Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram – 122 002
India

T +91 124 4628099
F +91 124 4628001

Independent Auditor's Report

To the Members of GMR Kamalanga Energy Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **GMR Kamalanga Energy Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

4. **Material Uncertainty Related to Going Concern**

   We draw attention to note 1.2 and 16 to the accompanying financial statements, which indicates that the Company has incurred a net loss of ₹ 362.95 million during the year ended 31 March 2021 and, as of that date, the Company's accumulated losses amount to ₹ 18,134.05 million, resulting in substantial erosion of its net worth and it's current liabilities exceed its current assets by ₹ 5,989.72 million. Further, during the year, the Company has received an unfavourable award from the Arbitration Tribunal in the on-going litigation matter between the Company and SEPCO which has directed the Company to pay ₹ 9,846.16 million as further detailed in note 33(d) to the accompanying financial statements. These events and conditions, together with the impact of the ongoing COVID-19 pandemic, as explained in note 16 along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, basis the receipt of the moratorium of interest and repayment of term loan from lenders, conversion of interest accrued during the moratorium period in the loan repayable in the balance loan term, improvement in recovery of receivables from the Discoms, favourable legal opinion obtained by the management of the Company to challenge the award received from the Arbitration Tribunal on the aforesaid matter of SEPCO as explained in Note 33(d), along with other factors as fully detailed in note 16, the management is of the view that the going concern basis of accounting is appropriate for preparation of the accompanying financial statements. Our opinion is not modified in respect of this matter.

Independent Auditors' Report of even date to members of GMR Kamalanga Energy Limited on the financial statements for the year ended 31 March 2021

Emphasis of Matter

Receivables from Customers

5. We draw attention to Note 22 (1)(e) and 4 to the accompanying financial statements for the year ended 31 March 2020 in connection with trade receivables and unbilled revenue of ₹ 13,183.82 million of the Company, which are pending settlement/ realization and are substantially overdue as on 31 March 2021. The management of the Company based on its internal assessment, legal expert advice and certain interim favourable regulatory orders, is of the view that the aforesaid balances are fully recoverable as at 31 March 2021 and accordingly, has not made any adjustments in the accompanying financial results for the year ended 31 March 2021. Our opinion is not modified in respect of this matter.

Restatement of Financial Statements

6. We draw attention to note 3 to the accompanying financial statements which describes the restatement of comparative financial information included in the accompanying financial statements for the year ended 31 March 2020 and the opening balance sheet as at 01 April 2019, in accordance with the requirements of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, relating to revenue recognised by the Company for the 'change in law' claims at enhanced rate of service tax, which are receivable from Haryana Discoms pursuant to the favourable order received from Central Electricity Regulatory Commission on 07 March 2016. Our opinion is not modified in respect of this matter.

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

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

9. In preparing the 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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

Auditor's Responsibilities for the Audit of the Financial Statements

11. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

13. 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.

Report on Other Legal and Regulatory Requirements

14. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

15. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditors' Report of even date to members of GMR Kamalanga Energy Limited on the financial statements for the year ended 31 March 2021

16. Further to our comments in Annexure B, as required by section 143(3) of the Act, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;

    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 financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

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

    f) we have also audited the internal financial controls with reference to the financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 25 May 2021 as per Annexure B expressed unmodified opinion;

    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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

       i. the Company, as detailed in note 33 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

       ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

       iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

       iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

ANAMITRA DAS Digitally signed by ANAMITRA DAS Date: 2021.05.25 19:47:11 +05'30'

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Anamitra Das
Partner
Membership No.: 062191

UDIN: 21062191AAAAIE8138

Place: Gurugram
Date: 25 May 2021

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

Annexure A

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

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

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	**Nature of the dues**	**Amount (₹ in millions)**	**Period to which the amount relates**	**Remarks, if any**
Odisha Electricity (Duty) Act, 1961	Electricity Duty	58.	FY 2018-	Not yet paid
		237.	FY 2019-	Not yet paid
		102.	FY 2020-	Not yet paid

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

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in millions)	Amount paid under Protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
Odisha Entry Tax Act, 1999	Entry Tax	1,687.83	281.31	FY 2008-17	Application with High Court of Odisha to revive the writ petition filed
Income Tax Act, 1961	Income Tax	1.33	1.44	AY 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.36	0.34	AY 2011-12	Income Tax Appellate Tribunal

(viii) The Company has not defaulted in repayment of loans or borrowings to any banks. There are no loans or borrowings payable to financial institutions or government and no dues payable to debenture-holders.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

ANAMITRA DAS
Digitally signed by ANAMITRA DAS
Date: 2021.05.25 19:47:52 +05'30'

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Anamitra Das
Partner
Membership No.: 062191

UDIN: 21062191AAAAIE8138

Place: Gurugram
Date: 25 May 2021

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

Annexure B

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

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

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

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 with reference to financial statements

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

Opinion

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

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

ANAMITRA DAS
Digitally signed by ANAMITRA DAS
Date: 2021.05.25 19:48:30 +05'30'

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Anamitra Das
Partner
Membership No.: 062191

UDIN: 21062191AAAAIE8138

Place: Gurugram
Date: 25 May 2021

GMR Kamalanga Energy Limited
CIN: U40101KA2007PLC044809
Balance Sheet as at 31 March 2021
(All amounts in ₹ million unless otherwise stated)

Particulars	Notes	As at 31 March 2021	Restated* As at 31 March 2020	Restated* As at 01 April 2019
ASSETS				
Non-current assets				
Property, plant and equipment	4	49,920.16	52,538.89	56,159.66
Capital work in progress	5	1,351.26	1,322.31	1,380.60
Right to use assets	6	872.84	924.34	-
Other intangible assets	7	2.10	3.78	4.48
Financial assets				
(i) Loans	8	32.07	31.83	166.95
(ii) Other financial assets	9	52.69	144.70	120.93
Non-current tax assets (net)		64.80	145.85	102.47
Other non-current assets	10	374.97	381.61	375.99
Total non-current assets		**52,670.89**	**55,493.31**	**58,311.08**
Current assets				
Inventories	11	567.61	649.74	1,588.27
Financial assets				
(i) Trade receivables	12	8,266.96	9,679.96	7,903.78
(ii) Cash and cash equivalents	13	344.39	103.00	785.67
(iii) Other bank balances	14	677.93	347.59	762.24
(iv) Loans	8	26.96	16.02	16.29
(v) Other financial assets	9	6,155.33	5,626.86	3,248.32
Other current assets	10	849.68	519.11	1,182.16
Total current assets		**16,888.86**	**16,942.28**	**15,486.73**
TOTAL ASSETS		**69,559.75**	**72,435.59**	**73,797.81**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	21,487.34	21,487.34	21,487.34
Other equity	16	(15,566.67)	(15,206.54)	(14,828.43)
Total equity		**5,920.67**	**6,280.80**	**6,658.91**
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	17	37,624.25	37,574.52	39,575.89
(ii) Lease liabilities	18	40.38	55.44	-
Other non-current liabilities	19	2,988.08	3,213.20	3,438.31
Provisions	21	107.79	96.29	86.07
Total non-current liabilities		**40,760.50**	**40,939.45**	**43,100.27**
Current liabilities				
Financial Liabilities				
(i) Borrowings	17	4,181.83	4,478.02	4,617.04
(ii) Lease liabilities	18	15.06	11.77	-
(iii) Trade payables				
-Total outstanding dues of micro enterprises and small enterprises	20	39.12	46.52	27.99
-Total outstanding dues of creditors other than micro enterprises and small enterprises	20	2,317.59	3,498.01	4,595.57
(iv) Other current financial liabilities	18	7,898.08	8,433.71	5,691.96
Other current liabilities	19	8,297.95	8,662.21	9,004.55
Provisions	21	128.95	85.10	101.52
Total current liabilities		**22,878.58**	**25,215.34**	**24,038.63**
TOTAL EQUITY AND LIABILITIES		**69,559.75**	**72,435.59**	**73,797.81**

The accompanying notes 1 to 41 form an integral part of these Financial Statements.

* Refer Note 3 for details about restatement.

As per our report of even date.

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

ANAMITRA DAS Digitally signed by ANAMITRA DAS Date: 2021.05.25 20:00:41 +05'30'

Anamitra Das
Partner
Membership No.: 062191

Place: Gurugram
Date: 25 May 2021

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

Ramesh R Pai

Ramesh R Pai
Whole-time Director
DIN: 07657400

Sanjay Narayan Barde

S. N. Barde
Director
DIN: 03140784

PIYUSA RANJAN MOHANTY

Piyusa Mohanty
Chief Financial Officer

SUBASH MITTAL

Subash Mittal
Company Secretary
Membership No.: FCS 8650

Place: Kamalanga
Date: 25 May 2021

Place: New Delhi
Date: 25 May 2021

GMR Kamalanga Energy Limited
CIN: U40101KA2007PLC044809
Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in ₹ million unless otherwise stated)

Particulars	Notes	Year ended 31 March 2021	Restated* Year ended 31 March 2020
REVENUE			
Revenue from operations	22	21,890.20	20,630.36
Other income	23	846.26	2,056.15
Total Revenue		**22,736.46**	**22,686.51**
EXPENSES			
Cost of fuel consumed	24	10,661.83	9,920.09
Cost of electrical energy purchased		69.99	620.48
Transmission and distribution charges		515.47	534.89
Employee benefits expense	25	392.24	399.97
Finance costs	26	5,599.44	5,631.07
Depreciation and amortisation expenses	27	3,166.11	3,108.39
Other expenses	28	2,675.74	2,848.43
Total Expenses		**23,080.82**	**23,063.32**
Loss before tax		**(344.36)**	**(376.81)**
Tax expense			
Current tax	29	-	-
Deferred tax	29	-	-
Taxes for earlier year	29	18.59	-
Loss for the period		**(362.95)**	**(376.81)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
-Re-measurement gain/ (loss) on defined benefit plans		2.82	(1.30)
-Income tax relating to re-measurement benefit on defined benefit plans		(0.71)	0.44
Other comprehensive income, net of tax		**2.11**	**(0.86)**
Total comprehensive income for the year		**(360.84)**	**(377.67)**
Earnings per equity share: (face value of equity shares of ₹ 10 each)			
Basic (₹)	32	(0.17)	(0.18)
Diluted (₹)	32	(0.17)	(0.18)

The accompanying notes 1 to 41 form an integral part of these Financial Statements.
* Refer Note 3 for details about restatement.

As per our report of even date.

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

ANAMITRA DAS
Digitally signed by ANAMITRA DAS
Date: 2021.05.25 20:01:39 +05'30'

Anamitra Das
Partner
Membership No.: 062191

Place: Gurugram
Date: 25 May 2021

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

Ramesh R Pai

Ramesh R Pai
Whole-time Director
DIN: 07657400

Sanjay Narayan Barde

S. N. Barde
Director
DIN: 03140784

PIYUSA RANJAN MOHANTY

Piyusa Mohanty
Chief Financial Officer

SUBASH MITTAL

Subash Mittal
Company Secretary
Membership No.: FCS 8650

Place: Kamalanga
Date: 25 May 2021

Place: New Delhi
Date: 25 May 2021

GMR Kamalanga Energy Limited
CIN: U40101KA2007PLC044809
Statement of Changes in Equity for the year ended 31 March 2021
(All amounts in ₹ million unless otherwise stated)

A. Equity share capital

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
Balance at the beginning of the year	21,487.34	21,487.34	21,487.34
Changes during the year	-	-	-
Balance at the end	**21,487.34**	**21,487.34**	**21,487.34**

B. Other equity

Particulars	**Retained earnings**	**Equity component of financial instruments**	**Total equity**
Balance as at 01 April 2019	**(17,395.81)**	**2,567.38**	**(14,828.43)**
Loss for the year*	(376.81)	-	(376.81)
Other comprehensive income			
Remeasurements loss on defined benefit plans, net of tax effect	(1.30)	-	(1.30)
Balance as at 31 March 2020	**(17,773.92)**	**2,567.38**	**(15,206.54)**
Balance as at 01 April 2020	**(17,773.92)**	**2,567.38**	**(15,206.54)**
Loss for the year	(362.95)	-	(362.95)
Other comprehensive income			
Remeasurements loss on defined benefit plans, net of tax effect	2.82	-	2.82
Balance as at 31 March 2021	**(18,134.05)**	**2,567.38**	**(15,566.67)**

The accompanying notes 1 to 41 form an integral part of these Financial Statements.
* Refer Note 3 for details about restatement.

As per our report of even date.

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

ANAMITRA DAS
Digitally signed by ANAMITRA DAS
Date: 2021.05.25 20:02:52 +05'30'

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Anamitra Das
Partner
Membership No.: 062191

Place: Gurugram
Date: 25 May 2021

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

Ramesh R Pai

Ramesh R Pai
Whole-time Director
DIN: 07657400

Sanjay Narayan Barde

S. N. Barde
Director
DIN: 03140784

PIYUSA RANJAN MOHANTY

Piyusa Mohanty
Chief Financial Officer

Place: Kamalanga
Date: 25 May 2021

SUBASH MITTAL

Subash Mittal
Company Secretary
Membership No.: FCS 8650

Place: New Delhi
Date: 25 May 2021

GMR Kamalanga Energy Limited GMR *

GMR Kamalanga Energy Limited
CIN: U40101KA2007PLC044809
Cash Flow Statement for the year ended 31 March 2021
(All amounts in ₹ million unless otherwise stated)

Particulars	Year ended 31 March 2021	Restated* Year ended 31 March 2020
A) Cash flows from operating activities		
Loss before tax	**(344.36)**	**(376.81)**
Add :		
Depreciation and amortisation expenses	3,166.11	3,108.39
Finance cost	5,599.44	5,631.07
Interest income	(43.69)	(52.95)
Loss on sale of property, plant and equipments	0.01	25.98
Unrealised foreign exchange loss	268.29	-
Provision for rebate	20.92	(7.18)
Government grants income allocation	(225.12)	(225.12)
Cash flow before working capital changes	**8,441.60**	**8,103.38**
Adjustments for changes in working capital:		
Decrease in inventory	82.13	938.53
Decrease/ (increase) in trade receivables	1,413.00	(1,776.18)
Increase in other financial assets	(517.96)	(2,400.87)
(Increase)/ decrease in other assets	(338.62)	762.68
Decrease in trade payables	(1,185.95)	(1,098.63)
Increase in other financial liabilities	21.00	26.74
Increase/ (decrease) in provisions	30.01	(4.39)
Decrease in other liabilities	(364.26)	(342.33)
Cash generated from operating activities	**7,580.95**	**4,208.93**
Add/(less): Income tax refund received net of payment/(paid)	62.46	(43.38)
Net cash generated from operating activities (A)	**7,643.41**	**4,165.55**
B) Cash flows from investing activities		
Payment for acquisition of property, plant and equipments, including capital work in progress and capital advance	(669.58)	(356.08)
Proceeds from sale of property, plant and equipments	0.02	0.24
(Net investment in)/ net maturity of bank deposit having original maturity of more than three months	(239.37)	394.55
Interest income received	34.22	71.61
Net cash (used in)/ generated from investing activities (B)	**(874.71)**	**110.32**
C) Cash flows from financing activities		
Repayment of rupee term loan	(2,088.85)	(497.20)
Repayment of short term borrowing	(412.85)	(139.02)
Repayment of lease liability	(19.01)	(17.68)
Interest and finance charges paid	(4,006.60)	(4,304.64)
Net cash used in financing activities (C)	**(6,527.31)**	**(4,958.54)**
D) Net increase/(decrease) in cash and cash equivalents [A+B+C]	**241.39**	**(682.67)**
Cash and cash equivalents at beginning of the year	103.00	785.67
Cash and cash equivalents at end of the year	**344.39**	**103.00**
Break-up of cash and cash equivalents		
Cash on hand	0.25	0.15
Balances with banks	303.10	102.85
Deposits with maturity less than three months	41.04	-
Cash and cash equivalents at end of the year	**344.39**	**103.00**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

GMR Kamalanga Energy Limited
CIN: U40101KA2007PLC044809
Cash Flow Statement for the year ended 31 March 2021
(All amounts in ₹ million unless otherwise stated)

Notes :

a. The above cash flow statement has been prepared under the indirect method as set out in IND AS 7 "Statement of Cashflow".

b. Changes in liabilities arising from financing activities

Particulars	As at 31 March 2021	As at 31 March 2020
Long term borrowings (including current maturities)		
Opening balance	39,651.01	40,034.05
Proceeds from/(repayment of) borrowings from bank (net)	430.63	(497.20)
Non-cash fair value/amortisation changes (net)	123.72	114.16
Closing balance	**40,205.36**	**39,651.01**
Short term borrowings		
Opening balance	4,478.02	4,617.04
Repayment of short term borrowings (net)	(296.19)	(139.02)
Closing balance	**4,181.83**	**4,478.02**

The accompanying notes 1 to 41 form an integral part of these Financial Statements.
* Refer Note 3 for details about restatement.

As per our report of even date.

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

ANAMITRA DAS
Digitally signed by ANAMITRA DAS
Date: 2021.05.25 20:04:16 +05'30'

Anamitra Das
Partner
Membership No.: 062191

Place: Gurugram
Date: 25 May 2021

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

Ramesh R Pai

Ramesh R Pai
Whole-time Director
DIN: 07657400

Sanjay Narayan Barde

S. N. Barde
Director
DIN: 03140784

PIYUSA RANJAN MOHANTY

Piyusa Mohanty
Chief Financial Officer

SUBASH MITTAL

Subash Mittal
Company Secretary
Membership No.: FCS 8650

Place: Kamalanga
Date: 25 May 2021

Place: New Delhi
Date: 25 May 2021

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

GMR Kamalanga Energy Limited

1 Company overview and Basis of preparation:

1.1 Company overview:

GMR Kamalanga Energy Limited is promoted as a Special Purpose Vehicle (SPV) by GMR Energy Limited, the holding Company, to develop and operate 3*350 MW under Phase 1 and 1*350 MW under Phase 2, coal based power project in Kamalanga Village, Dhenkanal District of Odisha. The Company has obtained Mega Power status certificate from Government of India, Ministry of Power vide letter dated February 1, 2012. The Company has declared commercial operation of Phase 1 of the project constituting Unit 1, 2 and 3 of 350MW each on 29 April 2013, 11 November 2013 and 24 March 2014 respectively.

1.2 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 (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 (the 'Act'). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements are presented in 'Indian Rupees' (INR) which is also the Company's functional currency and all values are disclosed to the nearest Million with two decimals (INR 000,000.00), except when otherwise indicated.

Material uncertainty

The Company has signed PPA with GRIDCO Limited, PTC India Limited (Haryana Discoms) and Bihar State Power Holding Company Limited (Bihar Discoms) for supply of power 262.5 MW, 300 MW and 282 MW respectively for 25 years. Further during FY 2019-20 the Company has won the bid for supply of balance 150 MW to PTC India Limited. The Company has signed fuel supply agreement with Coal India Limited for supply of coal from its Mahanadi Coal Field Mines for 3.64 million ton which is within a distance of 15 KM from the plant site. In addition to above the Company has won the bid (Shakti-III) for supply of 0.40 million ton of coal for balance 150 MW. For export of power the Company has signed a dedicated long term open access corridor with Power Grid Corporation of India Limited. The Company has assessed the viability by way of a profitability model which shows stability of the project in the long run. Though the Company's accumulated loss is more than fifty percent of its net worth due to operational difficulties faced during the initial years of operation, in the long run there is no material uncertainty of the project.

The Financial Statements are approved for issue by the Board of Directors in its meeting held on 25 May 2021.

2 Significant accounting policies:

2.1 Summary of significant accounting policies

i) Use of estimates

The preparation of these Financial Statements in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and the disclosure of contingent liabilities at the end of the reporting period and revenues and expenses during 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.

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

ii) Revenue recognition

The Company derives its revenue primarily from sale of energy units generated from its generating units of Thermal power plant to its customers under Power Purchase Agreement and on Merchant Basis.

Effective 01 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to the contracts that were not completed as of 01 April 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted and continues to be reported as per Ind AS 18 "Revenue".

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. Revenue is recognized upon transfer of control of promised products or services to customers. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The revenue is recognised when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Revenue from energy units sold is recognised on accrual basis on delivery of the units at the delivery point 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 reporting period. Transmission services scheduled through the transmission provider is considered as a separate performance obligation if the same is in terms of the Contract and Transaction price is separately recoverable.

The revenue is also recognised / adjusted towards truing up of fixed charges and energy charges at the most likely amount in terms of CERC tariff regulation 2014-19, wherever applicable and reassessed at each reporting date till the date of final order by CERC under the said tariff regulation. The revenue from tariff receivable under Change in Law is accounted in accordance with rates approved by Central Electricity Regulatory Commission (CERC) or computed in terms thereof in similar cases. The revenue is recognised only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company accounts for rebates to customers as a reduction of revenue based on the underlying performance obligation that corresponds to the progress by the customer towards earning the rebate. The company accounts for the liability based on its estimates of future timely receipts of the billed and unbilled revenue. If it is probable that the criteria for rebate will not be met, or if the amount thereof cannot be estimated reliably, then rebate in not recognised until the payment is probable and amount can be estimated reliably.

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

Revenue from sale of infirm power are recognised as per the guidelines of Central Electricity Regulatory Commission on delivery of the energy units to the grid. Revenue prior to date of commercial operation are reduced from Project cost.

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.

Revenue earned in excess of billings are included under “other current financial assets” as unbilled revenue and billings in excess of revenue are disclosed under “other current liabilities” as unearned revenue. Unbilled revenues where the Company has unconditional right to consideration are disclosed as financial asset and the balance are disclosed under non-financial assets.

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

Claims for late payment surcharges and any other claims, which the Company is entitled to receive as per the arrangements of the PPAs are recognised as per the terms of various CERC orders and reasonable certainty of collection.

The performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as at end of the reporting year and an explanation as to when the Company expects to recognise these amounts in revenue. The Company during the period has applied the practical expedient given in Ind AS 115 for the disclosure of remaining performance obligations and based on its analysis of all the contracts outstanding as on 31 March 2021 has not identified any remaining performance obligations and accordingly there are no disclosures given in respect of power purchase agreements, as the revenue recognised corresponds directly with the value to the customer arising out of delivery of power in terms of the contract.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

Dividend income is accounted for in the reporting period in which the right to receive the same is established by the reporting date.

iii) 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.

iv) Property, plant and equipment:

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at historical cost including government 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. Further, the Company recognises major inspection cost relating to Boiler, Turbine and Generator overhauls as separate component.

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 statement of profit and loss during the reporting period in which they are incurred.

Spare parts are capitalised when they meet the definition of Property, Plant & Equipment, i.e., when the company intends to use them for more than a period of 12 months and having a value of more than ₹ 0.50 Million.

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.

The Company on transition to Ind AS, has elected to continue with the carrying value of all of its Property, plant and equipment recognised as at 01 April 2015 ('the transition date') 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 finance lease (paragraph D9 of Ind AS 101) and transaction cost of long term borrowings as per Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 5 (Revised).

Depreciation and amortisation

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

In respect of BTG of Unit I and II and CTU Transmission lines, the Company has estimated 40 years as the useful life of the components as per technical evaluation and accordingly provided depreciation over the remaining useful life of the asset using Straight Line Method w.e.f 01 April 2016 in terms of the requirement of Schedule II of Companies Act 2013.

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Major inspection costs relating to Boiler, Turbine and Generator overhauls are identified as separate component and are depreciated over 5 years.

Capital work in progress

All Project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure directly attributable to the construction of project, borrowing cost incurred prior to the date of commercial operation and trial run expenditure (net of revenue) are shown under Capital Work-in-Progress. These expenses are net of recoveries and income from surplus funds arising out of project specific borrowings after taxes.

v) 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 statement of profit or loss in the period in which the expenditure is incurred.

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

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

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

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

vi) 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.

vii) Government grants

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

viii) Leases

Company as a lessor:

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor, except for recording the lease rent on systematic basis or straightline basis as against Ind AS 17 wherein, there was an exemption for not providing straightlining in case the escalations are in line with inflation.

Company as a lessee:

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 01 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 elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Company has lease contracts for various buildings. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as an operating lease.

Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis, (no straightlining was done in case escalations were considered to be in line with expected general inflation), over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

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 are 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. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company has applied the available practical expedients wherein it:
• Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
• Relied on its assessment of whether leases are onerous immediately before the date of initial application.
• Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
• Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

ix) 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.

x) 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 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

xi) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

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

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

Provisions and contingent liability are reviewed at each balance sheet date.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

GMR Kamalanga Energy Limited GMR

xii) 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.

xiii) 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 benefits in the form of provident fund, pension fund, superannuation fund etc. are defined contribution schemes. 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.

xiv) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at transaction price and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest rate method :

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

a. Financial assets

Financial assets at amortised cost

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

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Kamalanga Energy Limited GMR *

Impairment of financial assets

The Company assesses at each balance sheet date as to whether any of its financial assets are impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises life time expected losses for all contract assets and / or all trade receivables that do not constitute a financing component. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial assets has increased significantly since initial recognition.

Expected credit losses rate the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

De-recognition of financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another party and the transfer qualifies for de-recognition under Ind AS 109.

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

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

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

b. **Financial liabilities and equity instruments**

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:
• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
• the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability.

Fair values are determined in the manner described in note '(xviii)' below.

Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

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.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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 and interest rate swaps to hedge its foreign currency risks and interest rate 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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

Embedded derivative financial instruments
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 statement of profit and 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 through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit and loss, unless designated as effective hedging instruments.

Reclassification of financial instruments
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.

Subordinated debt
Subordinated debts are separated into liability and equity components based on the terms of the contract.
On issuance of the subordinated debts, 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 subordinated debts based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

xv) 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.

xvi) 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.
Effective 01 April 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

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:

a) Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in statement of profit and 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.

b) 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 statement of profit and loss.

c) Tax changes 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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited * GMR

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.

xix) Taxes on income

Tax expense comprises current and deferred tax.

Current income 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 income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that there is sufficient taxable temporary difference or it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income 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 statement of profit and loss.

xx) Sales Tax / Goods and service tax

Sales Tax/ goods and service taxes paid on acquisition of assets or on incurring expenses.
Expenses and assets are recognised net of the amount of sales/ GST paid, except:

a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

b) When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

xxi) 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 to be 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.

xxi) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

A Critical accounting estimates and assumptions

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

i. Revenue recognition

The recognition of revenue is based on the tariff rates / methodology prescribed under PPA/ LOI with customers. Significant management judgments is required to determine the revenue to be recognised for the tariff on account of Change in Law in cases where CERC Order is yet to be received. The estimate for such revenues are based on the CERC Order in the similar case for existing customers.

The billed / unbilled revenue recognised in respect of the above is treated as current as the Company estimates the finality of proceedings during the current ensuing year.

ii. Trade receivables and unbilled revenue

Trade receivables and unbilled revenue consists of significant regulatory dues in respect of Revenue from operations recognised on account of change in law events including coal cost pass through in terms of Power Purchase Agreements with various State Power Distribution Utilities which in some cases are accounted for by the Company based on best estimates including orders / reports of Regulatory Authorities, which may be subject to adjustments on receipt of final orders of the respective Regulatory Authorities. These receivables are outstanding in view of pendency of final orders on tariff or result of clarificatory petitions by the customers / Company. The Management has considered the said receivables good and recoverable as the outstanding amounts are receivable from the State Power Distribution utilities which does not have a track record of default, except for delay in payments being backed by respective state governments. The amount recognised also are based on the computational methodology prescribed and approved by CERC in the Company’s own case where the order is received or pending to be received. The Company also has received favourable orders on the receivables by regulatory authorities instructing the customers to pay certain significant percentage of dues immediately. The management based on the said assumptions is of the opinion that the amount disclosed under Receivables and Unbilled Revenue are good and are of the value stated.

iii. Income taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961. Deferred tax asset is recognised to the extent of the corresponding deferred tax liability.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

iv. Contingencies

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

v. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

vi. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at the interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India.

B Significant judgements

i Revenue recognition

The Company has recognised revenue on compensatory tariff on account of Change in Law, realisation of which is dependent upon outcome of ongoing matter pending determination by CERC. The said recognition is based on the assessment by the Management supported by the legal advice / accounting advice received in the above matter. These opinions are based on the Supreme Court's Order and also APTEL/CERC Order's for the similar cases in respect of its own customers following the said Supreme Court Judgments. Accordingly , the management is of the opinion that it has a virtually certain case on merits for grant of relief under Change in Law and there is no contingency involved and that it would not be unreasonable to expect ultimate collection of revenue in the nature of Relief on account of Change in Law.

ii Property plant and equipment and intangible assets

Property, plant and equipment and Intangible Assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation / amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired/ constructed and reviewed periodically, including at each financial year end. The lives are based on the technical assessment which has relied on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence and Government Policies impacting the assets use.

iii Impairment testing

The Company's 1050MW (3*350MW) Phase-I coal based power plant in Kamalanga village, Tahasil Odapada, Dhenkanal District of Odisha State is operational from FY 2013-14. Out of the installed capacity of 1050 MW, 262.5MW is for the State of Odisha (25% of the installed capacity), 323 MW for the state of Haryana and 206MW for the state of Bihar i.e. approximately 81% of the installed capacity is already tied up with different procurers. During FY 2019-20, the Company has won the bid for supply of balance 150 MW to PTC India Limited. Additionally, the Company has won the bid (Shakti-III) for supply of 0.40 million ton of coal for balance 150 MW. Further, the Company had decided to add one more unit of 350MW at the same location under Phase-II and had obtained all necessary approvals and constructed dedicated transmission line, common systems and acquired the sufficient land required. Further, 25% of installed capacity of Phase-II (4th Unit) plant is proposed to be dedicated to State of Odisha through STU and the Company is in advanced stage of discussion with other Discoms including Bangladesh.

The Company has determined that the carrying value of the Property, plant and equipment of all the units are good based on estimation of the value in use by an Expert Valuer of the relevant cash generating units. The Company has obtained valuation report from valuation Expert for value in use, which is calculated based on a Discounted Cash Flow model over the estimated useful life of the Power Plant. The cash flow projections are based on estimates and certain key assumptions based on externally available information relating to future revenues, profitability in operation and servicing of its debts which is dependent upon tying up of its entire generation capacity through PPA. The Company / valuer has also carried out a sensitivity analysis on key variables. Based on the sensitivity analysis, the recoverable amount is expected to exceed the carrying value. On a careful evaluation of the aforesaid factors, the Management of the Company has concluded that the Recoverable Amounts of the Power Plants are higher than their carrying amounts as at 31 March 2021.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

3 The Company in accordance with the requirement of IND AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", relating to revenue recognised for the Change in law (CIL) claims at enhanced rate of service tax which are recoverable from Haryana Discoms, have restated the comparative financial information for the year ended 31 March 2020 and the opening balance sheet as at 01 April 2019 pursuant to the favourable order received from Central Electricity Regulatory Commission (CERC) on 07 March 2016.

The following table summarises the impact on each individual line items for the year ended 31 March 2020. Line items that are not effected have not been included.

Impact on items of Balance Sheet

Particulars	31 March 2020 as Originally Stated	Change	31 March 2020 as Restated
Other current financial assets - Unbilled revenue	4,428.27	260.98	4,689.25
Other equity	(15,467.52)	260.98	(15,206.54)

Impact on items in Statement of Profit and Loss

Particulars	31 March 2020 as Originally Stated	Change	31 March 2020 as Restated
Revenue from operations	20,587.96	42.40	20,630.36
Loss before tax	(419.21)	42.40	(376.81)
Total comprehensive income	(420.51)	42.84	(377.67)
EPS	(0.20)	0.03	(0.17)

Impact on items in Statement of Cash Flows

Particulars	31 March 2020 as Originally Stated	Change	31 March 2020 as Restated
Loss before tax	(419.21)	42.40	(376.81)
Increase in other financial assets	(2,358.47)	(42.40)	(2,400.87)

The following table summarises the impact on each individual line items on the opening Balance Sheet as at 01 April 2019. Line items that are not effected have not been included.

Particulars	31 March 2019 as Originally Stated	Change	01 April 2019 as Restated
Other current financial assets - Unbilled revenue	2,523.32	218.58	2,741.90
Other equity	(15,047.01)	218.58	(14,828.43)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

(This space is intentionally left blank)

4 Property, plant and equipment

Particulars	Freehold land	Leasehold land held under finance lease	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Gross block									
As at 01 April 2018	**41.45**	**996.11**	**5,337.51**	**61,432.24**	**47.42**	**3.27**	**54.88**	**21.11**	**67,933.99**
Additions made during the year	-	42.70	178.60	315.80	3.74	-	13.44	0.90	555.18
Effect of foreign currency exchange differences	-	-	-	1.02	-	-	-	-	1.02
Disposals / adjustments	-	-	-	(50.98)	-	(0.50)	-	-	(51.48)
As at 01 April 2019	**41.45**	**1,038.81**	**5,516.11**	**61,698.08**	**51.16**	**2.77**	**68.32**	**22.01**	**68,438.71**
Additions made during the year	-	-	66.07	208.80	3.74	0.78	16.44	1.69	297.52
Effect of foreign currency exchange differences	-	-	-	62.94	-	-	-	-	62.94
Disposals / adjustments	-	-	-	(29.44)	-	(0.44)	(0.24)	(0.06)	(30.18)
Reclassified to ROU	-	(1,038.81)	-	-	-	-	-	-	(1,038.81)
As at 31 March 2020	**41.45**	**-**	**5,582.18**	**61,940.38**	**54.90**	**3.11**	**84.52**	**23.64**	**67,730.18**
Additions made during the year	-	-	20.78	461.75	4.03	-	6.21	1.46	494.23
Disposals / adjustments	-	-	-	-	(0.02)	-	-	(0.30)	(0.32)
As at 31 March 2021	**41.45**	**-**	**5,602.96**	**62,402.13**	**58.91**	**3.11**	**90.73**	**24.80**	**68,224.09**
Accumulated depreciation									
As at 01 April 2018	**-**	**104.38**	**581.17**	**8,549.57**	**4.09**	**1.78**	**8.93**	**10.44**	**9,260.36**
Charge for the year	-	34.93	197.25	2,783.49	3.30	0.41	3.96	3.10	3,026.44
Disposals / adjustments	-	-	-	(7.39)	-	(0.36)	-	-	(7.75)
As at 01 April 2019	**-**	**139.31**	**778.42**	**11,325.67**	**7.39**	**1.83**	**12.89**	**13.54**	**12,279.05**
Charge for the year	-	-	202.82	2,839.69	3.67	0.72	5.58	3.03	**3,055.51**
Disposals / adjustments	-	-	-	(3.52)	-	(0.32)	(0.08)	(0.04)	(3.96)
Reclassified to ROU	-	(139.31)	-	-	-	-	-	-	(139.31)
As at 31 March 2020	**-**	**-**	**981.24**	**14,161.84**	**11.06**	**2.23**	**18.39**	**16.53**	**15,191.29**
Charge for the year	-	-	204.28	2,896.92	3.69	0.16	5.78	2.10	3,112.93
Disposals / adjustments	-	-	-	-	(0.01)	-	-	(0.28)	(0.29)
As at 31 March 2021	**-**	**-**	**1,185.52**	**17,058.76**	**14.74**	**2.39**	**24.17**	**18.35**	**18,303.93**
Net block									
As at 01 April 2019	**41.45**	**899.50**	**4,737.69**	**50,372.41**	**43.77**	**0.94**	**55.43**	**8.47**	**56,159.66**
As at 31 March 2020	**41.45**	**-**	**4,600.94**	**47,778.54**	**43.84**	**0.88**	**66.13**	**7.11**	**52,538.89**
As at 31 March 2021	**41.45**	**-**	**4,417.44**	**45,343.37**	**44.17**	**0.72**	**66.56**	**6.45**	**49,920.16**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

GMR Kamalanga Energy Limited * GMR

Notes:

a) Deemed cost: The Company had adopted Indian Accounting Standards ('Ind AS') under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter from the financial year 2016-17. The Company has elected to use its previous GAAP carrying value as at 01 April 2015 being the opening balance sheet date for the purpose of first time adoption of Indian Accounting Standards as per Para D7AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards'. Accordingly, the value of gross block disclosed above includes carrying value of assets at the transition date (i.e., 01 April 2015) which is considered as deemed cost.

b) Assets are owned and are used for own use, unless otherwise mentioned.

c) Entire property, plant and equipment has been offered as a security to term loan lenders with pari passu charge to working capital as referred to in note 17.

d) Leasehold land includes amount of ₹ 185.98 million paid by the Company for the re-alienation of the Rangali Right Canal out of the plant area to Orissa Industrial Infrastructure Development Corporation.

e) Leasehold land held under finance lease: The Company has been allotted lands under lease for a term of 90 years with an initial payment equivalent to the fair value of the land. The Company further has to pay fixed nominal amount of annual ground rent and cess during the lease tenure. The Company as per Ind AS 116, has reclassified the asset from tangible asset to Right of Use Asset (ROU Asset) with its carrying value.

f) Exchange differences are capitalised as per Para D13AA of Ind AS 101 - 'First Time Adoption' availing the optional exemption that allows first time adopter to continue capitalisation of exchange differences in respect of long term foreign currency monitory items recognised in the financial statement for the period ending immediately beginning of the first Ind AS financial reporting period.

g) Up to FY 2014-15, the Company was charging depreciation on all assets as per CERC guidelines. During FY 2015-16, the Company has obtained expert legal opinion, which opined that the depreciation as per Companies Act, 2013 can be followed for boiler, turbine and generator (BTG) cost with respect to Unit I and Unit II and CTU Transmission Lines which are generating power for bidding based PPA and sale on merchant basis. The Company, during the FY 2016-17, has re-estimated the useful life of assets depreciated under Companies Act, 2013 to 40 years from 25 years.

h) The Company has declared commercial operation of Phase 1 of the project constituting Unit 1, 2 and 3 of 350MW each on 29 April 2013, 11 November 2013 and 24 March 2014 respectively and accordingly the buildings, plant and machinery have been capitalised on that date based on the percentage of completion as certified by the technical team of the Company. Certain common items of Phase 2 which was put to use along with Phase 1 have also been capitalised.

Claims/ counter claims arising out of the project related contracts including Engineering, Procurement and Construction (EPC) contract and Non EPC contracts, on account of delays in commissioning of the project, or any other reason is pending settlement / negotiations with concerned parties. The Company has considered its best estimate of cost on the work completed based on the contract, work and purchase orders issued where the final bills are pending to be received /approved. Any adjustment on account of these contracts/bills would be adjusted to the cost of property, plant and equipment in the year of settlement / crystallization.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

(This space is intentionally left blank)

GMR Kamalanga Energy Limited ★ GMR

5 Capital work in progress

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balance at the beginning of the year	1,322.31	1,380.60	1,382.50
Additions made during the year	52.58	60.09	252.17
Capitalised during the year	(23.63)	(118.38)	(254.07)
Balance at the end	**1,351.26**	**1,322.31**	**1,380.60**

Note:
Capital work progress includes construction activities relating to Phase II of the power projects amounting to ₹ 1,315.41 million (31 March 2020 ₹ 1,315.41 million; 01 April 2019 ₹ 1,315.41 million) which is under temporary suspension.

6 Right to use assets

	Property, plant and equipment		
Particulars	**Leasehold land**	**Other assets**	**Total**
Gross block			
As at 01 April 2018	-	-	-
Additions made during the year	-	-	-
Disposals during the year	-	-	-
As at 01 April 2019	-	-	-
Reclassified from tangible asset	1,038.81	-	1,038.81
Additions made during the year	-	76.39	76.39
Disposals during the year	-	-	-
As at 31 March 2020	**1,038.81**	**76.39**	**1,115.20**
Additions made during the year	-	-	-
Disposals during the year	-	-	-
As at 31 March 2021	**1,038.81**	**76.39**	**1,115.20**
Accumulated depreciation			
As at 01 April 2018	-	-	-
Charge for the year	-	-	-
Adjustments for the year	-	-	-
As at 01 April 2019	-	-	-
Reclassified from tangible asset	139.31	-	139.31
Charge for the year	36.25	15.30	51.55
Adjustments for the year	-	-	-
As at 31 March 2020	**175.56**	**15.30**	**190.86**
Charge for the year	36.24	15.26	51.50
Adjustments for the year	-	-	-
As at 31 March 2021	**211.80**	**30.56**	**242.36**
Net block			
As at 01 April 2019	-	-	-
As at 31 March 2020	**863.25**	**61.09**	**924.34**
As at 31 March 2021	**827.01**	**45.83**	**872.84**

Note:
i) The Company has classified leasehold land under finance lease appearing under property, plant and equipment as right of use (ROU) assets as on 01 April 2019. The opening balance has been transferred to ROU assets on adoption of IND AS 116.

ii) During the financial year 2019-20, the Company has also recognised ROU asset of ₹ 76.39 million for finance lease to use floor space for corporate office.

Lease liabilities

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Opening balance	67.21	-	-
Balance as on 1 April, 2019 due to adoption of Ind AS 116	-	76.39	-
Add: Interest expense accrued on lease liabilities	7.24	8.50	-
Less: Lease liabilities paid	(19.01)	(17.68)	-
Closing balance	**55.44**	**67.21**	**-**
Current	15.06	11.77	-
Non current	40.38	55.44	-

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

Note:

a) The Company has lease agreement usually for a period of 5 to 90 years with its group company for rental of office spaces and Government of Odisha for land. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

b) Lease deed for office space imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. The Company is prohibited from selling or pledging the underlying leased assets as security.

c) Lease deed for leasehold land states that the lessee with the previous consent in writing of the lessor can assign or transfer his interest in the property in favor of any Schedule Bank/Financial Institution/ Life Insurance Corporation for securing loan subject to the condition that such mortgage shall not affect the rights, powers and interest of the Lessor/Government under this deed.

d) Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. As the company has applied grandfathering provisions for the land lease which were accounted using previous standard Ind AS 17, the Company has not re-assessed such leases as per Ind AS 116. The Company has reclassified amount of ₹ 1,038.81 million (net block of ₹ 899.50 million) of the land leases from tangible assets to right to use assets prospectively.

e) The Company has recognized right of use asset equal to the lease liability for the office space taken on lease from group company and on transition, the adoption of new standard resulted in recognition of right to use asset and lease liability of ₹ 76.39 million on 01 April 2019.

f) Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

g) On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 12% per annum.

Maturity profile of lease liability

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

Particulars	0 to 1 year	1 to 5 years	> 5 years	Total
Year ended 01 April 2019				
Lease liabilities	17.68	85.01	-	102.69
Year ended 31 March 2020				
Lease liabilities	19.01	66.00	-	85.01
Year ended 31 March 2021				
Lease liabilities	20.43	45.57	-	66.00

Following amount has been recognised in statement of profit and loss account:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation/amortisation on right to use asset	51.50	51.54
Interest on lease liability	7.24	8.50
Expenses related to short term lease (included under other expenses)	568.00	353.09
Expenses related to low value lease (included under other expenses)	-	-
Variable lease payments (included under other expenses)	10.70	10.62
Total amount recognised in statement of profit and loss account	**637.44**	**423.75**

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

Particulars	0-1 Year	1-5 Year	More than 5 year
Extension option expected not to be exercised	-	-	-
Termination option expected to be exercised		-	-

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

7 Other intangible assets

Particulars	Computer software
Gross block	
As at 01 April 2018	**11.87**
Additions made during the year	0.32
Disposals during the year	-
As at 01 April 2019	**12.19**
Additions made during the year	0.64
Disposals during the year	-
As at 31 March 2020	**12.83**
Additions made during the period	-
Disposals during the period	-
As at 31 March 2021	**12.83**
Accumulated amortisation	
As at 01 April 2018	**5.95**
Amortisation for the year	1.76
Adjustments for the year	-
As at 01 April 2019	**7.71**
Amortisation for the year	1.34
Adjustments for the year	-
As at 31 March 2020	**9.05**
Amortisation for the period	1.68
Adjustments for the period	-
As at 31 March 2021	**10.73**
Net block	
As at 01 April 2019	**4.48**
As at 31 March 2020	**3.78**
As at 31 March 2021	**2.10**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

(This space is intentionally left blank)

GMR Kamalanga Energy Limited

8 Loans

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Non-current			
Carried at amortised cost			
Loans receivables – considered good - unsecured			
Security deposit			
Government Authorities	31.40	31.16	166.28
Other deposits	0.67	0.67	0.67
Total non-current	**32.07**	**31.83**	**166.95**
Current			
Carried at amortised cost			
Loans receivables – considered good - unsecured			
Security deposit			
Rental deposits	15.52	16.02	16.29
Loans to employees	11.44	-	-
Total current	**26.96**	**16.02**	**16.29**
Total	**59.03**	**47.85**	**183.24**

Notes:
a) There are no loans receivables which are credit impaired or which have a significant increase in credit risk based on the information available with the Company.

b) The fair value of non-current and current loans are not materially different from the carrying value presented.

9 Other financial assets

Particulars	As at 31 March 2021	Restated* As at 31 March 2020	Restated* As at 01 April 2019
Non-current			
Unsecured, considered good			
Carried at amortised cost			
Bank deposits with remaining maturity of more than 12 months [Refer note (a) & (b) below]	47.86	138.83	118.73
Interest accrued but not due - receivable at the time of maturity	4.83	5.87	2.20
Total non-current	**52.69**	**144.70**	**120.93**
Current			
Unsecured, considered good			
Carried at amortised cost			
Amount due from related parties [for related party refer note 38]	223.04	8.98	223.10
Interest accrued but not due on fixed deposits	18.79	8.28	30.61
Unbilled revenue [Refer note (c) below] [for related party refer note 38]	5,895.83	4,689.25	2,741.90
Other receivables [Refer note (d) below]	17.67	920.35	252.71
Total current	**6,155.33**	**5,626.86**	**3,248.32**
Total	**6,208.02**	**5,771.56**	**3,369.25**

Notes:
a) Fixed deposits represents margin money deposit against bank guarantee and letter of credit with various banks.
b) For charges created on fixed deposit with banks refer note 17.
c) Classified as financial asset as right to consideration is unconditional upon passage of time. It includes amount billed after the balance sheet date but till approval of the financial statements of ₹ 2,122.06 Million (31 March 2020: ₹ 1287.02 Million, 01 April 2019: ₹ 381.83 Million).
d) Other receivables includes amount billed towards recovery of Point of Connection Charges (POC) to customers amounting to ₹ 16.11 Million (31 March 2020: ₹705.67 million, 01 April 2019: ₹ 252.20 million).
e) The fair value of the said financial asset is not materially different from the carrying value presented.

10 Other assets

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Non-current			
Unsecured, considered good			
Capital advances to related party [refer note 38]	92.13	92.13	92.13
Capital advances to others	1.02	2.41	3.36
Advances other than capital advances			
Prepaid expenses	0.51	5.76	-
Indirect taxes deposited under protest	281.31	281.31	280.50
Total non-current	**374.97**	**381.61**	**375.99**
Current			
Unsecured, considered good			
Advances other than capital advances			
Advance to suppliers	806.94	439.16	1,053.01
Advance to employees	2.10	1.99	5.23
Prepaid expenses			
Interest / commission paid on letter of credit	16.24	18.36	44.89
Others	24.40	17.73	26.76
Claims receivable [Refer note (a) below]	-	41.87	41.87
Taxes recoverable [Refer note (b) below]	-	-	7.74
Gratuity plan asset (net of provision)	-	-	2.66
Total current	**849.68**	**519.11**	**1,182.16**
Total	**1,224.65**	**900.72**	**1,558.15**

Notes:
a) The Company has paid under merit rate duty on certain imported goods before getting the mega power status amounting to ₹ 35.59 million and on certain imported goods amounting to ₹ 6.27 million. Subsequent to the Mega Power Status, the Company was eligible to import the goods vide Notification No. 21/02 dated 01 March 2012 with Nil rate of duty. The Company in terms of the same has claimed the refund of customs duty paid vide its application filed during February 2012 with the Kolkata Custom Authority and confident of getting favourable order and accounted for the payment as Advance Recoverable. The Company based on the various evaluations has determined that the same is not recoverable from Custom Authority hence the same has been reversed during the FY 2020-21.

b) Represents GST paid under reverse charge.

11 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Raw materials	195.06	61.59	1,068.82
Stores and spares	372.55	588.15	519.45
Total	**567.61**	**649.74**	**1,588.27**

Notes:
a) Inventories are valued at lower of cost or net realizable value.
b) For charge created on inventories refer note 17.
c) For details of fuel consumption refer note 24 and for stores and spares consumption refer note 28.

12 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Trade receivables – considered good - unsecured			
from related parties	548.06	-	546.84
from others	7,718.90	9,679.96	7,356.94
Trade receivables – credit impaired			
from others	19.56	19.56	19.56
	8,286.52	9,699.52	7,923.34
Impairment allowance (allowance for bad and doubtful debt)			
Less : Trade receivables- credit impaired	(19.56)	(19.56)	(19.56)
Total	**8,266.96**	**9,679.96**	**7,903.78**

Notes:
a) For charges created on trade receivables refer note 17
b) Trade receivables are interest bearing and are generally on terms up to 60 days.

c) Trade receivable includes additional claim on Bihar Discom with regard to coal pass through of ₹ 559.60 million (net off amount received of ₹ 828.10 million) as on 31 March 2021 (31 March 2020: ₹ 1,387.70 million; 01 April 2019 ₹1,692.70 million).

d) PTC India Limited (Haryana Discoms) has not paid Company's claim on change in law approximating to ₹ 2,821.88 million (31 March 2020 : ₹ 4,178.55 million; 01 April 2019 ₹2,816.45 million) from July 2016 onwards on coal cost pass through and other change in law claims.

e) GRIDCO Limited has withheld ₹ 2,675.23 million, billed as per CERC Tariff determination Order dated 29 June 2018 and balance is pending for reconciliation. Further debtors includes ₹ 460.19 million towards late payment surcharge invoice raised based on CERC Order dated 04 February 2020 in case no-115/MP/2019. The management is pursuing for reconciliation with GRIDCO Limited and has completed quantitative reconciliation and is in the process of resolving the differences which are not material. In view of the above, the said amount is considered good and hence no provision has been created in the books by the Company.

f) Credit concentration:
As on balance sheet date trade receivables (excluding unbilled revenue) from State Electricity Distribution Companies (DISCOMS) under long term power purchase agreement constitutes 93.37% (31 March 2020 : 100%; 01 April 2019 : 93.08%).

g) Expected credit loss (ECL)

The Company is having majority of receivables from State Electricity Distribution Companies which are Government undertakings and group companies and hence are secured. The Company is generally receiving its normal power sale dues from its customers and in case of disputed amount not being received, the same is recognized on conservative basis which carries interest as per the terms of PPA. Hence they are secured from credit losses in the future. Allowances, if any, for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past deferment experience of the counterparty and an analysis of the counterparty's current financial position. The expected credit loss allowance is based on the ageing of the receivables that are due and company's past experiences. The Management does not foresee any expected credit loss in the near future on the same which requires provisioning currently.

h) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

i) The fair value of receivables are not materially different from the carrying value presented.

13 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balances with banks			
- On current accounts	303.10	102.85	785.42
- Deposits with original maturity of less than three months	41.04	-	-
Cash on hand	0.25	0.15	0.25
Total	**344.39**	**103.00**	**785.67**

Note:
a) For charge created on cash and cash equivalents refer note 17.

14 Other bank balances

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Deposits with original maturity of more than three months but less than twelve months	677.93	347.59	762.24
Total	**677.93**	**347.59**	**762.24**

Notes:
a) For charges created on other bank balances refer note 17.
b) Includes margin money deposit against letter of credit and bank guarantee ₹ 677.93 million (31 March 2020 : ₹ 347.59 million 01 April 2019 : ₹ 762.24 million).
c) The fair value of other bank balances are not materially different from the carrying value presented.

15 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Authorised share capital			
2,310,000,000 (31 March 2020: 2,310,000,000, 01 April 2019: 2,310,000,000) equity shares of ₹ 10 each	23,100.00	23,100.00	23,100.00
Total	**23,100.00**	**23,100.00**	**23,100.00**
Issued share capital			
2,306,370,000 (31 March 2020: 2,306,370,000, 01 April 2019: 2,306,370,000) equity shares of ₹ 10 each	23,063.70	23,063.70	23,063.70
Total	**23,063.70**	**23,063.70**	**23,063.70**
Subscribed and fully paid up			
2,148,734,052 (31 March 2020: 2,148,734,052, 01 April 2019: 2,148,734,052) equity shares of ₹ 10 each	21,487.34	21,487.34	21,487.34
Total	**21,487.34**	**21,487.34**	**21,487.34**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	Numbers	Amount
As at 01 April 2020	2,14,87,34,052	21,487.34
Shares issued during the year	-	-
As at 31 March 2021	**2,14,87,34,052**	**21,487.34**
As at 01 April 2019	2,14,87,34,052	21,487.34
Shares issued during the year	-	-
As at 31 March 2020	**2,14,87,34,052**	**21,487.34**
As at 01 April 2018	2,14,87,34,052	21,487.34
Shares issued during the year	-	-
As at 01 April 2019	**2,14,87,34,052**	**21,487.34**

b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after satisfying all the dues to banks and financial institutions and after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The equity shares (i.e., 1,878,440,283) held by GMR Energy Limited (GEL) in the Company have been pledged with IDBI Trusteeship Services Limited.

c) Restrictions on the distribution of dividends

Board shall subject to restrictions imposed by the project finance lenders, in terms of financing agreement, propose to the shareholders the maximum possible dividend payable under applicable law. Upon such recommendation shareholders shall declare dividends as follows -

i. All such dividends and profits shall be paid to shareholders in their existing shareholding pattern.
ii. Any such dividend or other distribution shall be based on profit generated by the Company or on appropriate basis permitted by the applicable laws.

d) Shares held by holding /ultimate holding company /holding company and/or their subsidiaries/associates.

Name of Shareholder	Numbers	Amount
As at 31 March 2021		
Equity Shares at par value of ₹ 10 each		
GMR Energy Limited [GEL] - Holding Company	1,87,84,40,283	18,784.40
As at 31 March 2020		
Equity Shares at par value of ₹ 10 each		
GMR Energy Limited [GEL] - Holding Company	1,87,84,40,283	18,784.40
As at 01 April 2019		
Equity Shares at par value of ₹ 10 each		
GMR Energy Limited [GEL] - Holding Company	1,87,84,40,283	18,784.40

e) Details of Shareholders holding more than 5% of equity shares in the Company

Name of Shareholder	-	Numbers	% Holding
As at 31 March 2021			
GMR Energy Limited [GEL]		1,87,84,40,283	87.42%
India Infrastructure Fund [IIF]		21,93,12,500	10.21%
As at 31 March 2020			
GMR Energy Limited [GEL]		1,87,84,40,283	87.42%
India Infrastructure Fund [IIF]		21,93,12,500	10.21%
As at 01 April 2019			
GMR Energy Limited [GEL]		1,87,84,40,283	87.42%
India Infrastructure Fund [IIF]		21,93,12,500	10.21%

f) 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.

g) The Company has not issued shares for consideration other than cash, during the period of five years immediately preceding the reporting date.

16 Other equity

Particulars	As at 31 March 2021	Restated* As at 31 March 2020	Restated* As at 01 April 2019
Retained earnings			
Balance at the beginning of the year	(17,773.92)	(17,395.81)	(18,010.95)
Loss for the year	(362.95)	(376.81)	615.25
Other comprehensive income			
Remeasurement loss on defined benefit plans	2.82	(1.30)	(0.11)
Balance at the end of the year	**(18,134.05)**	**(17,773.92)**	**(17,395.81)**
Equity component of other financial instruments			
Equity component of subordinated debt of related party, net of tax			
Balance at the beginning of the year	2,567.38	2,567.38	2,567.38
Transactions during the year	-	-	-
- Equity component of Subordinated debts, net of tax	-	-	-
Balance at the end of the year	**2,567.38**	**2,567.38**	**2,567.38**
Total	**(15,566.67)**	**(15,206.54)**	**(14,828.43)**

Notes:

The Company's net loss is ₹ 362.95 million and accumulated loss of ₹ 18,134.05 million is more than fifty percent of its net worth and the net current assets position is negative ₹ 5,989.72 million. This was due to operational difficulties faced during the initial years of operation. These events and conditions indicate a material uncertainty which may cast a significant doubt on Company's Going Concern assumption. However, the management has evaluated the following mitigating factors and future actions in relation to its going concern assessment. The Company's petitions for 'Tariff Determination' in case of Power Purchase Agreement (PPA) with GRIDCO Limited and 'Tariff Revision' in case of PPAs with PTC India Limited and Bihar State Power (Holding) Company Limited have been disposed of substantially in favour of the Company by the Central Electricity Regulatory Commission (CERC). The Company has also emerged as a successful bidder in the Pilot scheme-II for supply of 150MW of power for medium term at a competitive tariff, and is awaiting Letter of Intent (LOI) for the same. The Company has also won 0.4 MTPA of coal under Shakti B(iii) scheme, and the coal supplies would commence upon signing of PPA for untied capacity.

Due to outbreak of COVID-19 globally and in India, the Company has made assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The availability of power plant to generate electricity as per the demand of the customers is important. Hence, the Company has ensured not only the availability of its power plant to generate power but has also continued to supply power during the period of lockdown considering essential service as declared by the Government of India. The Company has also received notices from two DISCOMS stating the COVID-19 pandemic as a force majeure situation and hence there will be delay in payment of monthly power dues by the Discoms to the Company. However, the said situation is not covered under the respective force majeure clauses, considering that in terms of the notification dated 25 March 2020 issued by Ministry of Home Affairs, electricity falls under essential services. The Ministry of Power has also clarified on 06 April 2020 that Discoms have to comply with the obligation to pay fixed capacity charges as per PPA.

Walker Chandiok & Co LLP * Chartered Accountants *

GMR Kamalanga Energy Limited

The Ministry of finance announced infusion of liquidity to Discoms on 13 May 2020. This enabled the Discoms to clear dues to power generation entities. This largely mitigated the stress on cash flows of power generating companies during the period of COVID-19. Further, the Company is actively engaged with Discoms for payment of regulatory dues. In addition to this, the Company is taking various initiatives to mitigate the impact on cash flows and business operations.

The Consortium lenders have approved moratorium on payment of instalment (interest and principal) falling due from 01 March 2020 to 31 August 2020 (moratorium period) pursuant to the COVID circulars issued by Reserve Bank of India ("RBI"). Based on the management's request, the lenders have agreed to capitalize the accrued interest during moratorium period on term loan amounting to ₹ 2,519.49 million into principal and to recover the same over residual loan tenure. Similarly, accrued interest during moratorium period on working capital facility amounting to ₹ 116.66 million has been converted to Funded Interest Term Loan (FITL) which was paid before 31 March 2021 in accordance with COVID circulars issued by RBI. Further, the Company is also evaluating various options of restructuring the loan under the applicable RBI guidelines. The Company is also actively pursuing its customers for realization of claims. These initiatives will support the Company's ability to continue the business without impact on its operations.

The Company has received an unfavourable arbitral award in matter of SEPCO on 07 September 2020 as subsequently corrected on 17 November 2020 (the 'Award'). The net impact of the Award on the Company could be approximately ₹ 9,846.16 million, payable by the Company to SEPCO (including ₹ 6,898.75 million of Bank Guarantee invoked by GKEL). The Company has already made a provision of ₹ 11,031.73 million in its books towards any such liability and thus there is no additional impact in books of accounts due to the Award. The Company has challenged the Award under Section 34 of the Arbitration and Conciliation Act, 1996 (the 'Act') before the Hon'ble High Court of Orissa on 15 February 2021. Based on legal advice obtained, the Company has a good arguable case under section 34 of the Act to challenge the Award and seek setting aside of the same and thus the Company is not expecting cash outflow in this matter. The Company has in its books made provisions in view of the disputes between SEPCO and GKEL and taken into consideration the Award passed by the Arbitral Tribunal based on generally accepted accounting practices. Irrespective of the heads under which they appear or their nomenclature/heading/title/narration, etc., such provisions do not make Company liable for payment since liability is disputed as Company has challenged the Award before the Hon'ble High Court of Orissa.
The aforementioned Government directives pushing Discoms to pay all dues and the Company's rigorous follow up with the Discoms enables the Company to recover outstanding dues. The Company also expects all pending litigations to have a favourable outcome resulting in reducing liabilities. Basis the discussions and management initiatives as discussed these accounts have been prepared on a going concern basis.

17 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Non-current			
Secured			
Rupee term loans			
From banks [refer notes (a), (b) & (f) below]	39,408.76	38,950.09	39,417.53
Less: Current maturities of long-term borrowings	(2,581.11)	(2,076.49)	(458.16)
	36,827.65	36,873.60	38,959.37
Unsecured			
Promoters subordinated debt - from Holding Company [refer note 38 & note (c) below]	796.60	700.92	616.52
Total non-current	**37,624.25**	**37,574.52**	**39,575.89**
Current			
Secured			
Short term borrowings			
Cash credit [refer note (d) below]	1,648.86	1,945.05	2,084.07
Unsecured			
Loan from group company [refer note 38 & note (e) below]	2,532.97	2,532.97	2,532.97
Total current	**4,181.83**	**4,478.02**	**4,617.04**
Total	**41,806.08**	**42,052.54**	**44,192.93**

Notes:

a) Nature of security

Rupee term loan from banks

A first mortgage and a charge by way of registered mortgage in favour of the Lenders/Security trustee of all the borrowers immovable properties, present and future, a first charge by way of hypothecation of all the borrowers movables including movable plant and machinery, machinery spares, tools and accessories, present and future, stock of raw materials, semi-finished and finished goods and consumable goods, a first charge on the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, intangibles, goodwill, uncalled capital, present and future, a first charge on the Trust and Retention account including the debt service reserve account and other reserves and any other bank accounts, wherever maintained present and future first charge by way of assignment or creation of charge of all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents/in the clearances/in any letter of credit, guarantee, performance bond provided by any party to the project documents and all insurance contracts/insurance proceeds, pledge of shares (in the demat form) representing 87.42% of the total paid up equity share capital of the borrower.

All the security set out above shall rank pari passu amongst the lenders of the project for an aggregate term loans amounting to ₹ 46,701.00 million along with working capital lenders for further amount acceptable to the lenders.

b) Terms of repayment

i) Rupee term loan from banks

As per the Rupee Term Loan (RTL) agreement entered into by the Company on 27 May 2009 with the consortium of banks, the amount to be borrowed by the Company from the lenders shall not exceed ₹ 34,050.00 million. Further, considering the project cost overrun, additional corporate loan and conversion of ECB into Rupee term loan, the RTL limit has been increased to ₹ 46,430.00 million. The applicable interest rate for all the lenders for the year ended 31 March 2021 varies from 11.30% p.a. to 13.05% p.a.

The amount of RTL borrowed including cost overrun funding and additional corporate loan needs to be repaid in 66 quarterly structured instalments from 01 October 2017, pursuant to RBI's Framework for Revitalising Distressed Assets in the Economy dated 30 January 2014 (including the 5/25 Flexible Structuring Scheme dated 08 June 2015) and the consortium bankers have accordingly amended the Rupee Loan Agreement on 29 June 2015. During FY 2017-18, as per the minutes of Joint Lenders Forum, the Company has prepaid about 10 quarterly instalments (out of the proceeds of bank guarantee invocation) to all the term loan lenders. In view of prepayments, the repayment started from FY 2019-20 onwards.

The interest accrued on rupee term loans were due for payment on 31 March 2021 to banks aggregating to ₹ 0.15 million.

c) Promoters subordinated debt

As per the Promoter Subordinated Debt Agreement between the Company and GMR Energy Limited ('Promoter') dated 25 June 2012 and subsequent revision, the promoter has infused ₹ 4,109.16 million (31 March 2020: ₹ 4,109.16 million; 01 April 2019: ₹ 4,109.16 million) into the Company as subordinated debt. The Company has fair valued the interest free subordinated debt issued to promoters and accordingly an amount of ₹ 2,567.38 million (31 March 2020: ₹ 2,567.38 million; 01 April 2019: ₹ 2,567.38 million) net of taxes, have been transferred to Other Components of Equity under Other Equity.

Reconciliation of subordinated debt	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Opening balance of subordinated debt	4,109.16	4,109.16	4,109.16
Add: Subordinated debt Issued during the year	-	-	-
Closing balance of subordinated debt	4,109.16	4,109.16	4,109.16
Less: Equity component of subordinated debt transferred to other equity, net of tax	(2,567.38)	(2,567.38)	(2,567.38)
Less: Deferred tax impact on equity	(1,286.62)	(1,286.62)	(1,286.62)
	255.16	255.16	255.16
Add: Notional interest recognised upto date	541.44	445.76	361.36
Fair valued subordinated debt grouped under borrowings	**796.60**	**700.92**	**616.52**

The Promoter Subordinated Debt does not carry any interest of whatsoever nature and is unsecured. Prior to achievement of the Financial Closure of project expansion, the Company shall be entitled to repay the Promoter Subordinated Debt only out of any extraordinary net cash flows received by the Company which are clearly demonstrated to have been received solely on account of the expenditure incurred towards Project expansion and do not have the impact of diluting the interest of the investors. The Promoter Subordinated Debt would rank lower in priority to the senior debt in repayment. The promoter shall reserve the right to convert the Promoter Subordinated Debt into Equity after achieving the Financial Closure of the Project Expansion. Such conversion shall be subject to prior written consent of the Investors. There will be no repayment of the promoter sub debt till the investors have exited from the Company fully.

d) Cash credit facilities

Cash Credit facilities are secured by way of a first charge and registered mortgage of all the immovable properties and movables including plant and machinery, machinery spares, tools and accessories, stock of raw materials, semi finished goods and consumable goods and by book debts, operating cash flows, receivables, revenues whatsoever in nature, present and future. Further it is secured by pledge of shares representing 87.42% of the total paid up equity share capital of the Company. The beneficial interest in the Security shall rank pari passu among all the Rupee Lenders and the lenders participating in the bank borrowings for the working capital requirements/bank guarantee facility to the extent as approved by the Rupee Lenders. The Cash Credit Overdraft facility is repayable on demand subject to annual review/renewal. The interest rate is ranging between 11.05% to 13.15% for the year.

e) Loan from related party (unsecured)

The carrying value of loan amount including interest accrued shall be repayable on demand. The interest rate is 0% [31 March 2020: 0%]

f) Covid-19 - Regulatory Package

Due to outbreak of Corona Virus pandemic (COVID-19), Reserve Bank of India had announced certain reliefs to the borrowers to mitigate the burden of debt servicing vide circular no RBI/2019-20/186 dated 27 March 2020 and 23 May 2020. As per the circular, borrowers can avail deferment of six months on payment of repayment instalments and interest dues on loans/credit facilities falling due between 01 March 2020 and 31 August 2020.

Based on the Company's request in accordance with RBI circular, lenders have granted moratorium of six months for payment of interest and principal falling due between 01 March 2020 to 31 August 2020, and also shifted the repayment schedule of residual instalment by six months.

Further, the lenders have agreed to capitalize the interest during moratorium period (01 March 2020 to 31 August 2020) on term loan and to recover the same over residual loan tenure. Similarly, accrued interest during moratorium period on working capital facility has been converted to FITL and is paid within March 2021.

Accordingly, the Company has increased the term loan from Bank by ₹ 2,519.49 million and FITL loan ₹ 116.66 million.

18 Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Non-current			
Lease liabilities	40.38	55.44	-
Total non-current	**40.38**	**55.44**	**-**
Current			
Carried at amortised cost			
Lease liabilities	15.06	11.77	-
Secured			
Current maturities of long-term borrowings			
Term loan	2,581.11	2,076.49	458.16
Interest accrued but not due on			
Term loan	-	424.27	0.46
Cash credit	0.41	9.50	2.40
Acceptances against fuel supplies	-	3.27	9.87
Interest accrued and due on			
Term loan	0.15	747.14	0.97
Other payables			
Payables towards capital goods / services	1,696.22	1,754.69	1,830.35
Retention money towards capital goods / services	3,572.83	3,391.99	3,345.61
Payable to employees	44.14	8.76	20.10
Other liabilities	3.22	17.60	12.49
Carried at fair value through profit and loss			
Derivative liability	-	-	11.55
Total current	**7,913.14**	**8,445.48**	**5,691.96**
Total	**7,953.52**	**8,500.92**	**5,691.96**

Note:

The fair value of other non-current / current financial liabilities is not materially different from the carrying value presented.

19 Other liabilities

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Non-current			
Government grant [refer note (c) below]	2,988.08	3,213.20	3,438.31
Total non-current	**2,988.08**	**3,213.20**	**3,438.31**
Current			
Government grant [refer note (c) below]	225.12	225.12	225.12
Proceeds from invocation of bank guarantee [refer note (a) below]	5,792.63	5,792.63	5,792.63
Environment management fund [refer note (b) below]	1,673.57	1,385.75	1,164.12
Advance received from customers - Related parties [refer note 38]	-	588.65	-
Advance received from customers	-	183.33	1,573.33
Statutory dues	606.63	486.73	249.35
Total current	**8,297.95**	**8,662.21**	**9,004.55**
Total	**11,286.03**	**11,875.41**	**12,442.86**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

Notes:

a) The Company has invoked the Bank Guarantees of its EPC Contractors (herein after called 'party') amounting to ₹ 5,792.63 million on 12 November 2014 for liquidated damages, non-payment of debit notes issued by the Company and other liabilities. The amount of invoked bank guarantee has been disclosed under 'other payable' is pending settlement of the litigation and no effect has been given to the carrying value of the fixed assets. Refer note 33(d).

The Company has in its books made provisions in view of the disputes between SEPCO and GKEL and taken into consideration the Award passed by the Arbitral Tribunal based on generally accepted accounting practices. Irrespective of the heads under which they appear or their nomenclature/heading/title/narration, etc., such provisions do not make the Company liable for payment since liability is disputed as Company has challenged the Award before the Hon'ble High Court of Orissa.

b) In terms of the Power Purchase Agreement between the Company and GRID Corporation of Orissa Limited (GRIDCO Limited), it had deducted ₹ 50 Million towards Orissa Environment Management Fund (OEMF) during December 2016 from the power purchase bill payable to the Company. As per the Memorandum of understanding (MOU) entered between the Company and the State of Odisha, an annual contribution of 6 paise per unit of the energy sent out from the Thermal Power Plant to outside the State is to be contributed by the Company towards the Environment Management Fund (OEMF). In this regard, the Company has filed a writ petition WP(C) No-21550/17 against the State of Odisha and 3 Others before the Hon'ble High Court of Orissa, Cuttack to direct GRIDCO not to collect/ deduct any amount towards OEMF from the monthly bill payable to the Company and refund the amount already deducted. Hon'ble High Court has granted stay vide its Order on 10 October 2017.

The Management is of the opinion that the contribution to the OEMF is a contractual arrangement between the Govt. of Odisha and the Company and the claim does not have any regulatory/legislative backing. The management is hopeful of getting a favourable order from courts in view of the internal legal opinion received stating that the OEMF set up under Section 27E of Orissa Minor Mineral Concession Rules 2004 for reclamation, and rehabilitation of mined out areas of minor minerals and conservation of environment thereof is applicable to mining companies and power generating companies will not fall under the ambit of this Act nor the same is any statutory obligation. However, as a matter of prudence, the Company has made a provision for OEMF and disclosed under other payables under other current liabilities.

c) The Ministry of Power, Government of India vide letter dated 01 February 2012 had granted the Company with Mega Power Status Certificate under the Mega Power Policy for construction of its 3*350 MW Thermal based Power Plant. In terms of the same, the Company had availed exemptions of duty of customs approximately amounting to ₹ 5,002.17 million (as per the estimation of indirect taxation department of the Company) which has been capitalised under Property, Plant and Equipments in terms of Ind AS 20. The Company has adopted Indian Accounting Standards (Ind AS) with effect from 01 April 2015. Accordingly, as per Ind AS 20, "Accounting for Government Grants and Disclosure of Government Assistance" Government grants related to assets is presented in the balance sheet by setting up the grant as deferred income and recognizing it in the profit or loss on a systematic basis over the useful life of the asset.

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
Movement of Government Grants:			
Balance at the beginning of the year	3,438.32	3,663.43	3,888.55
Add : Grant received during the year	-	-	-
Less: Transferred to profit or loss	225.12	225.11	225.12
Balance at the end of the year	**3,213.20**	**3,438.32**	**3,663.43**

20 Trade payables

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
Total outstanding dues of micro enterprises and small enterprises [refer note (b) below]	39.12	46.52	27.99
Total outstanding dues of creditors other than micro enterprises and small enterprises [refer note (a) below]	576.07	1,876.50	1,636.10
Due to related party [refer note 38]	92.86	150.16	97.17
Retention money	36.15	65.09	61.08
Acceptances against fuel supplies [refer note (c) below]	1,612.51	1,406.26	2,801.22
Total	**2,356.71**	**3,544.53**	**4,623.56**

Notes:

a) Trade payable mainly includes amount payable to coal suppliers and operation and maintenance vendors in whose case credit period allowed is less than 12 months. Company usually opens usance letter of credit in favour of the coal and spare suppliers. Since the average credit period is less than 12 months, the trade payable amount has been classified as current.

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

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
a) Principal amount due to the enterprises defined under MSMED	39.12	46.52	27.99
b) Interest due thereon to the enterprises defined under MSMED	0.50	1.61	1.07
c) Amount of Interest paid to the enterprises under Section 16 of MSMED	-	-	-
d) Payment made to the enterprises beyond appointed date under Section 16 of MSMED	209.62	139.26	-
e) Amount of Interest due and payable for the period of delay in making payment, which has been paid beyond the appointed day during the year, but without adding the interest specified under MSMED	4.35	4.22	2.22
f) The amount of interest accrued (not accounted in the books) and remaining unpaid at the end of each accounting year; and	4.85	5.83	3.29
g) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	15.49	10.64	4.81

c) Represents Letter of Credit accepted and discounted by the Company. Letter of Credit facility are part of the working capital facility sanctioned by the Banks and are secured as given in note 17(d). Acceptances denote letter of credit discounted with other banks. The rate of interest on such bill discounting ranges from 6.15% to 9.50% for acceptances and from LIBOR + 0.5% to LIBOR + 0.65% for buyers credit / acceptances during the year.

d) The fair value of trade and other payables is not materially different from the carrying value presented.

e) Terms and conditions of the above financial liabilities

For explanations on the Company's credit risk management processes, refer to note 31

21 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Non-current			
Provision for gratuity	7.75	3.49	-
Other provisions			
Provision for decommissioning liability	100.04	92.80	86.07
Total non-current	**107.79**	**96.29**	**86.07**
Current			
Provision for employee benefits			
Provision for compensated absences	50.18	43.93	47.16
Provision for other employee benefits	57.38	40.70	46.71
Other provisions			
Provision for rebate	21.39	0.47	7.65
Total current	**128.95**	**85.10**	**101.52**
Total	**236.74**	**181.39**	**187.59**

Note:

a) **Movement of provision for decommissioning liability**			
Balance at the beginning of the year	92.80	86.07	79.84
Add: Notional interest for the year	7.25	6.73	6.23
Balance at the end of the year	**100.04**	**92.80**	**86.07**
b) **Movement of provision for rebate ***			
Balance at the beginning of the year	0.47	7.65	14.31
Add: Provision made during the year	12.13	0.47	7.65
Less: Provision utilised / reversed during the year	8.79	(7.65)	(14.31)
Balance at the end of the year	**21.39**	**0.47**	**7.65**

* The provisions are expected to be utilised over a period of next one month.

(This space is intentionally left blank)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

22 Revenue from operations

Particulars	Year ended 31 March 2021	Restated* Year ended 31 March 2020
Gross income from sale of electrical energy	22,145.22	20,953.17
Less: Rebate allowed	255.02	322.81
Net income from sale of electrical energy	**21,890.20**	**20,630.36**

Notes:

1 Bihar PPA

a. The Company, under long term Power Purchase Agreement (the PPA), has committed to sell up to 260 MW with Bihar State Power (Holding) Company Limited [erstwhile Bihar State Electricity Board] ("Bihar Discoms") under Section 63 of the Electricity Act, 2003 (i.e. competitive bidding). The Company claimed compensation for various change-in-law (CIL) events, including compensation for additional fuel cost on account of shortage of linkage coal, in accordance with the power purchase agreement and filed a petition with Central Electricity Regulatory Commission (CERC) regarding the same.

b. The CERC in its order dated 07 April 2017 disallowed the Company's claim on coal cost pass through stating that changes in fuel supply agreement and deviation in New Coal Distribution Policy (NCDP) was not a change in law event. The Company has filed appeal with Appellate Tribunal for Electricity (APTEL) against the CERC order.

c. Hon'ble Supreme court on 11 April 2017 in Energy Watchdog vs CERC and others concluded in its order that deviation in NCDP policy would constitute to change in law event.

d. Subsequent to the same on 20 March 2018, CERC in the Company's case against PTC India Limited (Haryana Discoms) in petition no. 105/MP/2017 read along with IA No. 42 /2017, respectively following the Supreme Court judgement, held that deviation in NCDP is a change in law event, upheld the Company's claim of coal cost pass through along with the method for computation of coal cost pass through.

e. The Company in view of the Supreme Court Order and CERC order in its own case for Haryana Discoms had sought legal opinion from the legal counsel on certainty of the claims with Bihar Discoms considering the CERC judgment for Haryana Discoms. Considering opinion received from legal counsels that the Company has good tenable case with certainty with respect to Coal Cost Pass Through and favourable Order from APTEL dated 21 December 2018 and CERC judgment in Company's own case for Haryana Discoms where the computation methodology of Coal Cost Pass Through was decided, the management of the Company was certain on receipt of the Company's claim of revenue on Coal Cost Pass Through and was of the opinion that no contingency was involved in this regard. The Company has received a favourable order on 16 September 2019 whereby the CERC has allowed the coal cost pass through to be charged to the Bihar Discoms, based on a certain methodology. However, the Company has filed a review petition with The Hon'ble Appellate Tribunal for Electricity dated 14 November 2019 against this methodology, on the grounds that the methodology stated in this order, even though favourable, is contradictory to the methodology stated in the earlier order of CERC in Company's case with Haryana Discoms. Accordingly, the Company continued to recognize the income on coal cost pass through claims of ₹ 177.77 million for the year ended 31 March 2021 in accordance with the 112/ MP/2015 Order dated 16 September 2019. The total outstanding receivable (including unbilled revenues) from Bihar Discoms amounts to ₹ 4,272.50 million as on 31 March 2021.

f. The management is of the opinion that the CERC Order is binding on the Customers for tariff fixation and disputes from the Customers are not tenable under fact and law and is confident of winning the cases which are pending before different legal forums considering favourable interim Orders received from the regulators directing Customers to do the part payments and is hopeful of recovering the entire receivables in the due course.

g. The Commission in its order dated 21 February 2018 in Petition No. 131/MP/2016 allowed in principle to both Haryana and Bihar Discoms that the transportation charges of fly ash is admissible under Change in Law (CIL) and granted liberty to the Company to file separate petition. Based on this the Company has filed separate Petition in Case No. 405/MP/2019 and prayed for compensation on account of expenditure incurred towards transportation of fly ash and carrying Cost. CERC has passed an Order on 22 March 2021 and allowed transportation charges of Fly Ash including GST as CIL for both Haryana and Bihar as per the mechanism provided in PPA. Further allowed the Carrying Cost to be recovered from both Haryana and Bihar Discoms. In the current year ended 31 March 2021, the Company has recognised ₹ 143.76 million towards Ash transportation and ₹ 28.10 million towards carrying cost.

2 Haryana PPA

a. The Company, under long term Power Purchase Agreement (the PPA), has committed to sell up to 300 MW with Uttar Haryana Bijli Vidyut Nigam Limited and Dakshin Haryana Bijli Vidyut Nigam Limited ("Haryana Discoms") through PTC India Limited (PTC) under Section 63 of the Electricity Act, 2003 (i.e. competitive bidding).

b. The Company had filed petitions before CERC claiming additional tariffs considering various change in law events for variable cost components and has recognized the revenues based on the CERC orders received. In respect of these orders, the Appellate Tribunal for Electricity (APTEL), New Delhi has concluded that CERC has jurisdiction to determine the tariff and has dismissed the appeals filed by the GRIDCO and PTC India Limited (Haryana Discoms) thereby upholding the Tariff determined by CERC. The Company had also filed petition for recovery of dues with CERC wherein the CERC in its order dated 20 March 2018 has directed PTC India Limited to pay the above dues with late payment interest and reaffirmed the CERC order dated 03 February 2016 on change in law claims including Coal Cost Pass Through. The management is of the view that it would not be unreasonable to expect ultimate collection of the amount involved, accordingly the Company has recognized the same as revenue from operations.

c. The CERC vide Order no – 79/MP/2013 dated 03 February 2016 had prescribed a formula and methodology to calculate compensation towards shortfall of linkage coal. The Company raised invoices towards coal pass through based on the said Order. However Haryana Discoms disputed the Order and challenged the matter before APTEL and did not pay for the bills raised. APTEL in its judgement dated 20 December 2019 upheld the CERC Judgement and directed Haryana Discoms to pay the amount along with the late payment surcharge (LPS). The Order dated 20 December 2019 was again challenged by Haryana Discoms before Supreme Court. The Company recognised LPS amounting to ₹ 1,378.65 million from October 2016 to August 2020. However an agreement was signed between GKEL and Haryana Discoms without prejudice to case pending before Supreme Court and agreed to a separate formula of change in law, coal pass through and LPS. Haryana Discoms agreed to pay 50% of revised value as per the agreed formula. Based on the agreement the LPS amount for the said period up to August 2020 amounts to ₹ 878.63 million and accordingly during the current financial year, an amount of ₹ 500.02 million was reversed in the books.

d. The Commission in its order dated 21 February 2018 in Petition No. 131/MP/2016 allowed in principle to both Haryana & Bihar Discoms that the transportation charges of fly ash is admissible under Change in Law (CIL) and granted liberty to the Company to file separate petition. Based on this GKEL filed separate Petition in Case No – 405/MP/2019 and prayed for compensation on account of expenditure incurred towards transportation of fly ash and carrying Cost. The CERC has passed an Order on 22 March 2021 and allowed transportation charges of Fly Ash including GST as CIL for both Haryana and Bihar as per the mechanism provided in PPA. Further allowed the Carrying Cost to be recovered from both Haryana and Bihar Discoms. In the current year ended 31 March 2021, the Company has recognised ₹ 178.46 Million towards Fly Ash transportation and ₹ 31.37 million towards carrying cost.

e. The Ministry of Finance, Government of India vide Notification No. 24/2012 had increased the service tax on civil works and erection services to 4.9% and 12% respectively. At the time of bidding, the service tax on EPC contracts was 2.06%. Since, the enhanced rate of service tax has been imposed through an Act of Parliament, the same is covered under change in law.
Accordingly CERC has passed an Order in Case No – 81/MP/2013 and allowed Service Tax to be recovered from Haryana in proportion to the capacity covered. In the current year ended 31 March 2021, the Company has claimed Service Tax amounting to ₹ 48.07 million as per above mentioned order.

3 GRIDCO PPA (Orissa)

The Company, under long term Power Purchase Agreement (the PPA), has committed to sell up to 262.5 MW for twenty-five years to GRIDCO Limited for tariff to be determined by the Appropriate Authority. The Company has considered the impact of 2019-24 regulations at the time of billing to GRIDCO from 01 April 2019 onwards on prudent basis and keeping certain parameters in line with the 61/GT/2016 Order pertaining to the period 2014-2019 by CERC. The Company has raised the invoices considering the 2019-24 Regulation except for annual fixed cost component in respect of which a reversal of ₹ 160.06 million was made during the year ended 31 March 2021. The Company has filed the tariff petition before the appropriate authority in respect of 2019-24 Regulations.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

4 Regulatory Receivable from Haryana and GRIDCO Discoms

The Company, subsequent to favourable Orders from CERC has started claiming and accounting revenue towards tariff determination petition in case of GRIDCO Limited and Change in Law events (CIL Claims) in case of power purchase agreement (the PPA) with Haryana Discoms. In respect of the aforesaid claims, GRIDCO and Haryana Discoms have preferred appeals against the CERC Orders in various forums and have not released payments except for some partial payments pursuant to interim orders of the regulators though not fully complied. Haryana's and GRIDCO's petition has been dismissed by the Appellate Tribunal vide Order dated 20 December 2019.
The total outstanding receivable (including unbilled revenue) from the GRIDCO and Haryana Discoms (customers) towards these claims are ₹ 8,911.32 million as at 31 March 2021. The management is of the opinion that the CERC Orders are binding on the customers for tariff fixation and disputes from the customers are not tenable under fact and law and is confident of winning the cases which are pending before different legal forums considering favourable interim Orders received from the regulators and is hopeful of recovering the entire receivables in the due course.

5 Recognition of transportation cost of fly ash as change in law

The Company has accounted for transportation cost of fly ash as change in law event as the same was agreed in principle by CERC vide Order 131/MP/2016 dated 21 February 2018 and on 22 March 2021 in Case No – 405/MP/2019, CERC allowed to recover the Ash Transportation Cost including GST from Haryana and Bihar Discoms. Similarly CERC in its Order dated 08 April 2019 had allowed Maithan Power Ltd in Case No – 331/MP/2018 to recover the actual ash disposal expenses from its beneficiaries (DVC).
Based on the above Orders of CERC, the company has recognised revenue amounting to ₹ 133.96 million for GRIDCO during the year ended 31 March 2021 post complying with the conditions mandated in this regard. The Company has filed the petition with CERC for determination of compensation of transportation charges of fly ash as per Order 131/MP/2016 and is awaiting the final order.

6 Significant changes in the receivables balance during the year are as follows:

Trade Receivables

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
Balance at the beginning of the year	9,679.96	7,903.78	6,580.79
Add: Amount billed during the year	20,967.61	21,169.44	21,042.22
Less: Amount realised during the year	22,380.61	19,393.26	19,719.23
Balance at the end of the year	**8,266.96**	**9,679.96**	**7,903.78**

7 Significant changes in the contract assets balance during the year are as follows:

Contract asset - Unbilled revenue

Particulars	**As at 31 March 2021**	**Restated* As at 31 March 2020**	**Restated* As at 01 April 2019**
Balance at the beginning of the year	4,689.25	2,741.90	1,481.53
Add: Revenue recognised during the year but not billed	3,082.62	3,701.27	2,947.80
Less: Amount billed during the year from opening balance	1,876.04	1,753.92	1,687.43
Balance at the end of the year	**5,895.83**	**4,689.25**	**2,741.90**

8 Significant changes in the contract liabilities balance during the year are as follows:

Contract liability - Advance received from customers

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
Balance at the beginning of the year	771.98	1,573.33	-
Add: Advance received during the year	580.00	1,840.00	3,200.00
Less: Advance adjusted from revenue during the year	1,351.98	2,641.35	1,626.67
Balance at the end	**-**	**771.98**	**1,573.33**

23 Other income

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Interest income		
Bank deposits	33.92	43.86
Other deposits	9.77	9.09
Liability written back	30.81	16.83
Income from government grants	225.12	225.12
Income from late payment surcharge	481.13	1,726.35
Scrap sales	9.23	14.67
Lease rentals	3.87	3.67
Miscellaneous income	52.41	16.56
Total	**846.26**	**2,056.15**

24 Cost of fuel consumed

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Cost of fuel consumed		
Inventory at the beginning of the year	61.59	1,068.82
Add: Purchases made during the year	10,795.30	8,912.86
	10,856.89	9,981.68
Less : Inventory at the end of the year	(195.06)	(61.59)
Total	**10,661.83**	**9,920.09**
Details of cost materials consumed		
Coal	10,633.16	9,873.01
Light Diesel Oil	28.67	47.08
Total	**10,661.83**	**9,920.09**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

25 Employee benefits expense

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Salaries, wages and bonus	354.09	359.14
Contribution to provident fund and others	21.21	25.70
Gratuity expenses	7.28	5.06
Staff welfare expenses	9.66	10.07
Total	**392.24**	**399.97**

Note:
Employee benefits expenses includes managerial remuneration paid ₹10.02 million (31 March 2020 ₹13.45 million).

26 Finance costs

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Interest expenses on		
Rupee term loan	5,033.07	5,018.11
Working capital loan	211.67	241.56
Unwinding of financial liabilities	95.69	84.40
Unwinding of decommissioning liabilities (net of reversal)	7.24	6.73
Unwinding of right of use asset (net of reversal)	7.24	8.50
Acceptances on fuels and others	97.05	124.01
Other interest	0.73	0.62
Other borrowing cost	146.75	147.14
Total	**5,599.44**	**5,631.07**

Note :		
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss:		
Notional interest on unwinding of promoters subordinate debt - from Holding Company	95.69	84.40
Amortisation of upfront cost paid on rupee term loans	28.03	29.76
Total	**123.72**	**114.16**

27 Depreciation and amortisation expenses

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Depreciation of property plant and equipment	3,112.93	3,055.51
Depreciation of right of use assets	51.50	51.54
Amortisation of other intangible assets	1.68	1.34
Total	**3,166.11**	**3,108.39**

(This space is intentionally left blank)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

28 Other expenses

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Consumption of stores and spares	209.66	279.92
Rent and hire charges	578.69	363.71
Rates and taxes	16.75	10.60
Repairs and maintenance		
Plant and machinery	129.80	87.67
Building	6.40	9.66
Others	94.23	110.72
Communication costs	2.30	6.37
Printing and stationery	1.79	3.37
Advertising and business promotion	2.41	2.61
Director's sitting fees	0.41	0.47
Payment to auditors	4.38	7.52
Legal and professional fees	231.23	678.20
Insurance	109.87	98.49
Environment management fund	287.81	221.64
Electricity, fuel and water charges	398.07	360.45
Security charges	72.68	71.86
Manpower cost	163.14	249.16
Vehicle running and maintenance	5.20	8.16
Travelling and conveyance	2.37	33.75
Exchange fluctuation loss	269.00	55.09
Donation	0.15	0.26
Loss on assets discarded / written off	0.01	25.98
CSR expenses	16.36	21.55
Earnest money deposit loss on non lifting of e-auction coal	61.35	123.78
Miscellaneous expenses	11.68	17.44
Total	**2,675.74**	**2,848.43**

Note:

a) Break-up of payment to auditors

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
As auditor:		
Statutory audit fee (including fees for internal controls over financial reporting)	1.69	2.20
Limited review fees	1.77	1.85
Tax audit fees	0.59	0.59
In other capacity:		
Certification fees	0.29	2.82
Reimbursement of expenses	0.04	0.06
Total	**4.38**	**7.52**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

(This space is intentionally left blank)

GMR Kamalanga Energy Limited * GMR

29 Income tax

The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are:

29.1 Income tax expense in the statement of profit and loss comprises:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax	-	-
Deferred tax	-	-
Taxes for earlier year	18.59	-
Tax expense to statement of profit and loss	**18.59**	**-**
Other comprehensive income section (OCI)		
Deferred tax related to items recognised in OCI during the year		
Re-measurement gain/ (loss) on defined benefit plans	0.71	(0.44)
Tax expense / (credit) to other comprehensive income	**0.71**	**(0.44)**
Tax expense / (credit) to total comprehensive income	**19.30**	**(0.44)**

29.2 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
Loss before tax		(344.36)	(376.81)
Applicable tax rate		33.384%	33.384%
Tax effect on loss	(a)	(114.96)	(125.79)
Adjustments:			
Tax effect on non-taxable income		(75.15)	(75.15)
Tax effect on non-deductible expenses		5.75	7.49
	(b)	(69.40)	(67.66)
	(c)=(a+b)	(184.36)	(193.45)
Unused tax losses adjusted	(d)	184.36	193.45
	(e)=(c+d)	-	-
Recognition of deferred tax asset to the extent of deferred tax liability recognised directly under equity	(f)	-	-
Effect of tax rate changes recognised in profit or loss	(g)	-	-
Tax expense to Statement of Profit and Loss	(h)=(e-f-g)	**-**	**-**
Tax credit to OCI	(i)	0.71	(0.44)
Effect of tax rate changes recognised in OCI	(j)	-	-
Tax expense / (credit) to Total Comprehensive Income	(k)=(h+i+j)	**0.71**	**(0.44)**

29.3 Non-current tax assets (net):

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Opening Balance	145.85	102.47	86.48
Less: Current tax payable for the year	-	-	-
Less: Refund received during the year	(110.11)	-	(15.80)
Add: Earlier year tax reversed and expensed out	(18.59)	-	-
Add: Current taxes paid	47.65	43.38	31.79
Closing balance of non-current tax assets (net)	**64.80**	**145.85**	**102.47**

29.4 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Deferred tax:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
Deferred tax liability			
Property, plant and equipments and intangible assets	6,283.12	8,367.26	8,327.26
Borrowings	78.35	87.71	97.64
Subordinated debt	1,105.86	1,137.81	1,165.98
Total	**7,467.33**	**9,592.78**	**9,590.88**
Deferred tax asset			
Provision for decommissioning liability	14.45	12.03	9.78
Fair value of derivatives financial liabilities	-	-	3.86
Provision for Leave Encashment	19.34	15.84	15.74
Provision for rebate	7.14	0.16	2.55
Provision for Gratuity	(3.01)	(3.01)	(3.47)
Lease liability	18.51	22.44	-
Statutory dues	558.70	462.62	388.63
Re-measurement gains on defined benefit plans	2.07	3.01	2.58
Unused tax losses	2,540.00	2,557.69	2,550.83
Unabsorbed tax depreciation	9,313.35	11,845.15	11,568.31
Total	**12,470.55**	**14,915.93**	**14,538.81**
Net deferred tax (assets) / liability	**(5,003.22)**	**(5,323.15)**	**(4,947.93)**
Unused depreciation allowances not recognised #	**5,003.22**	**5,323.15**	**4,947.93**
Net deferred tax (assets) / liability	**-**	**-**	**-**

#The Company has unused tax allowances and tax losses which arose in India of ₹ 35,506.08 million [31 March 2020: ₹ 43,142.94 million 01 April 2019: ₹ 42,293.13 million]. The unused tax losses are available for offsetting for eight years against future taxable profits and the unused depreciation allowances is available in future period against taxable profits without any time limit.

29.5 Reconciliations of deferred tax (liabilities) /assets

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
Opening balance	-	-	-
Tax expense during the year recognised in profit or loss	-	-	(0.06)
Effect of tax rate changes recognised in profit or loss	-	-	-
Tax income during the year recognised in OCI	(0.71)	0.44	0.06
Effect of tax rate changes recognised in OCI	-	-	-
Amount recognised directly in equity	-	-	-
Effect of tax rate changes recognised directly in equity	-	-	-
Closing balance	**-**	**-**	**-**

29.6 Amount recognised in other comprehensive income

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
Opening balance	(3.02)	(2.58)	(2.52)
Add: Deferred tax recognised during the year	0.71	(0.44)	(0.06)
Closing balance	**(2.31)**	**(3.02)**	**(2.58)**

29.7 Amount recognised directly in equity

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
Opening balance	1,286.62	1,286.62	1,286.62
Add: Deferred tax recognised directly in equity during the year	-	-	-
Closing balance [netted off with other components of equity (refer note16)]	**1,286.62**	**1,286.62**	**1,286.62**

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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

(All amounts in ₹ million unless otherwise stated)

30 Financial Instruments

(a) Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

i) The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets						
Cash and cash equivalents	13	344.39	-	-	344.39	344.39
Other bank balances	14	677.93	-	-	677.93	677.93
Trade receivables	12	8,266.96	-	-	8,266.96	8,266.96
Unbilled revenue	9	5,895.83	-	-	5,895.83	5,895.83
Loans	8	11.44	-	-	11.44	11.44
Security deposit	8	47.59	-	-	47.59	47.59
Other financial assets	9	312.19	-	-	312.19	312.19
Total		**15,556.33**	**-**	**-**	**15,556.33**	**15,556.33**
Financial liabilities						
Borrowings	17	44,387.19	-	-	44,387.19	44,387.19
Trade payables	20	2,356.71	-	-	2,356.71	2,356.71
Other financial liabilities	18	5,372.41	-	-	5,372.41	5,372.41
Total		**52,116.31**	**-**	**-**	**52,116.31**	**52,116.31**

ii) The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets						
Cash and cash equivalents	13	103.00	-	-	103.00	103.00
Other bank balances	14	347.59	-	-	347.59	347.59
Trade receivables	12	9,679.96	-	-	9,679.96	9,679.96
Unbilled revenue (Refer note 3)	9	4,689.25	-	-	4,689.25	4,689.25
Loans	8	-	-	-	-	-
Security deposit	8	47.85	-	-	47.85	47.85
Other financial assets	9	1,082.31	-	-	1,082.31	1,082.31
Total		**15,949.96**	**-**	**-**	**15,949.96**	**15,949.96**
Financial liabilities						
Borrowings	17	44,129.03	-	-	44,129.03	44,129.03
Trade payables	20	3,544.53	-	-	3,544.53	3,544.53
Other financial liabilities	18	6,424.43	-	-	6,424.43	6,424.43
Total		**54,097.99**	**-**	**-**	**54,097.99**	**54,097.99**

iii) The carrying value and fair value of financial instruments by categories as of 01 April 2019 were as follows

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets:						
Cash and cash equivalents	13	785.67	-	-	785.67	785.67
Other bank balances	14	762.24	-	-	762.24	762.24
Trade receivables	12	7,903.78	-	-	7,903.78	7,903.78
Unbilled revenue (Refer note 3)	9	2,741.90	-	-	2,741.90	2,741.90
Loans	8	-	-	-	-	-
Security deposit	8	183.24	-	-	183.24	183.24
Other financial assets	9	627.35	-	-	627.35	627.35
Total		**13,004.18**	**-**	**-**	**13,004.18**	**13,004.18**
Financial liabilities						
Borrowings	17	44,651.09	-	-	44,651.09	44,651.09
Trade payables	20	4,623.56	-	-	4,623.56	4,623.56
Other financial liabilities	18	5,222.25	-	-	5,222.25	5,222.25
Derivative liability	18	-	11.55	-	11.55	11.55
Total		**54,496.90**	**11.55**	**-**	**54,508.45**	**54,508.45**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

(b) Fair value hierarchy

The Company held the following assets and liabilities measured at fair value. The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique

Level 1: quoted (unadjusted) 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; and
Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	Total	Level 1	Level 2	Level 3
As on 31 March 2021				
Assets measured at fair value through profit or loss				
Security deposit	-	-	-	-
Liabilities measured at fair value through profit or loss				
Derivative liability				
Forward contract hedging	-	-	-	-
As on 31 March 2020				
Assets measured at fair value through profit or loss				
Security deposit	-	-	-	-
Liabilities measured at fair value through profit or loss				
Derivative liability				
Forward contract hedging	-	-	-	-
As on 01 April 2019				
Assets measured at fair value through profit or loss				
Security deposit	-	-	-	-
Liabilities measured at fair value through profit or loss				
Derivative liability				
Forward contract hedging	11.55	-	11.55	-

During the year ended 31 March 2021 and year ended 31 March 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of liquid mutual funds is based on net asset value quoted price. Derivative financial instruments are valued based on directly or indirectly observable inputs in the marketplace. Fair value is determined using Level 3 inputs at Discounted cash flows.

The Board of Directors considers the fair value of all other financial assets and liabilities to approximate their carrying value at the balance sheet date.

In view of all financial assets and liabilities are carried at amortised cost, there are no financial assets & liabilities to be fair valued under fair value hierarchy.

31 Financial risk management

Financial Risk Factors

The Company's principal financial liabilities, comprise of borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Inter corporate loans, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

In the course of its business, the Company is exposed primarily to fluctuation in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has 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 frame work aims to:

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

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

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans, borrowings, deposits, and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at 31 March 2021, 31 March 2020 and 01 April 2019 .

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.
The following assumptions have been made in calculating the sensitivity analysis.
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2021, 31 March 2020 and 01 April 2019.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the amount payable to EPC Contractors, coal & spare part vendors and operation and maintenance contractors (when expense is denominated in a foreign currency). Company's payable balance to EPC contractors are paid at spot rate applicable on date of transaction.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Type of major currency	Change in currency rates	As at 31 March 2021	As at 31 March 2020
Effect on loss before tax / equity - Increase of loss	USD	(+)5%	(254.69)	(254.28)
Effect on loss before tax / equity - Decrease of loss	USD	(-)5%	254.69	254.28

The movement in the pre-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

(ii) Interest rate risk

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

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

Particulars	Type of currency	Increase/ decrease in basis points	As at 31 March 2021	As at 31 March 2020
Effect on loss before tax / equity - Increase of loss	INR	(+)50	(213.67)	(217.90)
Effect on loss before tax / equity - Decrease of loss	INR	(-)50	213.67	217.90

(b) Commodity price risk

The Company is affected by the price volatility of certain commodities which is moderated by optimising the procurement under fuel supply agreement. Its operating activities require the on-going purchase or continuous supply of coal. Therefore the Company monitors its purchases closely to optimise the price.

(c) 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. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities primarily loans receivables, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

No credit limits were exceeded during the reporting period other than those under litigation, and management does not expect any losses from non-performance by these counterparties.

The maximum exposure of financial assets subject to credit risk was equal to the respective carrying amounts on the balance sheet date. None of the financial assets subject to credit risk are impaired. The Company's dues under power purchase agreement with Discoms are treated good and recoverable inspite of being past due being dues from government organization.

Aging analysis of the trade receivables (excluding unbilled revenue) has been considered from the date it is due

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Upto 3 months	1,414.64	3,836.70	1,419.95
3 to 6 months	207.13	188.67	1,102.57
More than 6 months	6,645.19	5,654.59	5,381.26
Total	**8,266.96**	**9,679.96**	**7,903.78**

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. The expected credit loss allowance is based on the ageing of the receivables that are due and the past experience.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

Credit risk from balances with bank and financial institutions is managed by the Group's treasury department in accordance with the Group'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.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units for a specified time period.

The carrying values of the financial assets approximate its fair values. The above financial assets are not impaired as at the reporting date. Other financial assets are neither past due nor impaired at reporting date. The cash and cash equivalents are maintained with reputed banks. Hence the Company believes no impairment is necessary in respect of the above financial instruments.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility, cash and cash equivalents and funding from parent company) on the basis of expected cash flow. This is generally carried out at by the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these; monitoring balance sheet liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans. The Company also issues preference shares/ debentures/sub debt to the parent company/ group companies from time to time to ensure a liquidity balance.

The following are the contractual maturities of non-derivative financial liabilities, excluding the interest payment on an undiscounted basis which therefore differs from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the year end.

Particulars	Total	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at 31 March 2021					
Non-derivative financial liabilities					
Borrowings from banks and others	39,643.46	-	2,581.11	13,351.09	23,711.26
Promoter sub-ordinated debt from holding company	4,109.16	-	-	-	4,109.16
Cash credit	1,648.86	1,648.86	-	-	-
Loan from related party	2,532.97	2,532.97	-	-	-
Trade payable	744.20	708.05	36.15	-	-
Acceptances and Buyers credit	1,612.51	-	1,612.51	-	-
Other financial liabilities	5,372.41	5,316.41	15.62	40.38	-
Total	**55,663.57**	**10,206.29**	**4,245.39**	**13,391.47**	**27,820.42**

Particulars	Total	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at 31 March 2020					
Non-derivative financial liabilities					
Borrowings from banks and others	39,212.82	-	2,076.49	12,761.30	24,375.03
Promoter sub-ordinated debt from holding company	4,109.16	-	-	-	4,109.16
Cash credit	1,945.05	1,945.05	-	-	-
Loan from related party	2,532.97	2,532.97	-	-	-
Trade payable	2,138.27	2,073.18	65.09	-	-
Acceptances and Buyers credit	1,406.26	-	1,406.26	-	-
Other financial liabilities	6,424.43	5,920.18	448.81	55.44	-
Total	**57,768.96**	**12,471.38**	**3,996.65**	**12,816.74**	**28,484.19**

Particulars	Total	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at 01 April, 2019					
Non-derivative financial liabilities					
Borrowings from banks and others	39,710.02	-	458.16	15,333.50	23,918.36
Promoter sub-ordinated debt from holding company	4,109.16	-	-	-	4,109.16
Cash credit	2,084.07	2,084.07	-	-	-
Loan from related party	2,532.97	2,532.97	-	-	-
Trade payable	1,822.34	1,761.26	61.08	-	-
Acceptances and Buyers credit	2,801.22	-	2,801.22	-	-
Other financial liabilities	5,222.25	5,209.52	12.73	-	-
Total	**58,282.03**	**11,587.82**	**3,333.19**	**15,333.50**	**28,027.52**

(e) Capital management

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Group to which the company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group or the Company. The results of the Directors' review of the company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

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 debt divided by total capital plus debt.

The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Total Debt / borrowings	**44,387.34**	**44,129.03**	**44,651.09**
Capital Components			
Equity Share Capital	21,487.34	21,487.34	21,487.34
Reserves and Surplus	(15,566.67)	(15,206.54)	(14,828.43)
Total Capital	**5,920.67**	**6,280.80**	**6,658.91**
Capital and debt	**50,308.01**	**50,409.83**	**51,310.00**
Gearing ratio (%)	**88.23%**	**87.54%**	**87.02%**

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 breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

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

(f) Derivative Accounting

The Company holds derivative financial instruments such as forward contract, to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter parties for these contracts is generally a bank or a financial institutions. These derivative financial instruments are valued based on quoted price for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

The Company's risk management policy is to hedge significant portion of its foreign currency exposure on foreign letter of credit payables using forward hedging contract, which are payable within a period of 1 years . The Company has designated such contracts as fair value hedges.

The Company's risk management policy is to hedge significant portion of its foreign currency exposure on external commercial borrowings (ECB), payables and interest payments on ECB using Principal and Interest Swaps, which are payable over a period of 4-5 years ending in Financial Year 2017-18. The Company has designated such contracts as fair value hedges.

The following are the contractual maturities of derivative instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date :

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Within one year			
Principal swaps	-	-	610.23
Interest swaps	-	-	-
	-	-	610.23
Between one to five years			
Principal swaps	-	-	-
Interest swaps	-	-	-
	-	-	-

The Company determines the hedge effectiveness at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged items and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge in-effectiveness is calculated and accounted for in the statement of profit and loss at the time of hedge relationship re-balancing.

(All amounts in ₹ million unless otherwise stated)

a. Disclosure of effects of hedge accounting on financial position as on 31 March 2021, 31 March 2020 and 01 April 2019:

Particulars	Nominal Amount of the Hedging Instrument		Carrying Amount of the Hedging Instrument		Maturity Date	Hedge Ratio	Weighted Average Price / Rate	Changes in Fair Value of Hedging Instruments (Loss / (Gain))	Changes in Value of Hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
As at 31 March 2021									
Cross Currency Swaps									
Principal Swaps	NA	NA	NA	NA	NA	NA	NA	NA	NA
Principal Swaps	NA	NA	NA	NA	NA	NA	NA	NA	NA
Principal Swaps	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest Swaps	NA	NA	NA	NA	NA	NA	NA	NA	NA
As at 31 March 2020									
Cross Currency Swaps									
Principal Swaps	NA	NA	NA	NA	NA	NA	NA	NA	NA
Principal Swaps	NA	NA	NA	NA	NA	NA	NA	NA	NA
Principal Swaps	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest Swaps	NA	NA	NA	NA	NA	NA	NA	NA	NA
As at 01 April 2019									
Cross Currency Swaps :									
Principal Swaps	-	197.95	-	4.50	08-Apr-19	1:1	US$1/INR 70.8625	4.50	(4.50)
Principal Swaps	-	193.84	-	3.98	07-May-19	1:1	US$1/INR 71.0275	3.98	(3.98)
Principal Swaps	-	218.44	-	3.07	22-Jul-19	1:1	US$1/INR 71.165	3.07	(3.07)
Interest Swaps	NA	NA	NA	NA	NA	NA	NA	NA	NA

The Company offsets a financial asset and financial liability when it currently has a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The quantitative information about off-setting of derivative financial assets and derivative financial liabilities is as follows:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	Derivative Financial Asset	Derivative Financial Liability	Derivative Financial Asset	Derivative Financial Liability	Derivative Financial Asset	Derivative Financial Liability
Gross amount of recognised financial asset / liability	-	-	-	-	-	11.55
Amount of set off	-	-	-	-	-	-
Net amount presented in Balance Sheet	-	-	-	-	-	11.55

32 Earning per share (EPS)

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

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

Particulars	Year ended 31 March 2021	Restated* Year ended 31 March 2020
a) Nominal value of equity shares (in ₹ per share)	10	10
b) Weighted average number of equity shares at the year end (in Nos)	2,14,87,34,052	2,14,87,34,052
c) Loss attributable to equity holders of the Company	(362.95)	(376.81)
d) Basic/Diluted Earning per share of ₹ 10 each (in ₹) [(c)/(b)]	(0.17)	(0.18)

33 Contingent liabilities, capital and other commitments

i. Contingent liabilities

	Particulars	As at 31 March 2021	Restated* As at 31 March 2020	Restated* As at 01 April 2019
1	Letter of credit	802.05	771.84	342.51
2	Claims against the Company not acknowledged as debt [refer note (i) below]	52.67	52.67	127.76
3	Disputed arrears of electricity charges	-	-	118.07
4	Disputed entry tax liabilities [refer note (a) below]	1,687.83	1,687.83	1,687.83
5	Disputed custom duty refund [refer note (f) below]	11.30	-	-
6	Disputed Income tax liabilities from AYs 2010-11 & 2011-12 [refer note (b) below]	1.69	11.05	11.05
7	Disputed tax deducted at source including interest [refer note (c) below]	0.11	-	12.06
8	Disputed demand for deposit of fund set up by Water Resource Department, Government of Odisha [refer note (g) below]	600.00	600.00	600.00
9	Claims filed by EPC Contractor before the Arbitral Tribunal [refer note (d) below]	-	19,670.00	19,670.00
10	Dispute on relinquishment charges for modification of transmission lines granted under long term access [refer note (e) below]	30.50	30.50	NA

Notes:

a) Entry tax and penalty demand of ₹ 1,687.83 million [31 March 2020 : ₹ 1,687.83 million; 01 April 2019 : ₹ 1,687.83 million] was raised by the Additional Commissioner Cuttack, for non payment of entry tax on imported plant and machineries from outside India as per Orissa Entry Tax Act, 1999. The Company has already deposited ₹ 281.31 million [31 March 2020 : ₹ 280.50 million; 01 April 2019: ₹ 280.50 million] under protest and had filed appeal before the Appellate Authorities and special leave petition before Hon'ble Supreme Court. On 07 April 2017 the Hon'ble Supreme Court has passed an Order in favour of the Commercial Tax Department by giving liberty to the petitioner to review their writ petition and making proper application to the High Court. The Company accordingly has filed writ petition with the Hon'ble High Court, Odisha for grounds of discrimination and review on 06 November 2017. Hearing in the High Court has not yet scheduled. The Management of the Company is hopeful of getting favourable order and does not foresee any financial implication on the financial statements and no provision is considered necessary.

b) After assessment under section 143(3), the Assessment Officer has disallowed certain revenue expenditure as not deductible and also considered certain items in capital work in progress as not eligible for capitalisation. The said adjustments have resulted into demand of ₹ 1.33 million and ₹ 0.36 million for assessment year 2010-11 & 2011-12 respectively. The company has paid an amount of ₹ 1.79 million against tax demand created without prejudice to appeal filed for the assessment years. The Commissioner of Income Tax (Appeals) has passed order and partly allowed the appeal. The Company has preferred further appeal before the Income Tax Appellate Tribunal against Order passed by the CIT(A). The Hon'ble ITAT has disposed off the appeal of the Company vide combined order dated 05 April 2019 passed in ITA nos. 1235, 1236, 1307 & 1308/Bang/2017 for the said assessment years and thus have set aside the order of CIT(A) for the year under consideration and restored the entire matter back to his file with the direction that he should first decide the aspect about validity of invocation of Section 153A in the light of judgement of Hon'ble Delhi High Court rendered in the case of Meeta Gutgutia ([2017] 82 taxmann.com 287 (Delhi)) against which, SLP is dismissed by the Hon'ble Apex Court after finding out the facts as to whether any incriminating material was found in case of search or not. If the Company succeeds on this aspect, then nothing remains to be decided on merit but if the Company fails on this technical aspect then the issues on merit should be decided by the CIT(A) afresh.

The Company in order to buy peace and close the litigation, has filed a declaration u/s 4 of the Direct Tax Vivad-Se-Vishwas Act, 2020 (Act) for AY 2012-13, 2013-14 and 2014-15. The relevant declaration in Form-1 and 2 has been filed electronically by the company on 27 February 2021. Subsequently, as per Section 4(2) of the Act, upon filing the declaration u/s 4 of the Act, the appeal pending before the CIT(A) shall be deemed to be withdrawn from the date of issuance of the certificate u/s 5(1) of the Act, the said certificate was issued on 12 March 2021. Therefore, tax paid by the Company under protest for AY-2012-13 and 2013-14 of ₹ 7.96 million and ₹ 10.63 million are expensed off during the year.

c) Disputed TDS demand amounting to ₹ 0.11 million for FY 2019-20 & 2020-21 (AY 2020-21 & 2021-22) has been raised in TRACES.

d) The Company entered into agreement with SEPCO in 2008 for the construction and operation of a coal fired thermal power plant. Disputes arose between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the power plant. SEPCO served a notice of dispute to the Company in March 2015 and initiated arbitration proceedings. An Arbitral Tribunal was constituted to adjudicate upon the disputes between the parties. SEPCO filed its claim and GKEL filed its counter – claims before the Arbitral Tribunal. The Arbitral Tribunal has passed an Award on 07 September 2020 on the issues before it except the issues of interest and cost. Since there were computation/ clerical / typographical errors in the Award, both parties (GKEL and SEPCO) applied for correction of the Award under Section 33 of the Arbitration & Conciliation Act, 1996. The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on 17 November 2020 (the "Award"). The net impact of the Award on the Company could be approximately ₹ 9,846.16 million, payable by the Company to SEPCO (including ₹ 6,898.75 million of bank guarantee invoked by GKEL). The Company has already made a provision of ₹ 11,031.73 million in its books towards any such liability and thus there is no additional impact in books of accounts due to the Award. The Company has challenged the Award under Section 34 of the Arbitration and Conciliation Act, 1996 (Act) before the Hon'ble High Court of Orissa on 15 February 2021. Based on legal advice obtained, the Company has a good arguable case under section 34 of the Act to challenge the Award and seek setting aside of the same and thus the Company is not expecting cash outflow in this matter. The Company has in its books made provisions in view of the disputes between SEPCO and GKEL and taken into consideration the Award passed by the Arbitral Tribunal based on generally accepted accounting practices. Irrespective of the heads under which they appear or their nomenclature/heading/title/narration, etc., such provisions do not make the Company liable for payment since liability is disputed as Company has challenged the Award before the Hon'ble High Court of Orissa.

e) The management is of the opinion that the grant of LTOA is beyond the generation capacity of the plant and requirement of reduction of LTOA was not on Company's own accord but was forced due to reasons attributable to implementing agencies. The Company is hopeful of getting relief as requested in its petition before APTEL and does not foresee any financial implication on such relinquishment that requires any adjust.

The Company had also entered into Bulk Power Transmission Agreement (BPTA) with Power Grid Corporation of India Limited (PGCIL) for availing Long Term Open Access (LTOA) for inter-state transmission of 220 MW of power to western region from its fourth unit of generating station on long term basis in future. The said BPTA was amended with revision in its commissioning schedule to September 2017. The Company provided bank guarantees of ₹ 110 million against the said BPTA. The Company was unable to get longer term or medium term PPA for the generation of 4th Unit and had to temporarily suspend its construction and since the matter was beyond the control of the Company, it surrendered the transmission facility under force majeure conditions. The Company had filed a petition with CERC to consider the relinquishment under force majeure without any liability to the Company.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

CERC had informed to take up the matter for adjudication after its decision in petition no 92/MP/2015. The Order in case of 92/MP/2015 was pronounced during the FY 2019-20, wherein the CERC has decided that relinquishment charges have been payable in certain circumstances and methodology of such computation of relinquishment charges. It further ordered PGCIL that the transmission capacity which is likely to be stranded due to relinquishment of LTA shall be assessed based on load flow studies and directed it to calculate the stranded capacity and the compensation (relinquishment charges) payable by each relinquishing long term customer as per methodology specified in the Order respectively within one month of date of issue of the Order and publish the same on its website. The CERC order held that the relinquishment charges were liable to be paid for the abandoned projects.

As per calculations furnished by PGCIL in terms of Order in 92/MP the relinquishment charges for the 220 MW surrendered capacity is ₹ 30.50 million (at sr. no. 48 of the list published on the website of PGCIL). However PGCIL have not yet raised any demand against this Order. Further the Company has challenged the Order and filed an Appeal in association with Association of Power Producers (APP) before APTEL in appeal no 417/2019.

f) The Company has got the refund of custom duty of ₹ 11.30 million for the goods imported under the project import after submission of final mega status certificate. However, the Vizag Customs Review Cell has filed an appeal before Commissioner Appeal challenging the refund order issued by Additional Commissioner claiming that the assessment was wrongly done in entry no 400 instead of entry no 399 of the project import. Cross objection filled on 18 July 2014. Last hearing was scheduled on 22 August 2016 and favourable order passed by the Commissioner Appeal on 17 February 2017. Department had filed an appeal with CESTAT Hyderabad against the order of the Commissioner Appeal vide Appeal no 30642/2017 dated 11 May 2017.

g) The Company has entered into an arrangement with Water Resource Department, Government of Odisha for 24 cusec of water for industrial use. The said department has laid a one time charge of ₹ 25 million/cusec of water as contribution to water conservation fund. The Company contends that the Water Conservation Fund and Water Resource Department have no authority of law for levying such taxes and have filed a Writ Petition Bearing No 14747/17 in the Odisha High Court. The Company has got interim Order from Honorable High Court on 31 July 2017 on the said Deposit Demand. The Company's contention is that the taxes and other charges required to be paid by the Company for consumption of water are being duly paid.

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

i) Various writ petitions are filled before the Hon'ble High Court and the District Court by the sub-contractors against the EPC contractor (SEPCO) for settlement of their dues and the Company was made a party to the said petitions. The cases are pending for hearing.

ii. Capital and other commitments

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
Capital commitment	13.53	7.78	20
Other commitments	220.00	230.00	240.00

34 The Company has been made a party to various litigations with relation to land acquired by Orissa Industrial Infrastructure Development Corporation (IDCO) for its power project. The compensation award has already been deposited with the Government of Odisha and the possession of all these lands have already been handed over to the Company. In all these matters, as of now, there are no adverse interim orders. The cost of land involved in the litigations out of the total project area is not significant. In view of the above status, the Management of the Company has been legally advised that the petitions filed against the Company are not tenable and it does not foresee any adverse financial impact arising from these litigations on the financial statements of the Company.

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

36 Employee benefits

a) Defined contribution plans:

The Company's contribution to provident and pension fund and superannuation fund charged to statement of profit and loss are as follows:

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Provident and pension fund	14.56	17.45
Superannuation fund	6.61	8.15
Total	**21.17**	**25.60**

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 31 March 2021 and 31 March 2020:

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
i) Change in defined benefit obligation		
Defined benefit at the beginning	36.14	34.21
Current Service Cost	4.96	5.08
Past Service Cost	-	-
Interest expenses	2.40	2.45
Acquisition Credit	2.08	(4.99)
Remeasurements - Actuarial loss	(2.93)	3.24
Benefits paid	(1.79)	(3.85)
Defined benefit at the end	**40.86**	**36.14**
ii) Change in fair value of plan assets		
Fair value of plan assets at the beginning	32.65	36.87
Interest income on plan assets	2.17	2.47
Acquisition Adjustment	-	(4.99)
Actuarial gains/ (losses)	(0.11)	1.94
Contributions by employer	0.19	0.21
Benefits paid	(1.79)	(3.85)
Fair value of plan assets at the end	**33.11**	**32.65**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

Particulars	Year ended 31 March 2021	Year ended 31 March 2021
iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	40.86	36.14
Fair Value of plan assets at year end	(33.11)	(32.65)
Net liability recognised	**7.75**	**3.49**
iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses		
Current Service Cost	4.96	5.08
Past Service Cost	-	-
Net interest on net defined benefit asset/(liability)	0.23	(0.02)
Total expense	**5.19**	**5.06**
v) Recognised in other comprehensive income for the year		
Remeasurement of actuarial gain/(loss) arising from		
- changes in experience adjustments	2.93	(0.88)
- changes in financial assumption	-	(2.36)
- changes in demographic assumptions	-	-
- return on plan assets excluding interest income	(0.11)	1.94
Recognised in other comprehensive income	**2.82**	**(1.30)**
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	(3.10)	(2.90)
(ii) one percentage point decrease in discount rate	3.59	3.37
(iii) one percentage point increase in salary escalation rate	3.32	3.27
(iv) one percentage point decrease in salary escalation rate	(2.94)	(2.86)
(v) one percentage point increase in employee turnover rate	0.26	0.17
(vi) one percentage point decrease in employee turnover rate	(0.29)	(0.20)

Particulars	31 March 2022	31 March 2023	31 March 2024	31 March 2025	31 March 2026	31 March 27 to 31 March 31
vii) Expected benefit payments for the year ending	4.80	3.99	2.99	3.88	6.02	29.06

Sensitivity Analysis Method

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

viii) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

Investment with Insurer managed funds - conventional products	100%	100%

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

Particulars	Year ended 31 March 2021	Year ended 31 March 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

As of 31 March 2021, every percentage point increase/ decrease in discount rate will affect our gratuity benefit obligation by approximately ₹ 3.35 million.

As of 31 March 2021, every percentage point increase/ decrease in weighted average rate of increase in compensation levels will affect our gratuity benefit obligation by approximately ₹ 3.13 million.

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

The Company expects to contribute ₹ 0.19 million to the gratuity fund during FY 2021-22.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Expected rate of return on plan assets (p.a.)	6.80%	6.80%
Attrition Rate	5.00%	5.00%
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) ULT	Indian Assured Lives Mortality (2006-08) (modified) ULT
Retirement Age	60 Years	60 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 actuarial valuation amounts to ₹ 50.18 million [31 March 2020: ₹ 43.93 million; 01 April 2019: ₹ 47.16 million].

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited GMR

37 Operating lease

The Company has entered into certain cancellable operating lease agreements mainly for office premises, space of car parking and furniture hire. Under these agreements refundable interest-free deposits have been given.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Lease rentals under cancellable lease	6.59	9.63

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

a) Holding Company	GMR Energy Limited [GEL]
b) Enterprises having control over the Company	GMR Enterprises Private Limited [GEPL]
	GMR Infrastructure Limited [GIL]
c) Fellow Subsidiary / Associates	GMR Generation Assets Limited [GGAL]
	GMR Warora Energy Limited [GWEL]
	GMR Corporate Affairs Private Limited [GCAPL]
	RAXA Security Services Limited [RSSL]
	GMR Energy Trading Limited [GETL]
	GMR Coal Resource PTE Limited [GCRPL]
	Delhi International Airport Limited [DIAL]
	GMR Chhattisgarh Energy Limited [GMRCEL] [till 26 July 2019]
	GMR Infrastructure (Singapore) Pte Limited [GISPL]
	GMR Goa International Airport Limited [GGIAL]
d) Other entities	GMR Varalakshmi Foundation [GVF]
e) Key Management Personnel	Mr. Ramesh R Pai (Whole-time Director)
f) Non-executive directors	Mr. Aditya Agarwal
	Dr. M Ramachandran
	Mr. S Rajagopal [till 30 September 2019 and reappointed w.e.f. 27 March 2020]
	Mr. Subodh Kumar Goel [w.e.f., 26 August 2019]

Details of the transactions are as follows

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a. **Sale of energy**		
GMR Energy Trading Limited [GETL]	2,370.95	1,724.35
b. **Miscellaneous income**		
RAXA Security Services Limited [RSSL]	1.43	1.43
GMR Varalakshmi Foundation [GVF]	-	0.26
c. **Purchase of power**		
GMR Energy Trading Limited [GETL]	69.99	620.48
d. **Remuneration paid to Key Management Personnel**		
Sri. Ramesh Pai	10.02	13.45
e. **Sitting fee paid to non-executive directors**		
Aditya Agarwal	0.04	0.07
Dr. M Ramachandran	0.15	0.19
S Rajagopal	0.07	0.12
Subodh Kumar Goel	0.15	0.09
f. **Rent and hire charges**		
Delhi International Airport Limited [DIAL]	6.83	7.38
g. **Technical consultancy services paid to:**		
GMR Infrastructure Limited [GIL]	81.91	73.26
h. **Annual maintenance charges paid to:**		
GMR Corporate Affairs Private Limited [GCAPL]	-	8.02
i. **Security charges paid to:**		
RAXA Security Services Limited [RSSL]	63.14	69.91
j. **Advance recoverable:**		
GMR Generation Assets Limited [GGAL]	214.66	-
k. **Reimbursement of expenses on behalf of Company:**		
GMR Energy Trading Limited [GETL]		
Transmission charges	212.19	179.52
GMR Varalakshmi Foundation [GVF]		
Community development expenses	7.51	3.93

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited ★ GMR

Detail of balances are as follows

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
a. **Equity share capital held by**			
GMR Energy Limited [GEL]			
Opening balance	18,784.40	18,784.40	18,784.40
Add: Transferred during the year	-	-	-
Closing balance	18,784.40	18,784.40	18,784.40
b. **Unsecured Subordinated debt / equity component from**			
GMR Energy Limited [GEL]			
Opening balance before fair value	4,109.16	4,109.16	4,109.16
Add: Received during the year	-	-	-
Closing balance before fair value	4,109.16	4,109.16	4,109.16
Less: Amount transferred to equity components, net of taxes	(3,854.01)	(3,854.01)	(3,854.01)
Add: Notional interest on debt component since beginning	541.46	445.77	361.37
Fair valued Subordinated debt closing balance	796.60	700.92	616.52
Equity components of Subordinated debt, net of taxes	2,567.38	2,567.38	2,567.38
c. **Unsecured Inter-Corporate Loan and interest payable thereon from**			
GMR Generation Assets Limited [GGAL] (Formerly GMR Power Corporation Limited)			
Opening balance	2,532.97	2,532.97	2,945.94
Interest payable to fellow subsidiary written back on instruction of equity participant	-	-	(412.97)
Closing balance	2,532.97	2,532.97	2,532.97
d. **Right of use asset/liability**			
Delhi International Airport Limited [DIAL]			
Opening balance/Initial recognisation of ROU asset by creating ROU liability	67.21	76.39	-
Add: Notional interest	7.24	8.50	-
Less: Liability transferred for payment	(19.01)	17.68	-
Closing balance	55.44	67.21	-
e. **Capital advance paid towards civil works**			
GMR Infrastructure Limited [GIL]	92.13	92.13	92.13
f. **Trade receivable (including unbilled revenue) from**			
GMR Energy Trading Limited [GETL]	978.97	-	546.84
g. **Advance from customer**			
GMR Energy Trading Limited [GETL]	-	588.65	-
h. **Amount due from**			
GMR Chhattisgarh Energy Limited [GMRCEL]	-	-	214.66
GMR Generation Assets Limited [GGAL]	214.66	-	-
GMR Goa International Airport Limited [GGIAL]	7.83	7.83	7.83
GMR Energy Ltd [GEL]	-	-	0.05
RAXA Security Services Limited [RSSL]	0.55	1.16	0.56
i. **Trade payables**			
GMR Generation Assets Limited [GGAL] (Formerly GMR Power Corporation Limited)	2.11	2.11	2.11
GMR Warora Energy Limited [GWEL]	2.56	2.56	2.56
GMR Infrastructure Limited [GIL]	81.56	91.40	18.77
Delhi International Airport Limited [DIAL]	0.08	25.05	22.50
GMR Varalakshmi Foundation [GVF]	2.63	2.17	5.71
GMR Coal Resource PTE Ltd [GCRPL]	3.45	3.58	3.27
GMR Infrastructure (Singapore) Pte Ltd [GISPL]	-	-	0.77
GMR Corporate Affairs Private Limited [GCAPL]	0.47	23.29	15.28
j. **Amount due to:**			
RAXA Security Services Limited [RSSL]	3.86	32.23	29.75

Note:
Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

39 a) Details of derivative instruments outstanding as on balance sheet date:

Particulars	Type of Currency	Amount in Foreign Currency	Rupees in Million
31 March 2021			
Forward hedging contract against letter of credit acceptance		NA	NA
31 March 2020			
Forward hedging contract against letter of credit acceptance		NA	NA
01 April 2019			
Forward hedging contract against letter of credit acceptance	USD	85,92,027	594.18

b) Details of foreign currency exposure which have not been hedged by any derivative instrument or otherwise as on balance sheet date:

Particulars	Type of Currency	Amount in Foreign Currency	Rupees in Million
31 March 2021			
Acceptances for fuel supplies	USD	-	-
Retention Money Payable for capital goods	USD*	4,84,95,406	3,545.50
Payables towards capital goods #	USD*	2,03,18,561	1,485.49
Payables towards fuel supplies and others	USD	7,56,791	55.33
Payables towards fuel supplies and others	GBP	75,000	7.56
Interest accrued but not due :			
Acceptance / Buyers' Credit	USD	-	-
31 March 2020			
Acceptances for fuel supplies	USD	37,44,075	283.30
Retention Money Payable for capital goods	USD*	4,43,41,656	3,355.11
Payables towards capital goods #	USD*	1,85,78,227	1,405.72
Payables towards fuel supplies and others	USD	5,08,089	38.44
Interest accrued but not due :			
Acceptance / Buyers' Credit	USD	40,997	3.10
01 April 2019			
Acceptances / Buyers' Credit for fuel supplies	USD		
Retention Money Payable	USD*	4,76,05,632	3,292.17
Payables towards capital goods #	USD*	1,99,45,765	1,379.35
Payables towards fuel supplies and others	USD	1,60,144	11.07
Interest accrued but not due :			
Acceptance / Buyers' Credit	USD	1,33,782	9.25

* - includes amount payable as per books of account in CNY, however the payment will be made in equivalent USD.

- represents advance of USD 17,280,577 (31 March 2020 : USD 15,800,453; 01 April 2019 : USD 16,963,520) netted off with liability.

40 The Company is engaged primarily in the business of generation and supply of power. As per the requirements of Ind AS 108, " Operating Segments", the principal revenue generating activities of the Company is from sale of power which is regularly reviewed by the Entity's Chief Operating Decision Maker (CODM). Accordingly, the management is of the view the Company has a single reportable segment and the requirements of reporting on operating segments and related disclosures as envisaged in Indian Accounting Standard 108 is not applicable to the present activities of the Company.

The Company's only segment being generation and sale of power comprises of three customers which have contributed more than 10% of the revenue during the year amounting to ₹ 21,890.20 million.

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

The accompanying notes 1 to 41 form an integral part of these Financial Statements.

As per our report of even date.

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

ANAMITRA DAS
Digitally signed by ANAMITRA DAS
Date: 2021.05.25 20:06:32 +05'30'

Anamitra Das
Partner
Membership No.: 062191

Place: Gurugram
Date: 25 May 2021

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

Ramesh R Pai

Ramesh R Pai
Whole-time Director
DIN: 07657400

Sanjay Narayan Barde

S. N. Barde
Director
DIN: 03140784

PIYUSA RANJAN MOHANTY

Piyusa Mohanty
Chief Financial Officer

SUBASH MITTAL

Subash Mittal
Company Secretary
Membership No.: FCS 8650

Place: Kamalanga
Date: 25 May 2021

Place: New Delhi
Date: 25 May 2021