INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GMR GUJARAT SOLAR POWER LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **GMR Gujarat Solar Power Limited**(the **"Company"**), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss , Statement of Changes in Equity and the Statement of cash flows and for the year then ended, and notes to the 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, 2021 give 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, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Standalone 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 Rules thereunder, 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 audit opinion on the standalone financial statements.

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

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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income / loss, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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 Standalone 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 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. As per information and explanation given to us the company did not have any pending litigation against the company or by the company which would have impact on its financial position.

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 **Phanibhushan & Co**
Chartered Accountants
Firm's registration number: 012481S

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.05.11 17:22:07 +05'30'

M.PHANI BHUSHAN KUMAR
Membership number: 223397

Place:Bangalore
Date: 11th May 2021
UDIN: 21223397AAAACN4005

Annexure A as referred to in clause 1 of paragraph on report on other legal and regulatory requirements of our report of even date.

Re: GMR Gujarat Solar Power Limited

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

   b. 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. No material discrepancies were noticed on such verification, carried out during the year.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the titles of the immovable property are held in the name of the company

ii. 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. Thus, paragraph 3(ii) of the order is not applicable to the company.

iii. In our opinion and according to the information and explanations given to us, the company hasnot granted anysecuredor unsecured loans to the companies, firms, 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 not made any loans or investments. Accordingly, requirement under Paragraph 3 (iv) of the Order is not applicable with respect to the loans and investments made under theprovisions of section 185 and 186 of the Act.

v. The company has not accepted deposits from the public during the year and as such this clause is not applicable.

vi. Maintenance of Cost recordsas per the provisions under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable to the company. Hence reporting under this clause not applicable.

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 service tax,Customs Duty, Wealth tax and service tax Value added tax, andcess 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,customs duty, wealth tax, service tax, value added tax, cess, goods and service tax 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.

(c) Investor education and protection fund is not applicable to the Company.

viii. Based on our audit procedure and as per the information and explanation given by the management we are of the opinion that the company has not defaulted in the repayment of due to the financial institutions and banks.

ix. The Company did not raise any money by way of initial public offer or further offer (including debt instruments) during the year. The term loan has been applied for the purpose for which they were obtained.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us, and based on our examination of records of the Company, the company has paid/provided any managerial remuneration during the year, as per the provisions of the companies Act,2013

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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 any preferential allotment or private placement of shares or fully of partly convertible debenturesduring theyear

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. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Phanibhushan & Co**
Chartered Accountants
Firm's registration number: 012481S

PHANI BHUSHAN KUMAR M
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Date: 2021.05.11 17:22:37 +05'30'

M.PHANI BHUSHAN KUMAR
Membership number: 223397

Place:Bangalore
Date: 11th May 2021
UDIN:21223397AAAACN4005

Annexure B to Auditors' Report of even date

Report on the Internal Controls on Financial Reporting under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")
Re: GMR Gujarat Solar Power Limited

We have audited the internal financial controls over financial reporting of GMR Gujarat Solar Power Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Controls over 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 Indi

For **Phanibhushan & Co**
Chartered Accountants
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M.PHANI BHUSHAN KUMAR
Membership number: 223397

Place:Bangalore
Date: 11th May 2021
UDIN: 21223397AAAACN4005

GMR Gujarat Solar Power Ltd		
Statement of standalone assets and liabilities as at March 31,2021		
		(Amount in Rs)
Particulars	**As at March 31,2021 (Audited)**	**As at March 31, 2020 (Audited)**
1 ASSETS		
a) Non-current assets		
Property, plant and equipment	7,80,549	11,44,392
Right of Use Asset	10,97,92,853	11,66,50,208.07
Other intangible assets	1,92,68,49,949	2,04,30,05,773
Financial assets		
Loans and advances	1,850	1,850
Others	-	13,353
Non-current tax assets (net)	7,34,754	2,93,96,160
Other non-current assets	49,03,850	54,05,866
	2,04,30,63,805	**2,19,56,17,603**
b) Current assets		
Inventories	2,04,140	-
Financial assets		
Investments	33,08,01,373	31,57,76,580
Loans and advances	80,07,24,667	80,10,28,536
Cash and cash equivalents	92,31,542	8,44,71,843
Other financial assets	39,97,09,086	31,58,93,255
Other current assets	2,32,52,174	2,40,10,606
	1,56,39,22,982	1,54,11,80,820
TOTAL ASSETS (a+b)	**3,60,69,86,787**	**3,73,67,98,423**
2 EQUITY AND LIABILITIES		
a) Equity		
Equity share capital	73,60,00,000	73,60,00,000
Other equity	(36,28,70,756)	(47,16,10,986)
Total equity	**37,31,29,244**	**26,43,89,014**
b) Non-current liabilities		
Financial liabilities		
Borrowings	1,06,43,78,182	1,37,39,46,829
Lease Liability	39,49,572	40,43,940
Provisions	1,70,813	1,12,515
Other non-current liabilities	1,85,89,47,937	1,66,64,54,703
	2,92,74,46,504	**3,04,45,57,987**
c) Current liabilities		
Financial liabilities		
Lease Liability	94,368	84,237
Trade payables		
- Due to micro small and medium enterprises	-	-
- Due to others	4,25,93,518	6,36,24,233
Other financial liabilities	26,33,85,392	36,32,92,611
Other current liabilities	3,21,345	8,41,356
Provisions	16,415	8,985
	30,64,11,039	**42,78,51,422**
TOTAL EQUITY AND LIABILITIES (a+b+c)	**3,60,69,86,787**	**3,73,67,98,423**

For Phani Bhushan & Co
ICAI firm registration number: 012481S
Chartered Accountants

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.05.11 15:23:18 +05'30'

M. Phani Bhushan Kumar
Partner
Membership Number. 223397

Place: Hyderabad
Date: 11th May, 2021

For and on behalf of the board of directors of
GMR Gujarat Solar Power Limited

MOHAN SIVARAMAN
Digitally signed by MOHAN SIVARAMAN
Date: 2021.05.11 11:19:32 +05'30'

Mohan Sivaraman
Director
DIN: 07895711

HARVINDER MANOCHA

Harvinder Manocha
Director
DIN: 03272052

GANESH KUMAR DANABOINA
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Ganesh Kumar Danaboina
CFO
PAN: CAVPD2092J

KHUSBOO PRASAD
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Khusboo Prasad
Company Secretary
PAN:AWHPP4326P

Place: New Delhi
Date: 11th May, 2021

GMR Gujarat Solar Power Ltd

Statement of standalone financial results for the three months and year ended March 31, 2021

	Particulars	Quarter ended			Year ended	
		March 31,2021	December 31,2020	March 31,2020	March 31,2021	March 31,2020
	(Refer Notes Below)	(Refer Note 1)	Unaudited	(Refer Note 1)	Audited	Audited
A	**Continuing Operations**					
1	**Revenue**					
	a) Revenue from operations					
	i) Sales/income from operations	9,23,70,061	8,81,38,550	10,04,29,695	34,69,23,645	35,34,04,742
	b) Other income					
	i) Others	2,38,69,556	2,77,36,560	2,58,39,165	12,54,37,438	10,50,39,617
	Total revenue	**11,62,39,617**	**11,58,75,110**	**12,62,68,860**	**47,23,61,083**	**45,84,44,359**
2	**Expenses**	-	-	-		
	(a) O &M Expenses	1,10,89,285	80,86,792	98,79,411	3,52,31,860	3,17,85,725
	(b) Employee benefits expense	7,70,075	6,94,450	8,51,202	29,47,970	20,58,846
	(c) Finance costs	4,12,09,221	4,60,43,762	4,98,46,667	18,07,08,716	21,15,56,104
	(d) Depreciation and amortisation expense	3,15,07,076	3,21,57,329	3,14,55,315	12,75,32,948	12,74,75,142
	(e) Other expenses	1,02,66,385	19,53,968	23,05,465	1,72,08,636	85,29,060
	Total expenses	**9,48,42,043**	**8,89,36,301**	**9,43,38,060**	**36,36,30,129**	**38,14,04,877**
3	**Profit/(loss) from continuing operations before exceptional items and tax expense (1-2)**	**2,13,97,574**	**2,69,38,808**	**3,19,30,800**	**10,87,30,954**	**7,70,39,482**
4	Exceptional items	-	-	-		
5	**Profit/(loss) from continuing operations before tax expenses (3 ± 4)**	**2,13,97,574**	**2,69,38,808**	**3,19,30,800**	**10,87,30,954**	**7,70,39,482**
6	**Tax expenses of continuing operations**					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax	2,701	(3,925)	(2,304)	2,701	-
	(c) Income Tax of earlier year	-	-	-	-	-
7	**Profit/(loss) after tax from continuing operations (5 ± 6)**	**2,14,00,276**	**2,69,34,883**	**3,19,28,497**	**10,87,33,655**	**7,70,39,482**
B	**Discontinued Operations**					
8	**Profit/(loss) from discontinued operations before tax expenses**					
9	**Tax expenses of discontined operations**					
	(a) Current tax	-	-	-		
	(b) Deferred tax	-	-	-		
10	**Profit/(loss) after tax from discontinued operations (8 ± 9)**	**-**		**-**	**-**	**-**
11	**Profit/(loss) after tax for respective periods (7 + 10)**	**2,14,00,276**	**2,69,34,883**	**3,19,28,497**	**10,87,33,655**	**7,70,39,482**

12	**Other Comprehensive Income**					
	(A) (i) Items that will not be reclassified to profit or loss	11,535	(16,368)	(28,237)	9,277	(19,957)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(2,701)	3,925	2,304	(2,701)	-
	(B) (i) Items that will be reclassified to profit or loss					
	(ii) Income tax relating to items that will be reclassified to profit or loss					
13	**Total other comprehensive income, net of tax for the respective periods**	**8,834**	**(12,443)**	**(25,934)**	**6,576**	**(19,957)**
14	**Total comprehensive income for the respective periods (11 ± 13) [comprising Profit (loss) and Other comprehensive income (net of tax) for the respective periods]**	**2,14,09,109**	**2,69,22,440**	**3,19,02,563**	**10,87,40,231**	**7,70,19,525**
15	Paid up equity share capital (face value Rs 10 per share)	73,60,00,000	73,60,00,000	73,60,00,000	73,60,00,000	73,60,00,000
16	Weighted average number of shares used in computing Earnings per share	7,36,00,000	7,36,00,000	7,36,00,000	7,36,00,000	7,36,00,000
17	**Earnings per equity share**					
	i) Basic/ Diluted before Exceptional items	**0.29**	**0.37**	**0.43**	**1.48**	**1.05**
	ii) Basic/ Diluted after Exceptional items	**0.29**	**0.37**	**0.43**	**1.48**	**1.05**
	iii) Basic/Diluted EPS from continued operations	**0.29**	**0.37**	**0.43**	**1.48**	**1.05**

Note 1 -
The figures of the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year and the unaudited year to date figures upto the third quarter of the relevant financial years.

For Phani Bhushan & Co
ICAI firm registration number: 012481S
Chartered Accountants

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.05.11 15:24:14 +05'30'

M. Phani Bhushan Kumar
Partner
Membership Number. 223397

Place: Hyderabad
Date: 11th May, 2021

For and on behalf of the board of directors of
GMR Gujarat Solar Power Limited

MOHAN SIVARAMAN
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Date: 2021.05.11 11:20:07 +05'30'

Mohan Sivaraman
Director
DIN: 07895711

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Harvinder Manocha
Director
DIN: 03272052

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CFO
PAN: CAVPD2092J

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Khusboo Prasad
Company Secretary
PAN:AWHPP4326P

Place: New Delhi
Date: 11th May, 2021

GMR Gujarat Solar Power Limited
Corporate Identity Number (CIN): U40100KA2008PLC045783
Balance Sheet as at March 31,2021

(Amount in Rs.)

Particulars	Notes	March 31,2021	March 31, 2020
I. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	7,80,549	11,44,392
(b) Right of Use Assets	4	10,97,92,853	11,66,50,208
(b) Other Intangible Assets	5	1,92,68,49,949	2,04,30,05,773
(c) Financial Assets			
(i) Loans	7	1,850	1,850
(ii) Other Financial Assets	8	-	13,353
(d) Non Current tax assets (net)	19	7,34,754	2,93,96,160
(e) Other non-current assets	9	49,03,850	54,05,866
2. Current assets			
(a) Inventories	10	2,04,140	-
(a) Financial Assets			
(i) Investments	6	33,08,01,373	31,57,76,580
(ii) Cash and cash equivalents	11	92,31,542	8,44,71,843
(iii) Loans	7	80,07,24,667	80,10,28,536
(iv) Other Financial Assets	8	39,97,09,086	31,58,93,255
(b) Other current assets	9	2,32,52,174	2,40,10,606
Total Assets		**3,60,69,86,787**	**3,73,67,98,423**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	12	73,60,00,000	73,60,00,000
(b) Other Equity	13	(36,28,70,756)	(47,16,10,986)
LIABILITIES			
1.Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,06,43,78,182	1,37,39,46,829
(ii) Lease Liabilities		39,49,572	40,43,940
(b) Provisions	18	1,70,813	1,12,515
(c) Other non-current liabilities	17	1,85,89,47,937	1,66,64,54,703
2.Current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities		94,368	84,237
(ii) Trade Payables			
- Due to micro small and medium enterprises		-	-
- Due to others	15	4,25,93,518	6,36,24,233
(iii) Other financial liabilities	16	26,33,85,392	36,32,92,611
(b) Other current liabilities	17	3,21,345	8,41,356
(c) Short Term Provisions	18	16,415	8,985
Total Equity and Liabilities		**3,60,69,86,787**	**3,73,67,98,423**

Corporate Information 1
Summary of significant accounting policies 2

The accompanying notes are an integral part of financial statements

As per our report of even date.
For Phani Bhushan & Co
ICAI firm registration number: 012481S
Chartered Accountants

PHANI BHUSHAN KUMAR M Digitally signed by PHANI BHUSHAN KUMAR M Date: 2021.05.11 15:25:36 +05'30'

M. Phani Bhushan Kumar
Partner
Membership Number. 223397

Place: Hyderabad
Date: 11th May, 2021

For and on behalf of the board of directors of
GMR Gujarat Solar Power Limited

MOHAN SIVARAMAN

Mohan Sivaraman
Director
DIN: 07895711

HARVINDER R MANOCHA

Harvinder Manocha
Director
DIN: 03272052

GANESH KUMAR DANABOINA Digitally signed by GANESH KUMAR DANABOINA Date: 2021.05.11 13:54:24 +05'30'

Ganesh Kumar Danaboina
CFO
PAN: CAVPD2092J

KHUSBOO PRASAD

Khusboo Prasad
Company Secretary
PAN:AWHPP4326P

Place: New Delhi
Date: 11th May, 2021

GMR Gujarat Solar Power Limited
Corporate Identity Number (CIN): U40100KA2008PLC045783
Statement of Profit & Loss A/c for the year ended March 31, 2021

(Amount in Rs.)

Particulars	Notes	For the year ended March 31,2021	For the year ended March 31, 2020
REVENUE			
Revenue From Operations	**20**	34,69,23,645	35,34,04,742
Other Income	**21**	12,54,37,438	10,50,39,617
Total Revenue (I)		**47,23,61,083**	**45,84,44,359**
EXPENSES			
Employee Benefits Expense	**22**	29,47,970	20,58,846
Finance Costs	**24**	18,07,08,716	21,15,56,104
Depreciation and amortization expense	**23**	12,75,32,948	12,74,75,142
Other Expenses	**25**	5,24,40,496	4,03,14,785
Total expenses (II)		**36,36,30,129**	**38,14,04,877**
Profit before exceptional items and tax		**10,87,30,954**	**7,70,39,482**
Exceptional Item		-	-
Profit/(loss) before tax		**10,87,30,954**	**7,70,39,482**
Tax expense:	**26**		
Current Tax		-	-
Deferred Tax		2,701	
Profit/(loss) for the period		**10,87,33,655**	**7,70,39,482**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		9,277	(19,957)
Income tax effect		(2,701)	
Total Comprehensive Income for the year		**10,87,40,231**	**7,70,19,525**
Weighted average number of equity shares for basic EPS		7,36,00,000	7,36,00,000
Weighted average number of equity shares adjusted for the effect of dilution		7,36,00,000	7,36,00,000
Earnings per equity share:			
Basic		1.48	1.05
Diluted		1.48	1.05

Corporate Information 1
Summary of significant accounting policies 2

The accompanying notes are an integral part of financial statements

As per our report of even date.

For Phani Bhushan & Co
ICAI firm registration number: 012481S
Chartered Accountants

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.05.11 15:26:53 +05'30'

M. Phani Bhushan Kumar
Partner
Membership Number. 223397

For and on behalf of the board of directors of
GMR Gujarat Solar Power Limited

MOHAN SIVARAMAN
Digitally signed by MOHAN SIVARAMAN
Date: 2021.05.11 11:20:55 +05'30'

Mohan Sivaraman
Director
DIN: 07895711

HARVINDER MANOCHA
Digitally signed by HARVINDER MANOCHA
Date: 2021.05.11 11:26:53 +05'30'

Harvinder Manocha
Director
DIN: 03272052

GANESH KUMAR DANABOINA
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Ganesh Kumar Danaboina
CFO
PAN: CAVPD2092J

KHUSBOO PRASAD
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Date: 2021.05.11 13:55:27 +05'30'

Khusboo Prasad
Company Secretary
PAN:AWHPP4326P

Place: Hyderabad
Date: 11th May, 2021

Place: New Delhi
Date: 11th May, 2021

GMR Gujarat Solar Power Limited
Corporate Identity Number (CIN): U40100KA2008PLC045783
Statement of Cash Flows for the year ended 31st March 2021

(Amount in Rs.)

	Particulars	March 31,2021	March 31,2020
A	**Cash Flow from Operating Activities**		
	Profit / (loss) before tax	10,87,30,954	7,70,39,482
	Adjustment to reconcile profit before tax to net cash flows		
	Depreciation and amortisation	12,75,32,948	12,74,75,142
	Amortisation of prepaid rent	-	-
	Interest on borrowings	18,02,74,578	21,11,12,925
	Loss on Disposal of Fixed Asset	10,43,714	-
	Debit balances Written off	11,028	-
	Interest on Lease Liability	4,34,138	4,43,179
	Remeasurement of Employee Benefit expense	9,277	(19,957)
	Straight lining of revenue	19,24,93,234	19,13,49,266
	Interest income on ICD	(8,44,25,243)	(8,46,56,545)
	Liability Written back	(2,46,11,196)	-
	Profit on sale of current investments	(1,29,21,227)	(2,00,86,120)
	Operating Profit before Working Capital changes	48,85,72,205	50,26,57,372
	Working Capital Adjustments		
	Increase/ (decrease) in Other Financial Liabilities	(1,53,68,260)	1,18,535
	Increase/ (decrease) in Provisions	65,728	82,094
	Increase/ (decrease) in Other Liabilities	(5,20,011)	(11,32,422)
	Increase/ (decrease) in trade payables	39,00,809	(36,06,319)
	(Increase)/Decrease in Other financial assets	2,74,036	66,21,745
	(Increase)/Decrease in Other assets	12,60,448	(13,43,137)
	(Increase)/Decrease in Inventories	(2,04,140)	3,24,668
	(Increase)/Decrease in trade receivables	-	18,75,000
	Cash Generated From Operations	**47,79,80,815**	**50,55,97,535**
	Less : Direct Tax (paid),Refunds	2,89,99,107	27,12,856
	Net Cash Flow from Operating Activities (A)	**50,69,79,922**	**50,83,10,391**
B	**Cash Flow from Investing Activities:**		
	Purchase of fixed assets	(55,62,689)	(2,35,410)
	Disposal of Fixed Asset	3,63,049	-
	(increase)/ decrease in Current Investments	(74,59,336)	(14,83,63,253)
	(increase)/ decrease in Bank deposits	-	13,22,64,843
	Gain on sale of Current Investments	53,55,770	1,02,29,529
	(increase)/ decrease in Loans & Advances	(16,458)	-
	Interest Income on Loan	-	-
	Net cash flow (used in) investing activities (B)	**(73,19,664)**	**(61,04,292)**
C	**Net Cash Flow From Financing Activities:**		
	Repayment of Borrowings	(40,45,52,968)	(23,43,30,613)
	Interest/Borrowing cost paid	(16,98,29,216)	(18,40,77,452)
	Lease Liability principal payment	(5,18,375)	(5,18,374)
	Net cash flow (used in) in financing activities (C)	**(57,49,00,559)**	**(41,89,26,438)**
D	**Net (decrease) / In cash and cash equivalents (A + B + C)**	**(7,52,40,301)**	**8,32,79,661**
	Cash and cash equivalents (Opening)	8,44,71,843	11,92,182
	Cash and cash equivalents (Closing)	92,31,542	8,44,71,843
	Components of Cash & Cash equivalents		
	- Cash in Hand	-	-
	Balances with Bank		
	- on Current Accounts	92,31,542	8,44,71,843
	Total Cash & Cash Equivalents (Note 9)	**92,31,542**	**8,44,71,843**

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GMR Gujarat Solar Power Limited
Corporate Identity Number (CIN): U40100KA2008PLC045783
Statement of Cash Flows for the year ended 31st March 2021

Notes

1. The above cash flow statement has been prpared under the "Indirect method" as set out in the IND AS-7 on the statement of Cash flows

2. Changes in Liabilities arising from Financing activities

S.No.	Particulars	01-Apr-19	Cash Flows	Non Cash Charges		31-Mar-20
				Fair Value Changes	Others	
1	Long Term Borrowings (Including current maturities)	1,94,42,17,799	(23,43,30,613)	1,14,40,546	-	1,72,13,27,732

S.No.	Particulars	01-Apr-20	Cash Flows	Non Cash Charges		31-Mar-21
				Fair Value Changes	Others	
1	Long Term Borrowings (Including current maturities)	1,72,13,27,732	(40,45,52,968)	1,04,45,362	-	1,32,72,20,126

As per our report of even date
For Phani Bhushan & Co
ICAI firm registration number: 012481S
Chartered Accountants

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.05.11 15:27:52 +05'30'

M. Phani Bhushan Kumar
Partner
Membership Number. 223397

For and on behalf of the board of directors of
GMR Gujarat Solar Power Limited

MOHAN SIVARAMAN
Digitally signed by MOHAN SIVARAMAN
DN: c=IN, st=Haryana, 2.5.4.20=68127a522643aedca2f43f8153031b0e3404bb40000149a9e87b741c30e69f87, postalCode=122002, street=O C-1A-701,7TH FLOOR,ORLAV COURT,ESSEL TOWERS,M G ROAD, serialNumber=e443203e93ffff64593fb19bac6d34d83cbe140dc2f00b039448274682f7c451, o=Personal, cn=MOHAN SIVARAMAN
Date: 2021.05.11 11:21:20 +05'30'

Mohan Sivaraman
Director
DIN: 07895711

HARVINDER MANOCHA
Digitally signed by HARVINDER MANOCHA
DN: c=IN, st=Delhi, 2.5.4.20=306c8b0e1a14fa554931294e0e6d7a3ead715293ac02f899087f7a768c916cb6, postalCode=110019, street=59 PKT DGROUND FLOOR NARMADA APRT ALAKNANDA, serialNumber=4494addc7df3cda5de05adb6940b6d6a714da6743247179e6e3a5b04ee5c615b, o=Personal, cn=HARVINDER MANOCHA, pseudonym=da35e92f5d00844961237bcad87d3c14
Date: 2021.05.11 11:26:13 +05'30'

Harvinder Manocha
Director
DIN: 03272052

GANESH KUMAR DANABOINA
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Date: 2021.05.11 13:55:55 +05'30'

Ganesh Kumar Danaboina
CFO
PAN: CAVPD2092J

KHUSBOO PRASAD
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Date: 2021.05.11 13:56:16 +05'30'

Khusboo Prasad
Company Secretary
PAN:AWHPP4326P

Place: Hyderabad
Date: 11th May, 2021

Place: New Delhi
Date: 11th May, 2021

GMR Gujarat Solar Power Limited
Corporate Identity Number (CIN): U40100KA2008PLC045783
Statement of changes in equity for the year ended March 31,2021

(Amount in Rs.)

	Attributable to the equity holders of the parent					**Total equity**
	Equity share capital	**Equity component of Related Party Loans**	**Retained earnings**	**Other Comprehensive Income**	**Total**	
As at March 31, 2019	73,60,00,000	2,23,32,550	(57,04,85,297)	(4,77,764)	(54,86,30,511)	18,73,69,489
Profit for the period/ additions	-	-	7,70,39,482		7,70,39,482	7,70,39,482
Other comprehensive income	-	-	-	(19,957)	(19,957)	(19,957)
As at March 31, 2020	**73,60,00,000**	**2,23,32,550**	**(49,34,45,815)**	**(4,97,721)**	**(47,16,10,986)**	**26,43,89,014**
Profit for the period/ additions	-	-	10,87,33,655		10,87,33,655	10,87,33,655
Other comprehensive income	-	-	-	6,576	6,576	6,576
As at March 31,2021	**73,60,00,000**	**2,23,32,550**	**(38,47,12,160)**	**(4,91,146)**	**(36,28,70,756)**	**37,31,29,244**

For Phani Bhushan & Co
ICAI firm registration number: 012481S
Chartered Accountants

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.05.11 15:28:48 +05'30'

M. Phani Bhushan Kumar
Partner
Membership Number. 223397

Place: Hyderabad
Date: 11th May, 2021

For and on behalf of the board of directors of
GMR Gujarat Solar Power Limited

MOHAN SIVARAMAN
Digitally signed by MOHAN SIVARAMAN
DN: c=IN, st=Haryana, 2.5.4.20=68127a522643aedca2f43f8153031b0e3404bb40000149a9e87b741c30e69f87, postalCode=122002, street=OC-1A-701,7TH FLOOR,ORLAV COURT,ESSEL TOWERS,M G ROAD, serialNumber=e443203e93ffff64593fb19bac6d34d83cbe140dc2f00b039448274682f7c451, o=Personal, cn=MOHAN SIVARAMAN
Date: 2021.05.11 11:21:51 +05'30'

Mohan Sivaraman
Director
DIN: 07895711

HARVINDER MANOCHA
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DN: c=IN, st=Delhi, 2.5.4.20=306c8b0e1a14fa554931294e0e6d7a3ead715293ac02f899087f7a768c916cb6, postalCode=110019, street=59 PKT DGROUND FLOOR NARMADA APRT ALAKNANDA, serialNumber=4494addc7df3cda5de05adb6940b6d6a714da6743247179e6e3a5b04ee5c615b, o=Personal, cn=HARVINDER MANOCHA, pseudonym=da35e92f5d00844961237bcad87d3c14
Date: 2021.05.11 11:25:39 +05'30'

Harvinder Manocha
Director
DIN: 03272052

GANESH KUMAR DANABOINA
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Ganesh Kumar Danaboina
CFO
PAN: CAVPD2092J

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Date: 2021.05.11 13:57:02 +05'30'

Khusboo Prasad
Company Secretary
PAN:AWHPP4326P

Place: New Delhi
Date: 11th May, 2021

GMR Gujarat Solar Power Limited
Corporate Identity Number (CIN): U40100KA2008PLC045783
Notes to Financial Statements for the year ended March 31,2021

3 Property, Plant and equipment

(Amount in Rs.)

Particulars	Furniture & fixtures	Vehicle	Office equipment	Computers	Electrical Appliance	Total
Deemed Cost						
As at March 31,2019	38,301	6,84,910	22,72,258	1,93,605	4,05,685	35,94,759
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
As at March 31,2020	**38,301**	**6,84,910**	**22,72,258**	**1,93,605**	**4,05,685**	**35,94,759**
Additions	-	-		-	-	-
Disposals	-	-	-	-	-	-
As at March 31,2021	**38,301**	**6,84,910**	**22,72,258**	**1,93,605**	**4,05,685**	**35,94,759**
Depreciation						
As at March 31,2019	20,077	4,31,926	11,98,713	1,78,528	2,41,777	20,71,020
Charge for the period	4,853	1,03,224	1,98,281	15,068	57,922	3,79,347
Deductions	-	-	-	-	-	-
As at March 31,2020	**24,929**	**5,35,150**	**13,96,993**	**1,93,596**	**2,99,699**	**24,50,367**
Charge for the year	4,845	1,02,942	1,98,272	-	57,782	3,63,842
Deductions	-	-	-	-	-	-
As at March 31,2021	**29,775**	**6,38,092**	**15,95,266**	**1,93,596**	**3,57,481**	**28,14,210**
Net block						
As at March 31,2021	**8,526**	**46,818**	**6,76,992**	**9**	**48,204**	**7,80,549**
As at March 31,2020	**13,372**	**1,49,760**	**8,75,265**	**9**	**1,05,986**	**11,44,392**

4 Right of Use Asset

(Amount in Rs.)

Particulars	Right of Use Asset-Land	Total
Gross block		
As at March 31,2019		
Additions	12,35,26,352	12,35,26,352
Disposals		
As at March 31,2020	12,35,26,352	12,35,26,352
Additions	-	-
Disposals	-	-
As at March 31,2021	**12,35,26,352**	**12,35,26,352**
Depreciation		
As at March 31,2019		
Charge for the year	68,76,144	68,76,144
As at March 31,2020	68,76,144	68,76,144
Charge for the period	68,57,355	68,57,355
Disposals	-	-
As at March 31,2021	**1,37,33,499**	**1,37,33,499**
Net block		
As at March 31,2021	**10,97,92,853**	**10,97,92,853**
As at March 31,2020	**11,66,50,208**	**11,66,50,208**

5 Intangible Assets

(Amount in Rs.)

Particulars	Other concession and operator rights	Total
Gross block		
As at March 31,2019	2,64,45,89,822	2,64,45,89,822
Additions	2,35,410	2,35,410
Disposals		-
As at March 31,2020	**2,64,48,25,232**	**2,64,45,89,822**
Additions	55,62,689	55,62,689
Disposals	18,60,393	18,60,393
As at March 31,2021	**2,64,85,27,528**	**2,64,82,92,118**
Amortization		
As at March 31,2019	48,15,99,808	48,15,99,808
Charge for the period	12,02,19,651	12,02,19,651
Disposals	-	-
As at March 31,2020	**60,18,19,459**	**48,15,99,808**
Charge for the period	12,03,11,750	12,03,11,750
Disposals	4,53,630	4,53,630
As at March 31,2021	**72,16,77,579**	**60,14,57,929**
Net block		
As at March 31,2021	**1,92,68,49,949**	**1,92,68,49,949**
As at March 31,2020	**2,04,30,05,773**	**2,04,30,05,773**

GMR Gujarat Solar Power Limited
Corporate Identity Number (CIN): U40100KA2008PLC045783
Notes to Financial Statements for the year ended March 31,2021

6 Investments

(Amount in Rs.)

	Non-Current		Current	
	March 31,2021	**March 31, 2020**	**March 31,2021**	**March 31, 2020**
Investments at amortised costs				
Investments in NSC 1	-	-	20,000	20,000
Investments at FVTPL				
i. Investments in Mutual Funds (Unquoted)				
UTI Mutual Fund 2	-	-	33,07,81,373	31,57,56,580
	-	**-**	**33,08,01,373**	**31,57,76,580**

1 The above NSC certificate is issued as a security to Gujarat VAT authorities.

2 Investment in Mutual Funds is with UTI Liquid Cash Plan-Regular Growth Plan having 70449.4450 (March 31,2020:97533.409) units of NAV 3353.1236/- (March 31,2020:3237.4197/-) each. and with UTI Liquid Cash Plan - Direct Growth Plan having 5509.449 (March 31,2020:Nil) units of NAV 3370.4873/- (March 31,2020:Nil) each,with UTI Overnight Fund - Growth Plan having 26967.828 (March 31,2020:Nil) units of NAV 2817.6592 /- (March 31,2020:Nil) each

Investments kept with UTI Mutual Fund are lien marked against Term Loan taken from Financial Instituitions.

7 Loans

(Amount in Rs.)

	Non-Current		Current	
	March 31,2021	**March 31, 2020**	**March 31,2021**	**March 31, 2020**
Unsecured, considered good				
Loans				
Loans & Advnaces to Related Parties (*)	-	-	78,90,20,964	78,90,20,964
Loan to Employees			16,458	-
Security Deposit				
Security Deposits-Related Parties			59,34,418	59,34,418
Security Deposits-others	1,850	1,850	57,52,827	60,73,154
	1,850	**1,850**	**80,07,24,667**	**80,10,28,536**

(*) Represents Inter Corporate Deposit given to holding company "GMR Energy Limited" at 12% p.a rate of interest. During September 2018 , additional ICD of Rs 18 crs was given to GEL. Interest rate has been reduced to 10.7% from 06th September 2018 onwards.The ICD is repayable on mutually agreed basis between the parties.

8 Other Financial assets

(Amount in Rs.)

	Non-Current		Current	
	March 31,2021	**March 31, 2020**	**March 31,2021**	**March 31, 2020**
Carried at amortised cost				
Unsecured, considered good				
Unbilled Revenue			5,33,75,415	5,36,52,173
Interest accrued on Inter Corporate Deposit (*)	-	-	34,63,20,318	26,22,32,776
Interest accrued on investment in National Savings Certificate		13,353	13,353	-
Non trade receivable considered good			-	8,306
	-	**13,353**	**39,97,09,086**	**31,58,93,255**

(*)Interest Accrued on Inter Corporate Deposit given to GMR Energy Limited @12% upto 06th Sep 2018 & 10.70% effective from 07th Sept 2018 onwards.

9 Other assets

(Amount in Rs.)

	Non-Current		Current	
	March 31,2021	**March 31, 2020**	**March 31,2021**	**March 31, 2020**
Advances other than capital advances				
Unsecured, considered good				
Advance to suppliers	-	-	13,90,935	22,52,276
Advance to employees	-	-	2,12,129	1,14,516
Other advances				
Prepaid expenses	44,94,401	50,12,208	83,00,954	82,95,657
Prepaid Gratuity	3,59,449	3,63,658	-	-
Balance With Government Authorities	50,000	30,000	1,33,48,157	1,33,48,157
	49,03,850	**54,05,866**	**2,32,52,174**	**2,40,10,606**

10 Inventories

(Amount in Rs.)

	March 31,2021	March 31, 2020
Stores & Spares	2,04,140	-
	2,04,140	**-**

11 Cash and Cash Equivalents

(Amount in Rs.)

	March 31,2021	March 31, 2020
Cash and cash equivalents		
-Balances with Banks		
-In current accounts	92,31,542	8,44,71,843
	92,31,542	**8,44,71,843**

GMR Gujarat Solar Power Limited
Corporate Identity Number (CIN): U40100KA2008PLC045783
Notes to Financial Statements for the year ended March 31,2021

12 Share Capital

(Amount in Rs.)

Particulars	March 31,2021	March 31, 2020
Authorised :		
7,36,00,000 Equity Shares of Rs. 10 each	73,60,00,000	73,60,00,000
	73,60,00,000	73,60,00,000
Issued & Subscribed and Paid-up		
7,36,00,000 (March 31,2020 : 7,36,00,000) Equity Shares of Rs. 10 each	73,60,00,000	73,60,00,000
Total	73,60,00,000	73,60,00,000

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

Equity Shares	March 31,2021		March 31, 2020	
	In Numbers	**Amounts in Rs.**	**In Numbers**	**Amounts in Rs.**
At the beginning of the year	7,36,00,000	73,60,00,000	7,36,00,000	73,60,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**7,36,00,000**	**73,60,00,000**	**7,36,00,000**	**73,60,00,000**

b. Terms/Rights Attached to equity Shares

The company has only one class of shares having a per 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 holder of equity shares would be entitled to receive remaining assets of the company after distribution of all preferrential amounts.

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 held	**Amount**	**No. of Shares held**	**Amount**
GMR Energy Limited (including its nominees), the immediate holding company	7,36,00,000	73,60,00,000	7,36,00,000	73,60,00,000

d. Details of Shareholders holding Equity shares in the Company

Name of Shareholder	March 31,2021		March 31, 2020	
	No. of Shares held	**% Holding in Class**	**No. of Shares held**	**% Holding in Class**
GMR Energy Limited (including its nominees), the immediate holding company	7,36,00,000	100%	7,36,00,000	100%

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.

There is no change in shareholding taken place duiring the Financial year ended 31st March,2021 and 31st March,2020.

GMR Gujarat Solar Power Limited
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Notes to Financial Statements for the year ended March 31,2021

13 Other Equity

(Amount in Rs.)

Particulars	March 31,2021	March 31, 2020
Equity component of Related Party Loans		
Balance at the beginning of the year	2,23,32,550	2,23,32,550
(Loss) / Profit during the year	-	-
Balance at the end of the year	2,23,32,550	2,23,32,550
Surplus in the statement of profit and loss		
Balance at the beginning of the year	(49,34,45,815)	(57,04,85,297)
(Loss) / Profit during the year	10,87,33,655	7,70,39,482
Balance at the end of the year	(38,47,12,160)	(49,34,45,815)
Other Comprehensive Income		
Balance at the beginning of the year	(4,97,721)	(4,77,764)
(Loss) / Profit during the year	6,576	(19,957)
Balance at the end of the year	(4,91,146)	(4,97,721)
Total	**(36,28,70,756)**	**(47,16,10,986)**

14 Borrowings

(Amount in Rs.)

Particulars	Non - Current		Current	
	March 31,2021	March 31, 2020	March 31,2021	March 31, 2020
Secured Borrowings				
Term Loans from Financial Institution*	1,06,43,78,182	1,37,39,46,829	26,28,41,944	34,73,80,903
Total	**1,06,43,78,182**	**1,37,39,46,829**	**26,28,41,944**	**34,73,80,903**
Less:				
Amount disclosed under the head "Other current financial liabilities"	-	-	(26,28,41,944)	(34,73,80,903)
Net Amount	**1,06,43,78,182**	**1,37,39,46,829**	-	-

*Term Loan from Financial institutions represent loan taken from L&T Infra Debt Fund Limited, L&T Infrastructure Finance Company Limited. Applicable rate of interest for L&T Infra Debt Fund Ltd and India Infradebt Limited is 10.45% PA.

Term Loan from Financial Institutions is secured by way of first pari-passu charge by way of hypothecation of all Movable assets (Plant & Machinery, Machinery Spares, Furnitures Fixtures,Vehicles), Current Assets (Books Debts, Operational Cash flows, receivables, Commissions) & bank accounts including without limitation to TRA Account, DSRA Account. Further the Term Loan is secured by way of Lien on the Mutual Funds investments as on 31st March, 2020 and on 31st March, 2021.

Further the Quarterly installment due in the month of March-2020 was not paid as the company has availed the 3 Months Morotorium provided by the RBI in its recent circular dated 26th March, 2020 due to COVID-19 Outbreak.Accordingly March-2020 principal due amount is clubbed with Current maturities of Long term Borrowings amount. Later on the Company has withdrawan the Morotorium submitted to lenders and cleared pending Quarterly Term Loan dues.

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Notes to Financial Statements for the year ended March 31,2021

15 Trade payables

(Amount in Rs.)

Particulars	March 31,2021	March 31, 2020
Trade Payable		
- Micro, Small and Medium Enterprises	-	-
- Related parties	94,88,097	71,20,849
- Others	3,31,05,422	5,65,03,384
TOTAL	**4,25,93,518**	**6,36,24,233**

16 Other Financial Liabilities

(Amount in Rs.)

	Non Current		Current	
	March 31,2021	**March 31, 2020**	**March 31,2021**	**March 31, 2020**
Other financial liabilities at amortised cost				
Current maturities of long term borrowings	-	-	26,28,41,944	34,73,80,903
Interest accrued on Borrowings (*)			-	1,55,94,926
Non Trade Payables	-	-	5,43,448	3,16,781
	-	**-**	**26,33,85,392**	**36,32,92,611**

(*) As per the RBI curcular dated 26th March, 2020, due to COVID-19 outbreak, Banks/NBFC's are allowed to provided 3 months morotorium to borrowers on repayment of all term loans from a period of 01st March 2020 to 31st May, 2020. Accordingly the Company has accrued the Interest on Term Loan for Mar'20. Later on the Company has withdrawan the Morotorium request submitted to lenders and subsequently cleared Interest Dues.

GMR Gujarat Solar Power Limited
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Notes to Financial Statements for the year ended March 31,2021

17 Other Liabilities

(Amount in Rs.)

	Non Current		Current	
	March 31,2021	**March 31, 2020**	**March 31,2021**	**March 31, 2020**
Unearned Revenue (*)	1,85,89,47,937	1,66,64,54,703	-	-
Statutory liabilities				
Tax deducted at source	-	-	3,01,100	8,23,823
Oher Statutory Dues	-	-	20,245	17,533
	1,85,89,47,937	**1,66,64,54,703**	**3,21,345**	**8,41,356**

(*) Unearned/Deferred Revenue amounting 185.89 Crs (March 31, 2020: 166.64 Crs) is created by way of Straightlining of Revenue made to supplement the decrease in PPA rate in future.

18 Provisions (Current and Non-Current)

(Amount in Rs.)

	Non current		Current	
	March 31,2021	**March 31, 2020**	**March 31,2021**	**March 31, 2020**
Provision for employee benefits				
Provision for superannuation	-	-	1,183	204
Provision for leave encashment	1,70,813	1,12,515	15,232	8,781
Total	**1,70,813**	**1,12,515**	**16,415**	**8,985**

19 Current Income tax

(Amount in Rs.)

Particulars	March 31,2021	March 31, 2020
Advance income tax (net of provision for current tax)	7,34,754	2,93,96,160

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Notes to Financial Statements for the year ended March 31,2021

20 Revenue From Operations

(Amount in Rs.)

	Year ended March 31,2021	Year Ended March 31, 2020
Sale of Electrical Energy (*)	34,69,23,645	35,34,04,742
	34,69,23,645	**35,34,04,742**

(*) Represents Net off Straightlining of Revenue as per the IND AS 115 Revenue from Contract with customers amounting Rs.19.25 Crs. (Rs.19.14 Crs in March 31,2020) .

21 Other Income

(Amount in Rs.)

	Year ended March 31,2021	Year Ended March 31, 2020
Other income		
Gain on disposal of investments (net)	1,29,21,227	2,00,86,120
Miscellaneous income	-	63,082
Liabilities Written Back	2,46,11,196	-
Interest Income on:		
Inter corporate loans and deposits	8,44,25,243	8,46,56,545
Bank deposits and others	34,79,772	2,33,870
	12,54,37,438	**10,50,39,617**

22 Employee Benefits Expense

(Amount in Rs.)

	Year ended March 31,2021	Year Ended March 31, 2020
Salaries, wages and bonus	28,11,014	18,94,896
Contribution to provident and other funds	1,21,971	1,04,794
Gratuity expenses	14,985	359
Staff welfare expenses	-	58,797
	29,47,970	**20,58,846**

23 Depreciation and amortization expense

(Amount in Rs.)

	Year ended March 31,2021	Year Ended March 31, 2020
Depreciation of property plant & equipment	3,63,842	3,79,348
Depreciation on right to use	68,57,355	68,76,144
Amortization of intangible assets	12,03,11,750	12,02,19,651
	12,75,32,948	**12,74,75,142**

24 Finance Costs

(Amount in Rs.)

	Year ended March 31,2021	Year Ended March 31, 2020
Interest on debt and borrowings	17,74,47,440	21,02,90,533
Interest others	4,34,138	4,43,179
Other borrowing costs	28,27,138	8,22,391
	18,07,08,716	**21,15,56,104**

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Notes to Financial Statements for the year ended March 31,2021

25 Other expenses **(Amount in Rs.)**

	Year ended March 31,2021	Year Ended March 31, 2020
Consumption of stores and spares	-	6,31,822
Electricity and water charges	12,687	57,947
Insurance	30,07,123	15,69,679
Repairs and maintenance		
Others	99,23,543	78,49,042
Rates and taxes	76,80,571	13,97,552
Rent	2,52,308	2,46,308
Vehicle running & maintenance	3,73,185	4,73,481
Printing and stationery	9,602	4,442
Recruitment Expenses	-	1,829
Communication costs	33,851	31,775
Travelling and conveyance	54,228	1,19,901
Legal and professional fees	22,94,081	26,35,799
Payment to auditors# (refer details below)	1,47,500	1,47,500
Assets Written off	11,028	-
Exchange differences (net)	-	2,954
Loss on disposal of Fixed Asset	10,43,714	-
Logo Fees	11,65,664	11,87,440
Bank charges	342	1,460
Corporate Social Responsibility expenses	11,21,473	-
Operations and maintenance	2,53,08,317	2,39,36,683
Miscellaneous expenses	1,278	3,121
	5,24,40,496	**4,03,14,785**

(Amount in Rs.)

	Year ended March 31,2021	Year Ended March 31, 2020
Payment to Auditors (Included in other expenses above)		
As Auditor		
Audit fee	94,400	94,400
Tax audit fee	29,500	29,500
Limited Review	23,600	23,600
	1,47,500	**1,47,500**

26

A. Income tax expenses in the statement of profit and loss consist of the following:

(Amount in Rs.)

	March 31,2021	March 31,2020
Tax expenses		
(a) Current tax	-	-
(b) Adjustments of tax relating to earlier periods	-	-
(c) Minimum Alternate Tax	-	-
(d) MAT credit entitlement	-	-
(e) Deferred tax expense / (credit)	2,701	-
Total taxes	**2,701**	**-**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

	March 31,2021	March 31,2020
Profit before tax	10,87,30,954	7,70,39,482
Applicable tax rates in India (% Rate)	29.12%	27.82%
Computed tax charge	**3,16,62,454**	**2,14,32,384**
Tax effect of income that are not taxable in determining taxable profit:		
a) Others- Ind AS Adjustments	(22,03,061)	(27,42,104)
b) Utilisation of previously Brought forward Losses/Depreciation	(11,86,84,326)	(10,33,24,882)
c) Others	(2,43,813)	-
Tax effect of expenses that are not deductible in determining taxable profit:		
(a) Others- Ind AS Adjustments	5,92,22,140	5,65,39,418
(b) Effect of Depreciation	3,01,50,940	2,80,95,184
(c) Effect of disallowances	95,667	-
Tax expense as reported	**-**	**-**
Deferred Tax during the period recognised on Remeasurement of Defined Benefit Plan	2,701	-
Total Taxes	2,701	-

B Deferred tax (liability)/ asset comprises mainly of the following:

(Amount in Rs.)

S.No.	Particulars	March 31, 2021 Amount (Rs.)	March 31, 2020 Amount (Rs.)
	Deferred tax liability :		
1	Fixed Asset (impact of difference between Tax Depreciation and Depreciation/ amortization charged as per Financial Reporting	50,45,98,445	53,30,61,594
2	Right of Use Asset	3,19,71,679	3,39,68,541
3	Amortisation of Transaction Cost on loans	1,11,22,062	1,41,63,751
		54,76,92,185	**58,11,93,885**
	Deferred tax asset :		
1	Carry forward losses / unabsorbed depreciation (ii)	6,02,59,578	17,85,70,306
2	Unearned Revenue	54,13,25,639	48,52,71,609
3	Lease Liability	11,77,595	12,02,125
		60,27,62,813	**66,50,44,041**
	Net deferred tax (assets) / liability	(5,50,70,628)	(8,38,50,155)
	Less: Unused tax allowances and losses not recognised *	**5,50,70,628**	**8,38,50,155**
	Net deferred tax (assets) / liability	-	-
	Reconciliations of net deferred tax liabilities / (assets)		
	Opening balance as at beginning of the year	-	-
	Tax income/(expense) during the period recognised in profit or loss	2,701	14,937
	Tax income/(expense) during the period recognised in OCI	(2,701)	(14,937)
	MAT Credit Entitlement (*)	-	
	Closing balance at the end of the year	-	-

i. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

ii. Deferred tax asset has not been recognised on unabsorbed losses on the grounds of prudence in view of the management's assessment of future profitability. The Company has recognised deferred tax asset on unabsorbed depreciation and carried forward losses only to the extent of deferred tax liability.

iii. As the timing differences are originating and reversing within the tax holiday period under the provisions of section 80-IA of the IT Act, deferred tax has not been recognised.

Company Overview and Significant Accounting Policies:

1 Company overview:

GMR Gujarat Solar Power Limited is promoted as a Special Purpose Vehicle (SPV) by GMR Energy Limited, the holding Company, to develop and operate 25 MW Solar Energy based Power Plant at Patan district of Gujarat. The Company has declared commercial operation on 04th Mar’2012.

Information on other related party relationships of the Company is provided in Note no.30

The financial statements were authorised for issue in accordance with a resolution of the directors passed in the Board Meeting held on Date: 11th May, 2021

2 Significant Accounting Policies

a) Basis of preparation

The financial statements are 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 the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

The financial statements are presented in Indian Rupees (INR)

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:

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:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:
(a) it is probable that future economic benefits associated with the item will flow to the entity; and
(b) the cost of the item can be measured reliably.

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 are provided using straight line method over the useful life of the assets as technically estimated by the Management in terms of Schedule II to the Companies Act, 2013.

Particulars	Useful Life in Years
Furnitures and Fixtures	10
Electrical Installations & Equipments	10
Vehicles	10
Equipments	10
Computers and IT Equipments	3

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.

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 per the project life.

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

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

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
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

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

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

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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/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.

c) 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.

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

e) 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.

f) 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)

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

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 or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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.

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27 Calculation of Earning per share (EPS):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year. There is no dilutive potential ordinary shares as at March 31,2021 and March 31, 2020. Thus, diluted EPS equals basic EPS.

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

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
a. Nominal value of Equity shares (in Rupees per share)	10	10
b. Total No. of Equity Shares outstanding at the beginning of the year	7,36,00,000	7,36,00,000
c. Add: Shares allotted during the year	-	-
d. Total No. of Equity Shares outstanding at the end of the year	7,36,00,000	7,36,00,000
b. Weighted average number of Equity shares at the year end (in Nos)	7,36,00,000	7,36,00,000
c. Profit attributable to equity holders of the Company for basic earnings (Rupees)	10,87,40,231	7,70,19,525
d. Basic/Diluted Earning per share of Rs 10/- each (in Rs.) [(c)/(b)]	1.48	1.05

28 Corporate Social Responsibility

As per Section 135 of the Companies act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profits for the immediate preceeding three financial years on Corporate Social Responsibility (CSR) activities.the areas for CSR activities are eradicating the hunder and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabiliation, environment sustainability, disaster relief and rural development projects. A CSR Committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utlilized on these activites which are specified as per schedule VII of the companies act,2013.

(Amount in Rs.)

Particulars	March 31,2021	March 31,2020
a. Gross amount approvedby the CSR Committee to be spent during the year	11,21,473	-
b. amount spent by the Company during the year		
i) Construction/acquisition of any Asset		
ii) on purpose otherthan (i) above	11,21,473	-
iii) Details of Related party Transactions		
GMR Varalakshmi Foundation (refer note no:29)	11,21,473	-

29 Employee Benefits

a) Defined Contribution Plans :

Contribution to Provident and other funds under employee benefit expenses are as under :

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Contribution to Provident and Pension fund	1,26,563	83,364
Contribution to Superannuation fund & Labour welfare fund	15,192	21,789
Total	**1,41,756**	**1,05,153**

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	1,92,968	25,106
Current Service Cost	39,765	18,049
Interest expenses	13,122	1,908
Acquisition Cost/(Credit)	-	1,31,501
Remeasurements - Actuarial loss / (gain)	(10,487)	16,404
Benefits paid	-	-
Defined benefit at the end	**2,35,368**	**1,92,968**
ii) Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning	5,56,626	3,92,843
Return on plan assets greater/(lesser) than discount rate	(1,210)	(3,553)
Acquisition Adjustment	-	1,31,501
Interest income on plan assets	37,902	34,889
Contributions by employer	1,499	946
Benefits paid	-	-
Fair value of plan assets at the end	**5,94,817**	**5,56,626**
iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	(2,35,368)	(1,92,968)
Fair Value of plan assets at year end	5,94,817	5,56,626
Net asset / (liability) recognised	**3,59,449**	**3,63,658**
iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses.		
Current Service Cost	39,765	18,049
Net interest on net defined benefit liability / (asset)	(24,780)	(32,981)
Total expense	**14,985**	**(14,932)**
v) Recognised in other comprehensive income for the year		
Return on plan assets greater/(lesser) than discount rate	1,210	3,553
Actuarial changes arising from changes in financial assumption	-	18,824
Actuarial changes arising from changes in experience adjustments	(10,487)	(2,420)
Return on plan assets excluding interest income	-	
Recognised in other comprehensive income (Gain)/Loss	**(9,277)**	**19,957**

Particulars		
vi) Maturity profile of defined benefit obligation	Amount in Rs.	
April 1, 2022	12,030	
April 1, 2023	13,574	
April 1, 2024	15,144	
April 1, 2025	21,965	
April 1, 2026	24,671	
April 1,2027 to April 1,2031	1,65,852	
vi) 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	(27,691)	(23,081)
(ii) one percentage point decrease in discount rate	33,779	28,294
(iii) one percentage point increase in salary escalation rate	33,742	28,260
(iv) one percentage point decrease in salary escalation rate	(28,144)	(23,457)
(v) one percentage point increase in employee attrition rate	1,517	1,201
(vi) one percentage point decrease in employee attrition rate	(1,915)	(1,552)

Sensitivity Analysis Method

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit

vii) 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

viii) The weighted average assumptions used to determine net periodic benefit cost For the year ended March 31, 2021, March 31, 2020 are set out below:

	March 31, 2021	March 31, 2020
Discount rate (p.a.)	6.80%	6.80%
Weighted average rate of increase in compensation levels	6.00%	6.00%
Weighted average duration of defined benefit obligation	10 Years	10 Years

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 acturial valuation amounts to Rs. 1,86,045 /- as at March 31,2021 (March 31,2020: Rs. 1,21,296/-)

30 List of Related parties with whom transactions have taken place during the year:

a. parties where control exists

Holding Company	GMR Energy Limited (GEL)
Enterprises having control over the company	GMR Infrastructure Limited (GIL) GMR Enterprises Private Limited (GEPL)
Key Management Personnel	Mr.Ashis Basu, Director Mr.Harvinder Manocha, Director Mr. Mohan Sivaraman, Director Mr. Ganesh Kumar Danaboina, CFO Mr.Gaurav Kumar, Manager Mr.Khusboo Prasad, CS
Other entities	GMR Varalakshmi Foundation [GVF] GMR Family Fund Trust (GFFT)

b. Details of the transactions are as follows : *

(Amount in Rs.)

Particulars	March 31,2021	March 31,2020
a. Interest Income on Loan		
GMR Energy Limited [GEL]	8,44,25,243	8,46,56,545
b. Management service cost (Expenses)		
GMR Infrastructure Limited [GIL]	12,17,890	11,41,518
c. Logo Fees-Expenses		
GMR Enterprises Pvt Ltd [GEPL]	11,65,664	11,87,440
d. CSR Expenses		
GMR Varalakshmi Foundation [GVF]	11,21,473	-

c. Closing balances with the above related parties:

(Amount in Rs.)

Particulars	March 31,2021	March 31,2020
a. Equity Share Capital held by		
GMR Energy Limited [GEL]	73,60,00,000	73,60,00,000
b. Equity component of Loan		
GMR Energy Limited [GEL]	2,23,32,550	2,23,32,550
c. Loan given		
GMR Energy Limited [GEL]	78,90,20,964	78,90,20,964
d. Management Allocation fees payable to		
GMR Infrastructure Limited [GIL]	47,66,695	35,54,704
e. Interest accrued receivable from		
GMR Energy Limited [GEL]	34,63,20,318	26,22,32,776
f. Rental Deposit-Receivable		
GMR Family Fund Trust [GFFT]	59,34,418	59,34,418
g. Logo Fees Payable		
GMR Enterprises Pvt Ltd [GEPL]	47,21,402	35,66,145

31 Pending Litigations:

The Company does not have any pending litigations which would impact its financial position

32 Foreseeable losses:

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

33 Details of Dues to Micro and Small enterprises as defined under Micro Small and Medium Enterprises Development Act 2006

There are no micro and small enterprises to which the company owes dues which are outstanding for more than 45 days as at March 31, 2021 and March 31 2020. This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

34 Segment Reporting:

The company is engaged primarily in the business of setting and running of Power Plants. As the basic nature of the activities is governed by the same set of risk and returns these have been grouped as a single business segment. Accordingly separate primary and secondary segment reporting disclosures as envisaged in indian Accounting Standard (Ind AS-108) on Segmental Reporting issued by the ICAI are not applicable to the present activities of the company

35 Commitments and Contingencies

There are no commitments and contingent liabilities as on March 31,2021 (March 31,2020:- Nil)

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36 Financial Assets & Liabilities

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 **(Amount in Rs)**

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 and joint ventures)	33,07,81,373	-	20,000	33,08,01,373	33,08,01,373
(ii) Loans	-	-	80,07,26,517	80,07,26,517	80,07,26,517
(iii) Trade receivables	-	-	-	-	-
(iv) Cash and cash equivalents	-	-	92,31,542	92,31,542	92,31,542
(v) Other financial assets	-	-	39,97,09,086	39,97,09,086	39,97,09,086
Total	**33,07,81,373**	**-**	**1,20,96,87,145**	**1,54,04,68,518**	**1,54,04,68,518**
Financial liabilities					
(i) Borrowings	-	-	1,06,43,78,182	1,06,43,78,182	1,06,43,78,182
(ii) Lease Liabilities			40,43,940	40,43,940	40,43,940
(iii) Trade Payables	-	-	4,25,93,518	4,25,93,518	4,25,93,518
(iv) Other financial liabilities	-	-	26,33,85,392	26,33,85,392	26,33,85,392
Total	**-**	**-**	**1,37,44,01,033**	**1,37,44,01,033**	**1,37,44,01,033**

As at March 31,2020 **(Amount in Rs)**

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 and joint ventures)	31,57,56,580	-	20,000	31,57,76,580	31,57,76,580
(ii) Loans	-	-	80,10,30,386	80,10,30,386	80,10,30,386
(iii) Trade receivables	-	-	-	-	-
(iv) Cash and cash equivalents	-	-	8,44,71,843	8,44,71,843	8,44,71,843
(v) Other financial assets	-	-	31,59,06,608	31,59,06,608	31,59,06,608.33
Total	**31,57,56,580**	**-**	**1,20,14,28,837**	**1,51,71,85,417**	**1,51,71,85,417**
Financial liabilities					
(i) Borrowings	-	-	1,37,39,46,829	1,37,39,46,829	1,37,39,46,829
(ii) Lease Liability			41,28,177	41,28,177	41,28,177
(iii) Trade Payables	-	-	6,36,24,233	6,36,24,233	6,36,24,233
(iv) Other financial liabilities	-	-	36,32,92,611	36,32,92,611	36,32,92,611
Total	**-**	**-**	**1,80,49,91,850**	**1,80,49,91,850**	**1,80,49,91,850**

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).

(Amount in Rs)

Particulars	**Total**	**Fair value measurements at reporting date using**		
		Level 1	**Level 2**	**Level 3**
March 31,2021				
Financial Assets				
Investment in Mutual Funds	33,07,81,373	33,07,81,373	-	-
Financial Liabilities	-	-	-	-
March 31,2020				
Financial Assets				
Investment in Mutual Funds	31,57,56,580	31,57,56,580	-	-
Financial Liabilities	-	-	-	-

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

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the 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.

38 Financial risk management objectives and policies

The Companies primary financial liabiliities comprises of borrowings, Trade and other pauables and other financial liabilities. The main purpose of thesdefinancial liabilities is to finance the Company operation's. The Company's principal financial assets include Inter corporate deposits, Trade and other receivables, cash and cash equivalents and other financial assets that are derived directly from its operations.In the course of its business, the Company is exposed primarily to fluctuations in 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.

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.1,540,468,518/- and Rs. 1,517,185,417/- as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, Loans, 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 as at March 31, 2021,March 31, 2020.

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 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.

(Amount in Rs.)

Particulars	0-1 year	1 to 5 years	> 5 years	Total
March 31,2021				
Borrowings (other than convertible preference shares)	26,28,41,944	76,81,33,766	33,44,38,309	1,36,54,14,019
Other financial liabilities (excluding current maturities of Long Term Borrowings)	5,43,448	-	-	5,43,448
Lease Liability (including current maturities)	94,368	6,71,961	32,77,612	40,43,940
Trade payables	4,25,93,518	-	-	4,25,93,518
Total	**30,60,73,278**	**76,88,05,727**	**33,77,15,920**	**1,41,25,94,925**
March 31,2020				
Borrowings (other than convertible preference shares)	34,73,80,903	1,00,62,00,628	41,63,85,454	1,76,99,66,985
Other financial liabilities (excluding current maturities of Long Term Borrowings)	1,59,11,708	-	-	1,59,11,708
Lease Liability (including current maturities)	84,237	5,99,822	34,44,118	41,28,177
Trade payables	6,36,24,233	-	-	6,36,24,233
Total	**42,70,01,081**	**1,00,68,00,450**	**41,98,29,572**	**1,85,36,31,103**

(i) The above excludes any financial liabilities arising out of financial guarantee contract.

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.

39 Capital management

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

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, 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.

(Amount in Rs.)

Particulars	**31st March, 2021**	**31st March, 2020**
Borrowings other than convertible preference shares	1,32,72,20,126	1,72,13,27,732
Total debt (i)	**1,32,72,20,126**	**1,72,13,27,732**
Capital components		
Equity share capital	73,60,00,000	73,60,00,000
Other equity	(36,28,70,756)	(47,16,10,986)
Total Capital (ii)	**37,31,29,244**	**26,43,89,014**
Capital and borrowings (iii = i + ii)	**1,70,03,49,371**	**1,98,57,16,746**
Gearing ratio (%) (i / iii)	**78.06%**	**86.69%**

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.

40 IND AS 116 Leases

a. Changes in accounting policies and disclosures :

Ind AS 116 supersedes Ind AS 17 Leases effective from 1 April 2019 The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

Nature and effect of adoption of Ind AS 116

Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

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

40 b. Accountimg Assumptions:

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

41 As Lessee

The Company has entered into certain cancellable operating lease agreements mainly for office premises and hiring equipment's and certain non-cancellable operating lease agreements towards land space and office premises. The lease rentals paid during the year (included in Note-35) and the maximum obligation on the long term non - cancellable operating lease payable are as follows:

Right of Use Assets (Amount in Rs.)

Particulars	Land	Total
As at April 01, 2019		-
Additions	12,35,26,352	12,35,26,352
Depreciation/amortisation during the year	(68,76,144)	(68,76,144)
As at March 31, 2020	**11,66,50,208**	**11,66,50,208**
Additions	-	-
Depreciation/amortisation during the year	(68,76,144)	(68,76,144)
As at March 31, 2021	**10,97,74,064**	**10,97,74,064**

Lease Liability

Particulars	**Amount in Rs.**
As at April 01, 2019	42,03,371
Additions	-
Interest for the year	4,43,181
Repayment made during the year	(5,18,375)
As at March 31, 2020	**41,28,177**
Additions	-
Interest for the year	4,34,138
Repayment made during the year	(5,18,375)
As at March 31, 2021	**40,43,940**

(Amount in Rs.)

Disclosed as:	**March 31,2021**	**March 31,2020**
Non - current	39,49,572	40,43,940
Current	94,368	84,237
Total	40,43,940	41,28,177

Maturity profile of lease liability

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in Rs.)

Year ended 31 March 2021	0 to 1 year	1 to 5 years	> 5 years	Total
Lease liabilities	94,368	6,71,961	32,77,612	40,43,940

Year ended 31 March 2020	0 to 1 year	1 to 5 years	> 5 years	Total
Lease liabilities	84,237	5,99,822	34,44,118	41,28,177

Following amount has been recognied in statement of profit and loss account (Amount in Rs.)

Particulars	**for year ended March 31st 2021**	**for year ended March 31st 2020**
Depreciation/amortisation on right to use asset	68,57,355	68,76,144
Interest on lease liability	4,34,138	4,43,179
Total amount recognised in statement of profit and loss account	**72,91,493**	**73,19,323**

The Company has total cash outflow of leases Rs. 6,11,683/-(inclusive of Taxes) during the year

42 a) The Company, at any point in time during the year has not entered into derivative contracts and there are no derivative contracts outstanding as at March 31, 2021.

b) The Company does not have any financial assets or liabilities which are denominated in foreign currency as at the Balance Sheet date.

43 Figures of the previous year wherever necessary, have been regrouped, reclassified and rearranged to conform with those of the current year.

For Phani Bhushan & Co
ICAI firm registration number: 012481S
Chartered Accountants

PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2021.05.11 15:30:58 +05'30'

M. Phani Bhushan Kumar
Partner
Membership Number. 223397

Place: Hyderabad
Date: 11th May, 2021

For and on behalf of the board of directors of
GMR Gujarat Solar Power Limited

MOHAN SIVARAMAN
Digitally signed by MOHAN SIVARAMAN
DN: c=IN, st=Haryana, 2.5.4.20=68127a522643aedca2f43f8153031b0e3404bb40000149a9e87b741c30e69f87, postalCode=122002, street=O C-1A-701,7TH FLOOR,ORLAV COURT,ESSEL TOWERS,M G ROAD, serialNumber=e443203e93ffff64593fb19bac6d34d83cbe140dc2f00b039448274682f7c451, o=Personal, cn=MOHAN SIVARAMAN
Date: 2021.05.11 11:23:18 +05'30'

Mohan Sivaraman
Director
DIN: 07895711

HARVINDER MANOCHA
Digitally signed by HARVINDER MANOCHA
DN: c=IN, st=Delhi, 2.5.4.20=306c8b0e1a14fa554931294e0e6d7a3ead715293ac02f899087f7a768c916cb6, postalCode=110019, street=59 PKT DGROUND FLOOR NARMADA APRT ALAKNANDA, serialNumber=4494addc7df3cda5de05adb6940b6d6a714da6743247179e6e3a5b04ee5c615b, o=Personal, cn=HARVINDER MANOCHA, pseudonym=da35e92f5d00844961237bcad87d3c14
Date: 2021.05.11 11:24:21 +05'30'

Harvinder Manocha
Director
DIN: 03272052

GANESH KUMAR DANABOINA
Digitally signed by GANESH KUMAR DANABOINA
Date: 2021.05.11 13:58:18 +05'30'

Ganesh Kumar Danaboina
CFO
PAN: CAVPD2092J

KHUSBOO PRASAD
Digitally signed by KHUSBOO PRASAD
Date: 2021.05.11 13:58:40 +05'30'

Khusboo Prasad
Company Secretary
PAN:AWHPP4326P

Place: New Delhi
Date: 11th May, 2021