31, 2020
Investments at cost		
Investment in subsidiaries		
Unquoted Equity Instruments		
10,000 (March 31, 2020: 10,000) Equity shares of Rs 10 each fully paid up in GMR Londa Hydropower Limited	0.01	0.01
20,000 (March 31, 2020: 20,000) Equity shares of Rs 10 each fully paid up in GMR Mining & Energy Limited	0.02	0.02
510 (March 31, 2020: 510) Equity shares of Rs 10 each fully paid up in GMR Power Infra Limited	0.00	0.00
Investment in associates		
Unquoted Equity Instruments		
1,30,15,31,411 (March 31, 2020: 1,30,15,31,411) Equity shares of Rs 10 each fully paid up in GMR Energy Limited [1]	2,843.60	2,843.60
1,15,70,00,000 (March 31, 2020: 1,15,70,00,000) Equity shares of Rs 10 each fully paid up in GMR Rajamundhry Energy Limited [2]	1,157.00	1,157.00
2,70,000 (March 31, 2020: 2,70,000) Equity shares of Rs 10 each fully paid up in GMR Tambaram Tindivanam Expressways Limited	0.27	0.27
2,70,000 (March 31, 2020: 2,70,000) Equity shares of Rs 10 each fully paid up in GMR Tuni Ankapalli Expressways Limited	0.27	0.27
Total Investments	**4,001.17**	**4,001.17**
Less: Provision for permanent diminution in value of investment		
GMR Energy Limited [3]	(2,132.55)	(1,839.16)
GMR Rajamundhry Energy Limited [4]	(1,157.00)	(1,157.00)
Net Investments	**711.63**	**1,005.01**

Notes:

[1] GMR Energy Limited : Out of the above equity shares, 90,17,25,674 equity shares have been pledged with Vistra ITCL Limited (security trustee for Yes Bank Ltd Loan facility), 20,40,39,388 shares have been pledged with Doosan Power Systems India Pvt Ltd and 7,21,38,054 shares are under NDU.

[2] GMR Rajamundhry Energy Limited, out of the above equity shares, 1,15,69,99,400 shares have been pledged with IDBI Trusteeship Services Limited. The shares have been pledged for loan taken by respective company from the lenders.

[3] Based on the implied fair valuation of subscription for the issue of new equity shares, the management of the Company has assessed the fair value of the Company's investment in GMR Energy Limited. During the year 2017-18, provision of Rs 363 cr has been made for impairment. An impairment provision of Rs 323.74 cr for the FY 2018-19, Rs 652.42 cr for FY 2019-20 and Rs 293.39 cr for FY 2020-21 are made as per the fair value of the Company's investment in GMR Energy Limited.

[4] Impairment provision of Rs 1157 cr represents impairment for Investment made in equity shares of GMR Rajamundhry Energy Limited.

6 Other investments

		(Rs. in crore)	
		Non current	
		March 31, 2021	**March 31, 2020**
Equity component of compound financial instrument			
Unquoted		470.81	466.66
Less: Impairment in value of investments		-	-
	Total (h)	**470.81**	**466.66**
Provision for diminution in value of investments (*)		**(470.81)**	**(466.66)**
Total		**0.00**	**0.00**

* Additional Equity investment in GMR Rajamundry Energy Limited created as per Ind AS includes Equity component on ICD given amounting to Rs 71.29 cr, interest receivable amounting to Rs 45.29 cr and value of Financial Guarantee given amounting to Rs 42.11 cr, totalling Rs 158.69 cr as of 31 March 2019. The Company has made impairment provision on the entire Rs 158.69 cr.

During the year ended 31 March 2021 and 31 March 2020, Additional equity investment as per Ind AS on GMR Rajamundry Energy Limited ICD given amounting to Rs 4.15 cr and Rs 220.57 cr respectively. Impairment provision was made on it.

8 Trade receivables

	Current	
	(Rs. in crore)	
	March 31, 2021	**March 31, 2020**
Unsecured, considered good		
Related parties	-	-
Others (*)	114.14	114.17
Total	**114.14**	**114.17**

* No trade or other receivables 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.

7 Loans

(Rs. in crore)

	Non current		Current	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Other loans				
Unsecured, considered good				
Loan to employees	0.03	-	-	-
Loan to directors	-	-	-	-
Loan to body corporate	-	-	-	-
Loan to related party	77.08	207.48	725.68	983.56
Loan to others	-	0.06	-	-
	77.11	207.54	725.68	983.56
Unsecured, considered doubtful				
	-	-	-	-
Provision for doubtful loans - related party	(77.08)	(63.58)	-	-
Provision for doubtful loans - employees	-	-	-	-
Provision for doubtful loans - others	-	-	-	-
Total (B)	**0.03**	**143.96**	**725.68**	**983.56**
Total (A+B)	**0.03**	**143.96**	**725.68**	**983.56**

10 Other financial assets

	Non Current		Current	(Rs. in crore)
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Unsecured, considered good unless stated otherwise				
Non-current bank balances	-	-	-	-
	-	-	-	-
Derivative instruments at fair value through profit or loss				
Derivatives not designated as hedge (*)	-	-	-	0.01
	-	-	-	**0.01**
Unsecured, considered good unless stated otherwise				
Unbilled revenue	-	-	-	0.13
Interest accrued on fixed deposits	-	-	0.00	0.00
Interest accrued on Inter corporate loans and deposits	23.08	23.08	147.46	210.90
Non trade receivable- related party	-	-	53.67	3.05
Non trade receivable considered good	-	-	0.70	0.70
Other financial asset	-	-	-	2.05
	23.08	**23.08**	**201.83**	**216.84**
Provision for doubtful non trade receivable	-	-	-	-
Provision for doubtful interest accrued	(23.08)	(23.08)	-	-
	-	-	**201.83**	**216.84**

* While the company entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected repayment of vendor liability. Those contracts are not designated as hedge relationships and are measured at fair value through profit and loss.

11 Other non current assets /Other current assets

	Non current		Current	(Rs. in crore)
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Capital advances				
Capital advances to others	0.60	4.00	-	-
Unsecured, considered doubtful	-	-	-	-
	0.60	**4.00**		
Provision for doubtful advances	-	-	-	-
Total (A)	**0.60**	**4.00**		
Advances other than capital advances				
Secured	-	-	-	-
Unsecured, considered good				
Advance to suppliers	-	-	6.93	87.16
Advance to employees	-	-	0.01	0.01
	-	-	6.94	87.17
Provision for doubtful advances	-	-	-	-
Total (B)	**-**	**-**	**6.94**	**87.17**
Other advances				
Prepaid expenses	0.07	0.08	0.02	0.01
Balance with government authorities	-	0.00	0.22	0.32
Prepaid gratuity premium	-	0.18	-	-
	0.07	**0.26**	**0.23**	**0.33**
Provision for doubtful advances	-	-	-	-
Total (C)	**0.07**	**0.26**	**0.23**	**0.33**
Total (A+B+C)	**0.67**	**4.26**	**7.18**	**87.50**

9 Cash and cash equivalents

(Rs. in crore)

	Current	
	March 31, 2021	**March 31, 2020**
Balances with banks		
- in current accounts	0.18	0.60
- in deposit accounts	0.04	0.04
	0.22	**0.64**
Bank balances other than cash and cash equivalents		
Total	**0.22**	**0.64**

12 Share Capital

(Rs. in crore)

Particulars	March 31, 2021	March 31, 2020
Authorised:		
Equity share capital: 750 crore (March 31, 2020: 750 crore) equity shares of Rs. 10 each	7,500.00	7,500.00
Preference share capital: 151.6 crore (March 31, 2020: 151.6 crore) preference shares of Rs. 10 each	1,516.00	1,516.00
1.18 crore (March 31, 2020: 1.18 crore) preference shares of Rs. 1,000 each	1,180.00	1,180.00
	10,196.00	**10,196.00**
Issued, subscribed and fully paid-up		
196.84 crore (March 31, 2020: 632.33 crore) equity shares of Rs.10 each fully paid up	1,968.43	6,323.25
	1,968.43	**6,323.25**

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

Equity Shares	March 31, 2021		March 31, 2020	
	No. of shares in Crore	Rs in Crores	In Numbers	Rs in Crores
At the beginning of the year	632.33	6,323.25	632.33	6,323.25
Add: Issued during the year	-	-	-	-
Less: Reduced during the year on account of capital reduction	435.48	4,354.82	-	-
Outstanding at the end of the year	**196.84**	**1,968.43**	**632.33**	**6,323.25**

b. Terms/Rights Attached to equity Shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. In 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.

c. Shares held by holding /ulitmate holding company /holding company and/or their subsidiaries/associates

Name of Shareholder	March 31, 2021		March 31, 2020	
	No. of shares in Crore	Rs in Crores	No. of shares in Crore	Rs in Crores
GMR Infrastructure Limited, the Ultimate holding company (including its Nominees)				
Equity shares of Rs.10 each fully paid up	161.73	1,617.30	632.28	6,322.75
GMR Energy Projects (Mauritius) Limited (the Subsidiary of GMR Infrastructure Limited, the Ultimate holding company)				
Equity shares of Rs.10 each fully paid up	0.01	0.06	0.05	0.50

d. Details of Shareholders holding more than 5% of equity shares in the Company

Name of Shareholder	March 31, 2021		March 31, 2020	
	No. of shares in Crore	% Holding	No. of shares in Crore	% Holding
GMR Infrastructure Limited, the Ultimate holding company (including its Nominees)				
Equity shares of Rs.10 each fully paid up	161.73	82.16%	632.28	99.99%
Odeon Limited				
Equity shares of Rs.10 each fully paid up	31.39	15.95%	-	-

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

e. During the year ended 31 March 2021, there has been a capital reduction of 435.48 crore equity shares of Rs 10 each.

14 Long term borrowings

	(Rs. in crore)	
	Non current	
	March 31, 2021	March 31, 2020
Secured		
Indian rupee term loans from banks (secured)	560.73	524.04
Indian rupee term loans from financial institutions (secured)	0.00	20.40
Liability component of compound financial instruments	0.00	0.00
Other loans		
Inter corporate loans and deposits	813.61	979.99
	1,374.34	**1,524.43**
The above amount includes:		
Secured borrowings	560.73	544.44
Unsecured borrowings	813.61	979.99
Amount disclosed under the head 'other current financial liabilities'		
Net amount	**1,374.34**	**1,524.43**
	-	-

The Company has taken two loans - Facility I, Facility II from Yes Bank Limited of Rs 350 cr and 250 cr respectively. Rate of interest is 10.5% and 10.4% respectively and both loans are repayable in 14 half year installments starting from March 2019. last installment payable in Sept 2025. Effective interest rate from 1 Sep 2019 is 11,9% and 11.8% respectively. These facilities are secured by exclusive charge over current assets and non movable fixed assets / ICD extended to GPCL out of YBL facility and unconditional and irrevocable Corporate guarantee from GIL. Further, the half yearly installments due for the month of March 2021 have not been paid by the Company.

Loans taken from group company is interest bearing and the interest rate varies from 12.25% to 12.50% (previous year: 11.4% to 12.50%) [Refer related party transactions as per Note 28]

17 Trade payables

					(Rs. in crore)
		Non current		Current	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Due to micro small and medium enterprise	(A)	-	-	-	-
Other trade payables:					
Due to Related parties:		-	-	48.25	2.55
Due to others		-	-	30.07	25.15
Total other trade payables	(B)	-	-	78.32	27.70
Total A+B		**-**	**-**	**78.32**	**27.70**

15 Other financial liabilities

(Rs. in crore)

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial liabilities at fair value through profit or loss				
Other financial liabilities at amortized cost				
Security deposit from customers	-	-	6.14	6.14
Non-trade payable (including retention money)	-	-	0.51	0.88
Non trade payable- Related parties	-	-	-	0.00
Financial guarantee	0.00	0.00	41.15	41.15
Interest accrued on debt and borrowings	-	-	35.18	14.36
Interest accrued on Inter corporate loans and deposits	9.24	51.01	(0.00)	24.93
Current maturities of long term borrowings	-	-	55.05	54.28
Total	9.24	51.01	138.03	141.75
Total (A+B+C+D)	**9.24**	**51.01**	**138.04**	**141.75**

16 Provisions

(Rs. in crore)

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for employees benefits				
Provision for gratuity	0.01	0.01	0.01	0.00
Provision for superannuation	-	-	0.00	0.00
Provision for leave encashment	0.02	0.07	0.01	0.01
	0.03	0.09	0.02	0.01
Other provisions				
	0.03	**0.09**	**0.02**	**0.01**

19 Other current and non current liabilities

(Rs. in crore)

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advance received from customers	-	-	564.28	564.28
Advance received - Related parties	-	-	387.19	-
Statutory dues payable	-	-	0.32	0.96
	-	**-**	**951.79**	**565.24**

17 Short term borrowings

(Rs. in crore)

	Current	
	March 31, 2021	March 31, 2020
Unsecured		
Inter corporate loans and deposits	-	401.57
	-	**401.57**
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	-	401.57
	-	**401.57**

GMR GENERATION ASSETS LTD.
Notes to Profit & Loss statement for the year ended March 31, 2021

20 Revenue from operations

(Rs. in crore)

	March 31, 2021	March 31, 2020
Power segment:		
Sale of products		
Income from sale of electrical energy	0.76	1.77
	0.76	**1.77**

21 Other income

(Rs. in crore)

	March 31, 2021	March 31, 2020
Interest income on:		
Bank deposits and others	1.41	0.09
Inter corporate loans and deposits	50.38	95.79
Provisions/Liability no longer required written back	22.17	0.24
Miscellaneous income	0.02	0.67
	73.98	**96.79**

GMR GENERATION ASSETS LTD.

Notes to Profit & Loss statement for the year ending March 31, 2021

22 Employee benefit expenses

		(Rs. in crore)
	March 31, 2021	**March 31, 2020**
Salaries wages and bonus	0.63	0.82
Contribution to provident and other funds	0.05	0.06
Gratuity expenses	0.17	0.02
Staff welfare expenses	(0.00)	(0.00)
	0.84	**0.89**

25 Other expenses

		(Rs. in crore)
	March 31, 2021	**March 31, 2020**
Electricity and water charges	0.26	0.16
Insurance	0.03	0.03
Repairs and maintenance		
Others	0.19	0.14
Rates and taxes	1.30	1.42
Lease rent	0.02	0.02
Vehicle running & maintenance	-	0.00
Printing & stationary	0.00	0.00
Books & periodicals	0.00	0.00
Communication cost	0.00	0.00
Travelling and conveyance	0.00	0.07
Legal and professional fees	0.33	1.19
Remuneration to auditor	0.08	0.08
Director's sitting fees	0.04	0.10
Loss on fair valuation of derivative	0.01	-
Bad debt written off	0.01	0.03
Exchange differences (net)	0.03	34.77
Bidding expenses	0.12	-
Community development expenses	-	0.06
Logo fees	0.00	0.11
Meeting and seminar	-	0.00
Bank charges	0.00	0.05
Operation & maintenance charges	0.29	0.32
Miscellaneous expenses	0.00	0.07
	2.73	**38.61**
Details of payments to auditors		
As auditor:		
Audit fee	0.06	0.06
Tax audit fee	0.01	0.01
Certification fees	0.01	0.00
Total payments to auditors	**0.08**	**0.08**

24 Depreciation and amortisation expenses

	March 31, 2021	March 31, 2020
		(Rs. in crore)
Depreciation of property plant and equipment	2.33	2.35
Depreciation on right to use	0.02	0.02
Amortisation of intangible assets	0.59	0.59
	2.94	**2.96**

23 Finance costs

	March 31, 2021	March 31, 2020
		(Rs. in crore)
Interest on debts and borrowings	183.33	258.37
Interest others	0.02	0.11
Other borrowing cost	0.18	1.80
	183.53	**260.28**

26 Exceptional item

	March 31, 2021	March 31, 2020
		(Rs. in crore)
Provision/write-off for impairment of investments at amortised cost/doubtful loans and advances (refer note below)	311.04	1013.55
Settlement of stake sale of Chhatishgarh Plant (GCEL)	166.47	-
Current WIP written off	-	3.85
Provision for interest liability written back	-	(22.07)
	477.51	**995.33**

Note: Refer note 5 and 6 with regard to provision for dimunition in value of loans/advances made in subsidiaries/associates/joint ventures

GMR GENERATION ASSETS LTD.

Notes to Profit & Loss statement for the Year ending March 31, 2021

27 Earnings per share (EPS)

	March 31, 2021	March 31, 2020
Profit attributable to equity holders of parent:		
Continuing operations (Rs in crore)	(592.89)	(1,200.13)
Discontinued operations (Rs in crore)	-	-
Profit attributable to equity holders of parent for basic / diluted earnings per share(Rs in crore)	(592.89)	(1,200.13)
Weighted average number of equity shares for basic EPS	196.84	632.33
Effect of dilution:		
Weighted average number of equity shares adjusted for the effect of dilution	-	-
Earnings per share for continuing operations - Basic (Rs)	(3.01)	(1.90)

28 List of Related Parties with whom transactions have taken place during the year:

a. Names of related parties and related party relationship:

Enterprises that control the company	GMR Infrastructure Limited
Ultimate holding company	GMR Enterprises Private Limited
Fellow Subsidiaries	GMR Sports Private Limited
	GMR League Games Private Limited
	GMR Infratech Private Limited
	Cadence Enterprises Private Limited
	PHL Infrastructure Finance Company Private Limited
	Vijay Nivas Real Estates Private Limited
	Fabcity Properties Private Limited
	Kondampeta Properties Private Limited
	Hyderabad Jabilli Properties Private Limited
	Leora Real Estates Private Limited
	Pashupati Artex Agencies Private Limited
	Ravivarma Realty Private Limited
	GMR Solar Energy Private Limited
	Rajam Enterprises Private Limited
	Grandhi Enterprises Private Limited
	Ideaspace Solutions Private Limited
	National SEZ Infra Services Private Limited
	Kakinada Refinery and Petrochemicals Private Limited
	Corporate Infrastructure Services Private Limited
	GMR Bannerghatta Properties Private Limited
	Kirthi Timbers Private Limited
	AMG Healthcare Destination Private Limited
	GMR Holding (Malta) Limited
	GMR Infrastructure (Malta) Limited
	GMR Holdings (Overseas) Limited
	GMR Holdings (Mauritius) Limited
	Crossridge Investments Limited
	Interzone Capital Limited
	GMR Holdings Overseas (Singapore) Pte Limited
	GMR Business & Consultancy LLP
	GMR Vemagiri Power Generation Limited (GVPGL)
	GMR (Badrinath) Hydro Power Generation Private Limited
	GMR Mining & Energy Private Limited (GMEL)
	GMR Kamalanga Energy Limited (GKEL)
	Himtal Hydro Power Company Private Limited (HHPPL)
	GMR Energy (Mauritius) Limited (GEML)
	GMR Lion Energy Limited (GLEL)
	GMR Upper Karnali Hydropower Limited (GUKPL)
	GMR Energy Trading Limited (GETL)
	GMR Energy Limited (GEL)
	GMR Consulting Services Private Limited (GCSPL)
	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)
	GMR Londa Hydropower Private Limited (GLHPPL)
	GMR Energy (Cyprus) Limited (GECL)
	GMR Energy (Netherlands) B.V. (GENBV)
	PT Dwikarya Sejati Utma (PTDSU)
	PT Duta Sarana Internusa (PTDSI)
	PT Barasentosa Lestari (PTBSL)
	PT Unsoco (PT)
	GMR Warora Energy Limited (Formerly EMCO Energy Limited)
	Indo Tausch Trading DMCC (ITTD)
	GMR Maharashtra Energy Limited (GMEL)
	GMR Rajam Solar Power Private Limited (formerly known as GMR Uttar Pradesh Energy Private Limited (GUPEPL)

	GMR Hosur Energy Limited (GHOEL) GMR Gujarat Solar Power Limited (GGSPL) Karnali Transmission Company Private Limited (KTCPL) Marsyangdi Transmission Company Private Limited (MTCPL) GMR Indo-Nepal Energy Links Limited (GINELL) GMR Indo-Nepal Power Corridors Limited (GINPCL) GMR Energy Projects (Mauritius) Limited (GEPML) GMR Infrastructure (Singapore) Pte Limited (GISPL) GMR Coal Resources Pte Limited (GCRPL) GMR Power Infra Limited (GPIL) GMR Highways Limited (GMRHL) GMR Tambaram Tindivanam Expressways Limited (GTTEPL) GMR Tuni Anakapalli Expressways Limited (GTAEPL) GMR Ambala Chandigarh Expressways Private Limited (GACEPL) GMR Pochanpalli Expressways Limited (GPEPL) GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL) GMR Chennai Outer Ring Road Private Limited (GCORRPL) GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL) GMR Highways Projects Private Limited (GHPPL) GMR Hyderabad International Airport Limited (GHIAL) Gateways for India Airports Private Limited (GFIAL) Hyderabad Airport Security Services Limited (HASSL) GMR Hyderabad Airport Resource Management Limited (GHARML) GMR Hyderabad Aerotropolis Limited (HAPL) GMR Hyderabad Aviation SEZ Limited (GHASL) GMR Aerospace Engineering Limited (GAEL (formerly known as MAS GMR Aerospace Engineering Company Limited) GMR Aero Technic Limited (GATL) [formerly known as MAS GMR Aero Technic Limited (MGATL)] Hyderabad Duty Free Retail Limited (HDFRL) GMR Airport Developers Limited (GADL) GADL International Limited (GADLIL) GADL (Mauritius) Limited (GADLML) GMR Hotels and Resorts Limited (GHRL) GMR Hyderabad Airport Power Distribution Limited Delhi International Airport Limited (DIAL) Delhi Aerotropolis Private Limited (DAPL) Delhi Duty Free Services Private Limited (DDFS) Delhi Airport Parking Services Private Limited (DAPSL) GMR Airports Limited (GAL) GMR Airport Global Limited (GAGL) GMR Airports (Mauritius) Limited (GALM) GMR Aviation Private Limited (GAPL) Raxa Security Services Limited (Raxa) GMR Krishnagiri SEZ Limited (GKSEZ) Advika Properties Private Limited (APPL) Aklima Properties Private Limited (AKPPL) Amartya Properties Private Limited (AMPPL) Baruni Properties Private Limited (BPPL) Bougainvillea Properties Private Limited (BOPPL) Camelia Properties Private Limited (CPPL) Deepesh Properties Private Limited (DPPL) Eila Properties Private Limited (EPPL) Gerbera Properties Private Limited (GPL) Lakshmi Priya Properties Private Limited (LPPPL) Honeysuckle Properties Private Limited (HPPL) Idika Properties Private Limited (IPPL) Krishnapriya Properties Private Limited (KPPL) Larkspur Properties Private Limited (LAPPL) Nadira Properties Private Limited (NPPL) Padmapriya Properties Private Limited (PAPPL) Prakalpa Properties Private Limited (PPPL) Purnachandra Properties Private Limited (PUPPL) Shreyadita Properties Private Limited (SPPL)

	Pranesh Properties Private Limited (PRPPL) Sreepa Properties Private Limited (SRPPL) Radhapriya Properties Private Limited (RPPL) Asteria Real Estates Private Limited (AREPL) GMR Hosur Industrial City Private Limited (GHICL) Namitha Real Estates Private Limited (NREPL) Honey Flower Estates Private Limited (HFEPL) GMR Hosur EMC Limited (GHEMCL) GMR SEZ and Port Holdings Limited (GSPHL) East Godavari Power Distribution Company Private Limited Suzone Properties Private Limited (SUPPL) GMR Utilities Private Limited (GUPL) Lilliam Properties Private Limited (LPPL) GMR Corporate Affairs Private Limited (GCAPL) Dhruvi Securities Private Limited (DSPL) Larkspur Properties Private Limited (LAPPL) GMR Business Process and Services Private Limited (GBPSPL) GMR Infrastructure (Mauritius) Limited (GIML) GMR Infrastructure (Cyprus) Limited (GICL) GMR Infrastructure Overseas Limited (GIOL) GMR Infrastructure (UK) Limited (GIUL) GMR Infrastructure (Global) Limited (GIGL) GMR Energy (Global) Limited (GEGL) Kakinada Gateway Port Limited (KGPL) GMR Goa International Airport Limited (GGIAL) GMR SEZ Infra Services Limited (GSISL) GMR Infrastructure (Overseas) Limited (GIOL) GMR Infra Developers Limited (GIDL) GMR Infrastructure (Cyprus) Limited (GICL) GMR Infrastructure Overseas Limited (GIOL) GMR Infrastructure (UK) Limited (GIUL) GMR Infrastructure (Global) Limited (GIGL) GMR Energy (Global) Limited (GEGL) Kakinada Gateway Port Limited (KGPL) GMR Goa International Airport Limited (GGIAL) GMR SEZ Infra Services Limited (GSISL) GMR Infrastructure (Overseas) Limited (GIOL) GMR Infra Developers Limited (GIDL)
Key Management Personnel	Mr. Ashis Basu, Director Mr. Sanjay Narayana Barde, Director Mr. Nirjhar Sarkar, Director Mr. R.S.S.L.N Bhaskarudu, Independent Director Mr. Subodh Kumar Goyal, Independent Director - Appointed w.e.f 22.02.2021 Ms. Kavitha Gudapati, Director - Appointed w.e.f 17.02.2021 Chirag Bhayal, Company Secretary - Appointed w.e.f 31.07.2020 Debraj Dutta, Manager Manoj Kumar Aggrawal, CFO - Appointed w.e.f 22.06.2020
Enterprises where key management personnel and their relatives significant influence	GMR Varalakshmi Foundation [GVF] GMR Varalakshmi DAV Public School [GVDPS] GMR Family Fund Trust [GFFT]

Related Party transactions

I The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

a) Expenditure:

Rs. in Crore

Particulars	March 31, 2021	March 31, 2020
Other Expenses		
Corporate cost allocation- GMR Infrastructure Limited	0.002	0.01
Logo fee - GMR Enterprises Private Limited	0.000	0.11
Renewable Energy Certificate Fees-GMR Energy Trading Limited	0.004	0.03
GMR Varalakshmi Foundation [GVF]	-	0.06
Impairment of Equity Investment/ICD/ Additional Investment arising out of IND AS		
GMR Energy Limited	293.39	652.42
GMR Rajahmundry Energy Limited	17.65	361.13
Interest on Inter-corporate deposits		
GMR Infrastructure Limited	83.24	113.89
GMR Airport Developers Limited	3.00	3.01
GMR Energy Trading Limited	15.83	26.17
Dhruvi Securities Pvt ltd	-	2.09
GMR Aerostructure Services Limited	-	19.33
GMR Enterprises Private Limited	-	5.72

b) Income:

Rs. in Crore

Particulars	March 31, 2021	March 31, 2020
Interest on Inter-corporate deposits		
GMR Vemagiri Power Generation Limited	0.19	1.08
GMR Power Infra Limited	1.72	1.72
GMR (Badrinath) Hydro Power Generation Private Limitec	1.54	1.55
Kakinada SEZ Limited	8.30	17.55
GMR Bajoliholi Hydro Power Private Limited	15.29	1.41
Dhruvi securities Private Limited	1.76	8.02
GMR Aerostructure Services Limited	16.13	35.91
GMR Londa Hydropower Private Limited	0.35	0.35
GMR Infrastructure Limited	-	24.45
GMR Bundelkhand Energy Limited	3.74	3.75
GMR Energy Limited	1.36	-

c) Details of Transactions taken place during the year

Rs. in Crore

Particulars	March 31, 2021	March 31, 2020
i. ICD taken from		
GMR Infrastructure Limited	296.66	608.81
GMR Enterprises Private Limited	-	339.38
GMR Energy Trading Limited (Interest Net off amount principalized)	4.00	25.21
ii. ICD repaid to/written back		
GMR Infrastructure Limited	123.81	473.85
GMR Energy Trading Limited	271.70	10.00
GMR Aerostructure Services Limited	157.40	-
GMR Enterprises Private Limited	-	339.38
Dhruvi Securities Private Limited	-	70.00
SJK Powergen Limited	-	0.08
iii. Interest repaid to/Written back		
GMR Infrastructure Limited (written back)	-	69.48
GMR Enterprises Private Limited	-	5.15
Dhruvi Securities Private Limited	-	3.98
iv. ICD given to		
GMR Vemagiri Power Generation Limited	1.59	1.85
GMR Londa Hydropower Private Limited	0.14	0.40
GMR Rajahmundry Energy Limited	17.65	361.13
GMR Mining & Energy Private Limited	-	0.01
GMR Energy Limited	25.50	-
GMR Bajoliholi Hydro Power Pvt Ltd	262.14	37.39
Kakinada SEZ Ltd (Interest Net off amount principalised)	-	3.90

v. ICD repaid by		
GMR Vemagiri Power Generation Limited	-	11.28
Dhruvi securities Private Limited	31.00	82.83
Kakinada SEZ Ltd	143.90	-
vi. Interest received from		
GMR Vemagiri Power Generation Limited	-	3.42
vii. Managerial Remuneration		
i. Sitting Fees paid to Independent directors		
- AD. Navaneethan	0.01	0.02
- S.Sandilya	0.00	0.01
- R.S.S.L.N Bhaskarudu	0.01	0.01

II Closing Outstanding balances with the above related parties:

Rs. in Crore

Particulars	March 31, 2021	March 31, 2020
a) Amount payable to creditors/Deposit received/Interest accrued:		
i. Interest Payable on ICD:		
GMR Infrastructure Limited	7.77	46.88
GMR Airport Developers Limited	1.41	5.07
GMR Energy Trading Limited	0.06	4.59
Dhruvi Securities Pvt ltd	-	-
GMR Aerostructure Services Limited	-	19.40
ii. Non Trade Payable		
GMR Varalakshmi Foundation	0.36	0.36
iii. Trade Payable/Provision for expenses		
GMR Infrastructure Limited-Corporate Cost Allocation	0.00	0.10
GMR Enterprises Private Limited-Logo Fees	0.43	0.43
RAXA Security Services Limited	0.18	0.18
GMR Corporate Affairs Private Limited-Security deposit	1.83	1.83
GMR Corporate Affairs Private Limited	1.17	-
GMR Enterprises Private Limited	0.79	-
GMR Infrastructure Limited	2.45	-
GMR Varalakshmi Foundation	2.03	-
Raxa Security Services Limited	11.67	-
GMR Kamalanga Energy Limited	21.47	-
GMR Energy Limited	5.93	-
iv. Advance received		
GMR Energy Trading Limited	387.19	-
v. Equity Component of CCPS/ICD Taken:		
Of Preference shares- GMR Infrastructure Limited	-	622.44
Of GIL Loan up to conversion to Equity- GMR Infrastructure Limited	28.53	28.53
vi. Financial Guarantee Obligation:		
Given on behalf of GMR Rajahmundry Energy Limited for Rupee Loan Facilit	41.15	41.15
vii. Inter Corporate Deposit payable:		
GMR Infrastructure Limited	785.61	958.46
GMR Airport Developers Limited	24.00	24.00
GMR Energy Trading Limited	4.00	241.70
GMR Aerostructure Services Limited	-	157.40

b) Receivables - Debtors / Interest accrued but not due / Deposits Paid/ Investment: **Rs. in Crore**

Particulars	March 31, 2021	March 31,2020
i. Interest receivable on ICD:		
GMR Tuni Anakapalli Expressways Limited	0.05	0.05
GMR Tambaram Tindivanam Expressways Limited	0.06	0.06
GMR Power Infra Limited	4.50	3.39
GMR Vemagiri Power Generation Limited	0.42	0.23
GMR (Badrinath) Hydro Power Generation Private Limited	6.97	5.44
Kakinada SEZ Limited	-	44.35
GMR Bajoliholi Hydro Power Pvt Ltd	16.50	1.37
Dhruvi securities Private Limited	-	4.23
GMR Aerostructure Services Limited	63.53	66.97
GMR Kamalanga Energy Limited	41.30	41.30
GMR Londa Hydropower Private Limited	1.32	0.97
GMR Infrastructure Limited	-	35.25
GMR Bundelkhand Energy Limited	11.01	7.31
GMR Energy Ltd	1.81	-
ii. Other Receivables:		
GMR Tuni Anakapalli Expressways Limited	0.84	0.84
GMR Tambaram Tindivanam Expressways Limited	1.35	1.35
GMR Power Infra Limited	0.55	0.55
GMR Energy Trading Ltd	0.00	0.00
GMR Kamalanga Energy Limited	0.22	0.22
GMR Vemagiri Power Generation Limited	0.02	0.02
GMR Warora Energy Limited	0.07	0.07
iii. Security Deposit:		
Raxa Securities Services Ltd	0.48	0.52
GMR Family Fund Trust	0.59	0.59
iv. Intercorporate deposits receivable:		
GMR Power Infra Limited	18.08	18.08
GMR Vemagiri Power Generation Limited	3.42	1.83
GMR Ambala Chandigarh Expressway Ltd	7.72	7.72
GMR Enterprises Private Limited	2.40	2.40
GMR Mining & Energy Pvt Limited	0.02	0.02
GMR Londa Hydropower Private Limited	17.05	16.92
GMR (Badrinath) Hydro Power Generation Private Limited	19.45	19.45
Kakinada SEZ Limited	-	143.90
GMR Bajoliholi Hydro Power Pvt Ltd	299.53	37.39
GMR Bundelkhand Energy Limited	34.30	34.30
GMR Infrastructure Limited	-	348.29
GMR Kamalanga Energy Limited	179.68	179.68
Dhruvi securities Private Limited	-	31.00
GMR Aerostructure Services Limited	129.07	286.47
GMR Energy Limted	25.50	-

c.) Investment in Equity Shares of subsidiaries/ Associate / Group Company		
i. Subsidiaries		
GMR Power Infra Limited	0.00	0.00
GMR Mining & Energy Private Limited	0.02	0.02
GMR Londa Hydropower Private Limited	0.01	0.01
ii. Associates		
GMR Energy Limited (net of impairment)	711.06	1,004.45
GMR Tuni Anakapalli Expressways Private Limited	0.27	0.27
GMR Tambaram Tindivanam Expressways Private Limited	0.27	0.27
d.) Equity Share Capital		
GMR Infrastructure Limited	1,617.30	6,322.75
GMR Energy Projects (Mauritius) Limited	0.06	0.50
e.) Share Application Money		
GMR Infrastructure Limited	-	402.00
f.) Equity Component of ICD given/ Interest Accrued on ICD/ Corporate Guarantee		
ICD given to GMR Rajahmundry Energy Limited (net of Impairment)	-	-
Interest receivable from GMR Rajahmundry Energy Limited (net of Impairment)	-	-
Corporate Guarantee given to GMR Rajahmundry Energy Limited (net of Impairment)	-	-

29 Contingent liabilities and commitments **(Rs. in crore)**

Particulars	March 31, 2021	March 31, 2020
Contingent Liabilities		
a. Claim of TANGEDCO for interest on delay in passing on duty draw back refund	1.56	1.56
b. Claim approved by TNERC pending appeal with APTEL [refer note (g)	121.37	121.37
d. Debit note received from Hindustan Petroleum Corporation Limited for differential rate on furnace oil.	1.27	1.27
e. Disputed Land lease rental to TANGEDCO	-	-
f. Disputed Income tax demand including interest	-	1.65
g. Disputed tax deducted at source including interest	-	0.00

h. In terms of APTEL and Supreme Court's Order as discussed in Note No. 16, the Company during the year has received an Order from TNERC, wherein it is upheld TANGEDCO's claim amounting to Rs. 1,21,37,00,000, consisting of Rs. 1,14,64,00,000 as notional interest towards extended credit period and around Rs. 2,66,00,000/- towards freight subsidy and Rs. 4,06,00,000 as interest on the same. The Company's counter claim of Rs. 1,91,02,00,000/- under old PPA towards interest on delayed payments, start and stop charges, invoice for nil dispatches and invoice for differential rates for the period from July 2011 to February 2014 has not been adjudicated and adjustments rejected. The Company has preferred an appeal before APTEL on March 12, 2019 against the TNERC Order and intends to peruse the same. The Company has not provided / accounted for the financial impact of the claims / counter claims currently in view of the fact that the matter has not attained finality and is pending proceedings before Hon'ble Supreme Court and appeal before APTEL.

i. During the year ended March 31, 2011, the Company had received a refund of customs duty of Rs. 295.70 Millions which was paid earlier towards the import of the plant and machinery and was passed on to TANGEDCO as a pass through as per the terms of the PPA. During the year ended March 31, 2012, the Company has received an intimation for cancellation of the duty draw back refund received earlier. The Company does not foresee any liability in respect of the same demand as the liability, if any, is to be recovered from TANGEDCO, the ultimate beneficiary of the refund received earlier.

j. In respect of Assessment Year (AY) 2016-17, the Company during the year has received favourable order from Commissioner of Income-tax Appeals, against the order raising the tax demand, by allowing the MAT Credit including surcharge and Cess, which was not considered at the time of processing the return of income u/s 143(1). The Company was in the process of obtaining the Order Giving Effect Order from the Assessing Officer, pending which the Company had disclosed the same as contingent liability as at 31 March 2020.

k. The Supreme Court had passed an order dated February 28, 2019 stating that for the purpose of contribution to be made under the Employees Provident Fund and Miscellaneous Provisions Act, 1956 ('EPF Act'), the definition of basic wages includes all emoluments paid in cash to the employees in accordance with the terms of their contract of employment. In view of the same, the Company is liable to make further contribution towards Provident Fund on the entire salary paid by it to its employees other than certain emoluments based on performance and variable. However there is no clarity on effective date from when the liability is required to be paid by the Company in view of which the Company is not able to estimate the provident fund liability arising in view of the order. The Company further is of the view that the liability payable on account of retrospective effect if any will be accounted and paid on clarification if any provided by the Provident Fund Authorities and the impact if any may not be material. The Company is in the process of taking legal opinion in respect of the same.

l. In respect of the above contingent liabilities the company does not foresee any cash outflows in future.

Capital and other Commitments

Company as a major shareholder of GMR Rajahmundry Energy Limited (GREL) along with GMR Infrastructure Limited will proivde financial support to GREL, as required by the SDR Scheme, to enable the company to meet it liabilities as and whenthey fall due, operational expense and losses of any for a period not less than 12 months. Out of total committed support of Rs.50 crore, till March 31,2018 Rs.6.65 cr has been provided to GREL. Further, the Company has committed under resolution plan for support to the extent of Rs 400 crores against which Company has partially funded Rs 56 crores and for operational support Rs.11.93 crores was paid during the year ended 31 March, 2019. During the year ended 31 march, 2020, the company has funded Rs. 361.12 Crs. During the year ended 31 march, 2021, the company has funded Rs. 17.65 Crs. Further, the Company has given corporate guarantee to lenders of GMR Rajahmundry Energy Limited (GREL) for the loan taken by GREL.

30 The Management of the Company is of the opinion that no provision is required to be made in its books of account other than those already provided if any, with respect to any material foreseeable losses under the applicable laws, accounting standards or long term contracts including derivative contracts.

31 Employee Benefits

a) Defined Contribution Plans :

The Company's contribution to Provident and Pension Fund and Superannuation Fund charged to Statement of Profit and Loss are as follows:

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Provident and pension fund		314,091
Superannuation fund		261,704
Total	**-**	**575,796**

b) Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2021 and March 31, 2020:

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
i) Change in defined benefit obligation		
Defined benefit at the beginning	148,223	1,554,772
Current Service Cost *	24,889	187,172
Interest expenses	10,079	77,542
Acquisition Cost/(Credit)	513,367	(210,966)
Re-measurement - Actuarial loss / (gain)	(133,645)	(117,007)
Benefits paid	-	(1,343,290)
Defined benefit at the end	**562,913**	**148,223**
ii) Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning	-	2,884,511
Expected return on plan assets	-	170,878
Acquisition Adjustment	-	(210,966)
Actuarial gains/ (losses)	-	147,992
Contributions by employer	-	7,714
Benefits paid	-	(3,000,129)
Fair value of plan assets at the end	**-**	**-**

Particulars	March 31, 2021	March 31, 2020
iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	562,913	148,223
Fair Value of plan assets at year end	-	-
Net liability recognised	**(562,913)**	**148,223**
iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses		
Current Service Cost	24,889	187,172
Net interest on net defined benefit liability / (asset)	10,079	(93,336)
Total expense	**34,968**	**93,836**
v) Recognised in other comprehensive income for the year		
Actuarial changes arising from changes in demographic assumptions	(133,645)	11,248
Actuarial changes arising from changes in financial assumption	-	(128,255)
Actuarial changes arising from changes in experience adjustments	-	(147,992)
Recognised in other comprehensive income	**(133,645)**	**(264,999)**
vi) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	36,012	24,689
Between 2 and 5 years	209,655	148,709
Between 5 and 10 years	419,356	306,769

vii) Quantitative sensitivity analysis for significant assumptions is as below:
Increase / decrease on present value of defined benefit obligation as at year end

(i) one percentage point increase in discount rate	(48,354)	(41,776)
(ii) one percentage point decrease in discount rate	55,347	48,774
(i) one percentage point increase in salary escalation rate	55,288	48,693
(ii) one percentage point decrease in salary escalation rate	(49,168)	42,474
(i) one percentage point increase in employee turnover rate	2,915	2,924
(ii) one percentage point decrease in employee turnover rate	(3,214)	(3,260)

Sensitivity Analysis Method
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by in percentage, keeping all the other actuarial assumptions constant.

Particulars	March 31, 2021	March 31, 2020
viii) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with Insurer managed funds	100%	100%
ix) Actuarial Assumptions		
Discount rate (p.a.)	6.80%	7.60%
Salary escalation	6.00%	6.00%
Weighted average duration of defined benefit obligation	10 Years	10 Years
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Rate of employee turnover	5.00%	5.00%

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2021 and March 31, 2020, the plan assets have been invested in insurer managed funds.

Notes:

i The estimates of future salary increases, considered in actuarial valuation, take into consideration for inflation, seniority, promotion and other relevant factors.

ii The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

c) **Leave Encashment**
Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 1,93,938 as at March 31, 2021 (March 31, 2020: Rs. 8,10,126).

32 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company uses Foreign exchange forward cotracts to manage some of its transaction exposures. The Foreign exchange Forward Contracs are not designated as Cash flow Hedges and are entered into for periods consistent wwith Foreign Currency exposure of the underlying transactions, generally for a period of One Year

(Rs. in crore)

Particulars	March 31, 2021	March 31, 2020
Fair Value of foreign exchange forward contracts not designated as hedging instruments	-	0.01

33 Operating Lease
The Company has not entered into non cancellable operating lease agreements for land on which the plant is being run.

34 The company has not dealt with any party as defined under the provisions of of Micro, Small and Medium Enterprises Development Act, 2006 during the year

35 Segment Reporting
The company is engaged primarily in the business of generation of power and investment in power projects. Accordingly separate primary and secondary segment reporting issued by the ICAI are not applicable to the present activities of the company.

36 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, equity prices, 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 and short-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.

(b) Market risk- Foreign currency risk
The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

i. Foreign currency exposure

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

Amount in crore

Particulars	**March 31, 2021**	**March 31, 2020**
Other financial and other liabilities	-	-

During the period ended 31 March, 2021 and 31 March,2020, the company has entered into Forward contract to hedge the 3,900 Euro Liability of M/s Moshanir Power Engineering Consultants.

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, derivatives and financial guarantees provided by the Company.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs.1041.91 cr and Rs.2464.21 cr as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments and other financial assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral as security.
The Company's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer.

With respect to trade receivables / unbilled revenue, the Company has constituted the terms to review the receivables on a 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 the 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 lines from various banks. Furthermore, the Company has access to funds from debt markets through convertible debentures, non-convertible debentures, bonds and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carries 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 etc.

The following table shows a maturity analysis of the anticipated cash flows including 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 crore)

Particulars	**0-1 year**	**1 to 5 years**	**> 5 years**	**Total**
March 31, 2021				
Borrowings	-	1,374.34	-	1,374.34
Trade payables	78.32	-	-	78.32
Other financial liabilities	138.04	9.24	-	147.28
Total	**216.37**	**1,383.58**	**-**	**1,599.95**
March 31, 2020				
Borrowings		1,524.43	-	1,524.43
Trade payables	27.70	-	-	27.70
Other financial liabilities	141.75	51.01	-	51.01
Total	**169.45**	**1,575.44**	**-**	**1,603.14**

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.
In order to avoid excessive concentrations of risk, the policies and procedures of the Company include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

37 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.

(Rs. in crore)

Particulars	**Fair value measurements at reporting date using**			
	Total	**Level 1**	**Level 2**	**Level 3**
March 31, 2021				
Financial assets				
Investments (other than investments in associates and joint ventures)	-	-	-	-
Foreign exchange forward contracts	-	-	-	-
Financial liabilities				
Foreign exchange forward contracts	-	-		-
March 31, 2020				
Financial assets				
Investments (other than investments in associates and joint ventures)	-	-	-	-
Financial liabilities				
Foreign exchange forward contracts	**0.01**		0.01	

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

(ii) Derivative contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.

(iv) 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 Group 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.

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

38 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
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, 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.

(Rs. in crore)

Particulars	**March 31, 2021**	**March 31, 2020**
Borrowings other than convertible preference shares	1,429.39	1,926.00
Total debt (i)	**1,429.39**	**1,926.00**
Capital components		
Equity share capital	1,968.43	6,323.25
Other equity	(2,682.90)	(6,384.45)
Total Capital (ii)	**-714.46**	**-61.20**
Capital and borrowings (iii = i + ii)	**714.92**	**1,864.79**
Gearing ratio (%) (i / iii)	**199.94%**	**103.28%**

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 would permit the bank to immediately call loans and borrowings. There have been no material breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

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

39 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Group 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 tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020

As at March 31, 2021

(Rs. in crore)

Particulars	Fair value through statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Investments (other than investments in associates)	-	-	-	-	-
(ii) Loans	-	-	725.68	725.68	725.68
(iii) Trade receivables	-	-	114.14	114.14	114.14
(iv) Cash and cash equivalents	-	-	0.22	0.22	0.22
(v) Other financial assets	-	-	201.83	201.83	201.83
Total	**-**	**-**	**1,041.88**	**1,041.88**	**1,041.88**
Financial liabilities					
(i) Borrowings	-	-	1,374.34	1,374.34	1,374.34
(ii) Trade payables			78.32	78.32	78.32
(iii) Other financial liabilities	-	-	106.13	106.13	106.13
(iii) Financial guarantee contracts	-	-	41.15	41.15	41.15
Total	**-**	**-**	**1,599.95**	**1,599.95**	**1,599.95**

As at March 31, 2020 **(Rs. in crore)**

Particulars	Fair value through statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Investments (other than investments in associates)	-	-	-	-	-
(ii) Loans	-	-	1,127.52	1,127.52	1,127.52
(iii) Trade receivables	-	-	114.17	114.17	114.17
(iv) Cash and cash equivalents	-	-	0.64	0.64	0.64
(v) Other financial assets	-	-	216.85	216.85	216.85
Total	**-**	**-**	**1,459.19**	**1,459.19**	**1,459.19**
Financial liabilities					
(i) Borrowings	-	-	1,926.00	1,926.00	1,926.00
(ii) Trade payables			27.68	27.68	27.68
(iii) Other financial liabilities	-	-	151.61	151.61	151.61
(iii) Financial guarantee contracts	-	-	41.15	41.15	41.15
Total	**-**	**-**	**2,146.44**	**2,146.44**	**2,146.44**

40 The Company has strategic investments by way of Equity and Loans . Company has initiated process with RBI for NBFC / CIC registration.

As per our report of even date

For PHANIBHUSHAN & CO.
Chartered Accountants
Firm Regn .No. 012481S

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.06.01 19:23:52 +05'30'

M. PHANI BHUSHAN KUMAR
Partner
M.No : 223397

Place: Hyderabad
Date:

For and on behalf of Board of Directors of
GMR GENERATION ASSETS LIMITED

NIRJHAR SARKAR

Nirjhar Sarkar
Director
DIN :3581604

ASHIS BASU

Ashis Basu
Director
DIN: 01872233

MANOJ KUMAR AGGRAWAL
Digitally signed by MANOJ KUMAR AGGRAWAL

Manoj Kumar Aggrawal
Chief Financial Officer
PAN: AAGPA1142B

CHIRAG BHAYAL

Chirag Bhayal
Company Secretary
ACS: A45462

Place: Delhi
Date: