

To the Members of GMR Warora Energy Limited

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000**Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of GMR Warora Energy Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1.1 to the accompanying Ind AS financial statements as at and for the year ended March 31, 2022, which indicate that the Company has incurred losses during the current year, has accumulated losses of Rs. 7,530.69 million, its net worth has been substantially eroded and its current liabilities exceed current assets by Rs. 4,169.59 million as at March 31, 2022. These conditions, together with the impact of COVID-19 pandemic, invocation of the Prudential Framework for Resolution of Stressed Assets in respect of the borrowing facilities availed by the Company as per the guidelines issued by the Reserve Bank of India ('RBI') as explained in note 14(10) to the accompanying Ind AS financial statements, non-renewal of long - term power purchase agreement with one of its key customer which expired during June 2020 and significant delays in the realization of outstanding receivables as detailed in notes 10(c) and 10(d) to the accompanying Ind AS financial statements indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not qualified in respect of this matter.



Emphasis of Matters

We draw attention to the following matters in the notes to the accompanying Ind AS financial statements for the year ended March 31, 2022:

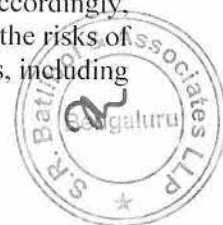
- (i) Notes 10(c) and 10(d) in connection with the realization of trade receivables and unbilled revenue (including claims towards change in law events, increased coal cost pass through and carrying costs thereof and capacity charges outstanding from one of its customers during the period of lockdown based on declared capacity) of Rs. 7,621.39 million of the Company, which are pending settlement/realization as on March 31, 2022. The management of the Company based on its internal assessment as detailed in notes 10(c) and 10(d) to the accompanying Ind AS financial statements and certain interim favourable regulatory orders for claims made by the Company is of the view that the aforesaid balances are fully recoverable as at March 31, 2022.
- (ii) Note 26(i) in connection with the dispute pertaining to transmission charges with Maharashtra State Electricity Distribution Company Limited ('MSEDCL'). The Company has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by the Company. Accordingly, the Company has not accounted the aforesaid transmission charges in the accompanying Ind AS financial statements for the years from March 17, 2014 up to March 31, 2022 based on a favourable Order received by the Company from APTEL. MSEDCL have preferred an appeal with Hon'ble Supreme Court of India against the aforesaid APTEL order and the matter is pending conclusion.
- (iii) Note 39 in connection with the amounts due to certain vendors which are outstanding beyond permissible time period under the Foreign Exchange Management Act ('FEMA'). Pending filing for condonation of delay with competent authority no adjustments are made to the accompanying Ind AS financial statements for the year ended March 31, 2022.
- (iv) Note 14(10) in connection with the ongoing resolution process under Prudential Framework for Resolution of Stressed Assets as per the guidelines issued by Reserve Bank of India ('RBI') in respect of the borrowing facilities availed by the Company, subject to requisite approvals from the lenders as more fully detailed in the aforesaid note. Pending receipt of such requisite approvals from the lenders as on date, no adjustments are made to the accompanying Ind AS financial statements for the year ended March 31, 2022.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material Uncertainty Related to Going Concern' and 'Emphasis of Matters' sections we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including



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the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
1. Revenue Recognition and realization in relation to regulatory claims (as described in Notes 6, 10 and 20 of the Ind AS financial statements)	
<p>The Company is eligible for claims under various Change in Law / coal cost pass through events which are having cost implications on generation and supply of power such as duties and taxes, incremental cost of power generation, etc., due to purchase of alternative coal in terms of the framework of Power Purchase Agreements entered by the Company with the various Discoms and carrying cost thereof. Such claims are accounted by the Company upon approval thereof by the Regulatory Authorities.</p> <p>The recognition and measurement of such claims on account of change in law/ coal cost pass through events and carrying costs thereof, involves management judgement and estimation of operational / cost parameters based on qualitative parameters and are subject to final acceptance of the claims by the respective Discoms.</p> <p>In view of the complexity and judgement involved in estimation of the amounts of such claims and recoverability thereof, the same is considered as a key audit matter.</p>	<p>Our audit procedures in response to this key audit matter included:</p> <ol style="list-style-type: none">We assessed and tested the design and operating effectiveness of the Company's internal financial controls over the revenue recognition process.We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers).We obtained an understanding of the key controls management has in place to monitor change in law events, status of appeals seeking claims and approval orders passed by various regulatory authorities.We evaluated management workings that set out all the outstanding claims for approval placed by the Company with regulatory authorities and the basis adopted by the management in determining such claims.We examined management assumptions / judgement relating to various parameters for measuring / estimating the amount of such claims.We verified the reasonableness of the underlying parameters and assumptions / judgement used for measuring / estimating the amounts of claims as per regulatory orders through verification of historical information and other available internal and external data.For tariff orders received by the Company and challenged by the customer we have also assessed the management's evaluation of the likely outcome of the dispute based on past



precedents and interim favourable orders from the regulators.

- viii. We tested on sample basis, the accuracy of the underlying data used for computation of such claims.
- ix. We assessed the reasonableness of management's assessment of recoverability of the outstanding receivables and recoverability of the overdue / aged receivables through inquiry with management, and analysis of collection trends in respect of receivables.

2. Impairment testing for Property, plant and equipment ('PPE') (as described in Note 3 of the Ind AS financial statements)

The Company has PPE (including intangible assets, Right of Use assets and capital work in progress) amounting to Rs 29,880.42 million as at March 31, 2022.

To assess if there is an impairment in the carrying value of PPE, management conducts impairment tests annually or whenever there are changes in circumstances or events which indicate that, the carrying value of PPE may require evaluation to verify recoverability. An impairment loss is recognized if the recoverable amount of PPE is lower than the carrying value.

The recoverable amount of the PPE is evaluated by calculating the value in use based on discounted cash flow models. Significant judgements are required to determine the key assumptions used in the discounted cash flow models.

The determination of recoverable amounts of carrying value of property, plant and equipment of the Company relies on the management's estimates of future cash flows and their judgement with respect to entering into Long Term Power Purchase Agreement ('PPA') such as fully utilizing the capacity of 200 MW after expiry of new PPA with one of the customers in July 2023, conclusion and timely realisation of claims with Discoms currently under dispute for various change in law events as detailed in notes 10(c) and (d) to the accompanying Ind AS financial statements, enhancement in the operational

Our audit procedures in response to this key audit matter included:

- i. We assessed whether the Company's accounting policy with respect to impairment is in accordance with Ind AS 36 "Impairment of assets".
- ii. We carried out assessment of the forecasts of future cash flows prepared by the management, evaluating the key assumptions and compared the estimates to externally available industry, economic and financial data;
- iii. We perused the report issued by the external valuer ("expert") engaged by the management. In making this assessment, we also assessed the professional competence, objectivity and capabilities of the expert engaged by the management;
- iv. We assessed the valuation methodology and the key assumptions used in the cash flow forecasts with the support of our in-house valuation experts and performed sensitivity analysis on key assumptions;
- v. We discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same to assess their reasonableness.



performance of the plant including ramp up in generation and availability of coal with higher gross calorific value at competitive rates, decline in interest rates, restructuring of loans as detailed in note 14(10) to the accompanying Ind AS financial statements etc., which the management believes reasonably reflect the future expectations and is of the view that the carrying value of the PPE as at March 31, 2022 is appropriate.

Due to the inherent subjectivity involved in forecasting and discounting future cash flows, the level of management's judgement involved and the significance of the carrying value of property, plant and equipment on the Ind AS financial statements of the Company as at March 31, 2022 we have considered this as a key audit matter.

- vi. We tested the arithmetical accuracy of the computation of projections used for the purpose of the valuation.
- vii. We reviewed the related disclosures in the Ind AS financial statements as required by the relevant accounting standards.

Other Information

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

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Board's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

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

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and



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using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's



report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, the matters described in the Emphasis of Matter paragraphs above and clause [(ii)(b), (ix)(a) and (xix)] of 'Annexure I' in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32(II) to the accompanying Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani

Partner

Membership Number: 061207

UDIN: 22061207AILXDU2708

Place of Signature: Bengaluru

Date: May 05, 2022



Annexure I referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: GMR Warora Energy Limited ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties including the title deeds of the immovable property mortgaged with the lenders as security for the borrowings and confirmed by lenders (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the accompanying Ind AS financial statements are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory, excluding goods in transit, at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
- (b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:



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Inventories

Quarter ending	Value per books of account (in INR million)	Value per quarterly return/statement (in INR million)	Discrepancies
June 30, 2021	468.35	829.80	As informed by the management of the Company, the difference is on account of the details being submitted on the basis of provisional books of accounts. Adjustments pertaining to inventory capitalised, provisioning on stock, goods in transit etc are done only on finalization of Ind AS financial results/ Ind AS financial statements.
September 30, 2021	403.11	754.94	
December 31, 2021	365.02	730.09	
March 31, 2022	375.59	786.52	

Trade and other receivables

Quarter ending	Value per books of account (in INR million)	Value per quarterly return/statement (in INR million)	Discrepancies
June 30, 2021	6,879.93	6,886.91	As informed by the management of the Company, the difference is on account of the details being submitted on the basis of provisional books of accounts. Adjustments pertaining to provision for doubtful debts etc are done only on finalization of Ind AS financial results/ Ind AS financial statements.
September 30, 2021	6,606.48	6,697.78	
December 31, 2021	7,615.20	7,628.57	
March 31, 2022	7,657.21	7,744.47	

Security deposits and Advances other than capital advances

Quarter ending	Value per books of account (in INR million)	Value per quarterly return/statement (in INR million)	Discrepancies
June 30, 2021	333.00	319.31	As informed by the management of the Company, the difference is on account of the details being submitted on the basis of provisional books of accounts. Adjustments pertaining to reconciliation with vendors, provision for advances, adjustments of payables against advances etc are done only on finalization of books of Ind AS financial results/ Ind AS financial statements.
September 30, 2021	603.70	595.08	
December 31, 2021	458.66	463.73	
March 31, 2022	1,064.96	1,128.06	

Trade payables

Quarter ending	Value per books of account (in INR million)	Value per quarterly return/statement (in INR million)	Discrepancies
June 30, 2021	1,457.94	802.64	As informed by the management of the Company, the discrepancies are primarily on account of exclusion of payables to certain related parties and period end provisions.
September 30, 2021	1,317.02	845.99	
December 31, 2021	1,069.93	584.90	
March 31, 2022	888.10	421.18	



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- (iii) The Company has not made investments, provided loans, advances in the nature of loans, provided guarantee or provided security to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, the requirement to report on clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 ("the Act") are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (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 section 148(1) of the Act, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, professional tax, cess and other material statutory dues as applicable to the Company, have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases.

According to the information and explanations given to us by the management of the Company and audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues, were outstanding at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (in INR million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Short Deduction of TDS	0.03	Financial year 2013-2014	Commissioner of Income Tax (Appeals)

The above table does not include dues which have been disputed by tax authorities and adjusted against the brought forward losses/unabsorbed depreciation.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

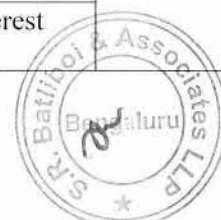


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- (ix) (a) The Company has defaulted in repayment of dues to financial institutions, debenture holders and banks during the year as stated below. This matter has been disclosed in note 14 to the accompanying Ind AS financial statements:

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date (in INR million)	Amount unpaid as on balance sheet date (in INR million)	Whether principal or interest	No. of days delay or unpaid
Indian rupee term loan from banks	State Bank of India	870.00	690.00	Principal	0-365 days
Indian rupee term loan from banks	Union Bank of India	617.04	487.46	Principal	
Indian rupee term loan from banks	Punjab National Bank	312.52	261.72	Principal	
Indian rupee term loan from banks	UCO Bank	196.80	156.08	Principal	
Indian rupee term loan from banks	Bank of Baroda	141.53	113.93	Principal	
Indian rupee term loan from banks	Punjab & Sind Bank	104.75	83.08	Principal	
Indian rupee term loan from banks	ICICI Bank Limited	319.19	298.64	Principal	
Indian rupee term loan from a financial institution	IFCI Limited	250.00	100.00	Principal	
Debentures	IIFCL Asset Management Company Limited	750.00	750.00	Principal	
Indian rupee term loan from banks	State Bank of India	1,413.33	1,222.90	Interest	
Indian rupee term loan from banks	Union Bank of India	937.36	805.66	Interest	
Indian rupee term loan from banks	Punjab National Bank	518.87	442.66	Interest	
Indian rupee term loan from banks	UCO Bank	322.76	279.09	Interest	
Indian rupee term loan from banks	Bank of Baroda	214.09	184.89	Interest	
Indian rupee term loan from banks	Punjab & Sind Bank	153.61	130.27	Interest	
Indian rupee term loan from banks	ICICI Bank Limited	262.43	226.66	Interest	
Indian rupee term loan from a financial institution	IFCI Limited	42.31	7.58	Interest	
Debentures	IIFCL Asset Management Company Limited	108.03	108.03	Interest	
Cash credit loan from banks	Bank of Baroda	38.26	35.78	Interest	
Cash credit loan from banks	Union Bank of India	33.64	26.78	Interest	
Cash credit loan from banks	UCO Bank	23.67	22.30	Interest	



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Further, the Company did not have any outstanding loans or borrowings or interest thereon in respect to government during the year. Also refer note 14 to the accompanying Ind AS financial statements.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. Also refer note 14 to the accompanying Ind AS financial statements.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the accompanying Ind AS financial statements, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) On an overall examination of the accompanying Ind AS financial statements, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

(c) We have taken into consideration the whistle blower complaint received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the accompanying Ind AS financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Group has total two Core Investment Companies as part of the Group.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) As referred to in 'Material uncertainty related to Going concern' paragraph in our main audit report and as disclosed in Note 1.1 to the accompanying Ind AS financial statements which includes the financial ratios and ageing and expected dates of realization of Ind AS financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, there exists a material uncertainty that the Company may not be capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date. We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36 to the accompanying Ind financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 36 to the accompanying Ind AS financial statements.



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(xxi) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(xxi) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP

ICAI firm registration number: 101049W/E300004

Chartered Accountants



per Sandeep Karnani

Partner

Membership Number: 061207



UDIN: 22061207AILXDU2708

Place: Bengaluru

Date: May 05, 2022

**ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
Ind AS FINANCIAL STATEMENTS OF GMR WARORA ENERGY LIMITED**

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

We have audited the internal financial controls with reference to Ind AS financial statements of GMR Warora Energy Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("Act").

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls with Reference to these Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to these Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these Ind AS financial statements and such internal financial controls with reference to these Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Sandeep Karnani
Partner

Membership Number: 061207

UDIN: 22061207AILXDU2708

Place of Signature: Bengaluru

Date: May 05, 2022



I ASSETS

(1) Non-current assets

- (a) Property, plant and equipment
- (b) Capital work in progress
- (c) Intangible assets
- (d) Right-of-use assets
- (e) Financial assets
 - (i) Investments (Rs. 2,500 (March 31, 2021 : Rs. 2,500))
 - (ii) Other financial assets
- (f) Non-current tax assets (net)
- (g) Other non-current assets

(2) Current assets

- (a) Inventories
- (b) Financial assets
 - (i) Trade receivables
 - (ii) Cash and cash equivalents
 - (iii) Other financial assets
- (c) Other current assets

Total assets (1 + 2)

(II) EQUITY AND LIABILITIES

(1) Equity

- (a) Equity share capital
- (b) Other equity
- Total equity**

Liabilities

(2) Non-current liabilities

- (a) Financial liabilities
 - (i) Borrowings
- (b) Net employee defined benefit liabilities
- (c) Provisions
- (d) Deferred tax liabilities (net)

(3) Current liabilities

- (a) Financial liabilities
 - (i) Borrowings
 - (ii) Trade payables
 - (a) Total outstanding dues of micro enterprises and small enterprises
 - (b) Total outstanding dues of creditors other than micro enterprises and small enterprises
 - (iii) Other financial liabilities
- (b) Other current liabilities
- (c) Net employee defined benefit liabilities
- (d) Provisions
- (e) Liabilities for current tax (net)

Total liabilities (2+3)

Total equity and liabilities (1+2+3)

Notes	(Rs. in million)	
	March 31, 2022	March 31, 2021
3	29,459.81	30,575.92
3(a)	84.15	12.92
4	1.34	4.14
32	335.12	339.12
5	0.00	0.00
6	992.76	250.38
	17.36	9.81
8	7.26	20.59
	30,897.80	31,212.88
9	375.59	368.66
10	6,527.82	6,434.88
11	76.06	95.57
6	1,145.86	821.01
8	1,014.37	244.22
	9,139.70	7,964.34
	40,037.50	39,177.22
12	8,700.00	8,700.00
13	(5,413.19)	(4,921.11)
	3,286.81	3,778.89
14	23,369.47	25,480.07
16	6.22	0.59
17	65.71	60.96
7(a)	-	195.30
	23,441.40	25,736.92
14	7,823.07	6,782.59
18	97.64	55.27
18	790.46	1,122.47
15	4,229.97	1,326.77
19	27.37	39.53
16	6.53	4.24
17	59.09	55.38
	275.16	275.16
	13,309.29	9,661.41
	36,750.69	35,398.33
	40,037.50	39,177.22

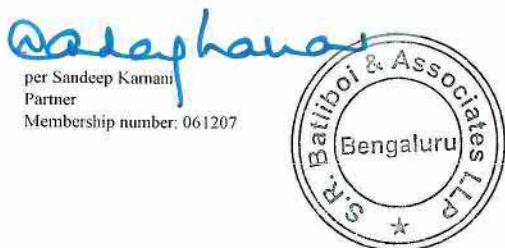
Summary of significant accounting policies

2.2

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

As per our report of even date

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



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

Sanjay Barde Narayan
Whole-time Director
DIN: 03140784

Ashish Vinay Deshpande
Chief Financial Officer

Dhananjay Vasant Rao Deshpande
Whole-time Director
DIN: 07663196

Sanjay Kumar Babu
Company Secretary
Membership number: F-8649

Place: Bengaluru
Date: May 05, 2022

Place: Warora, Maharashtra
Date: May 05, 2022

	Notes	(Rs. in million)	
		March 31, 2022	March 31, 2021
I Revenue			
Revenue from operations	20	12,994.04	14,773.27
Other income	21	1,088.32	60.25
Total income		14,082.36	14,833.52
II Expenses			
Consumption of fuel	22	7,733.11	8,442.92
Employee benefit expenses	23	441.19	407.38
Finance costs	24	3,827.77	3,905.85
Depreciation and amortisation expenses	25	1,177.40	1,197.91
Transmission charges	26	456.79	740.65
Other expenses	27	1,128.44	978.97
Total expenses		14,764.70	15,673.68
III (Loss) / profit before tax (I - II)		(682.34)	(840.16)
IV Tax expenses:			
(a) Current tax	7(b)	-	-
(b) Deferred tax (credit) / charge (net)	7(b)	(195.39)	(206.88)
Total tax expenses		(195.39)	(206.88)
V (Loss) / profit for the year (III +/- IV)		(486.95)	(633.28)
VI Other comprehensive (loss) / income			
(A) (i) Items that will not be reclassified to profit or loss			
- Re-measurement (losses) / gains on defined benefit plans	31	(5.04)	3.05
(ii) Income tax effect		(0.09)	(0.77)
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax effect		-	-
Total other comprehensive (loss) / income for the year		(5.13)	2.28
VII Total comprehensive (loss) / income for the year (V +/- VI)		(492.08)	(631.00)
VIII Earnings per share (nominal value of share Rs. 10 each (March 31, 2021 : Rs.10 each))			
(a) Basic EPS (in Rs. per share)	28	(0.47)	(0.61)
(b) Diluted EPS (in Rs. per share)	28	(0.47)	(0.61)
Summary of significant accounting policies	2.2		

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

As per our report of even date

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

per Sandeep Karnani
Partner
Membership number: 061207



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

Sanjay Barde Narayan
Whole-time Director
DIN: 03140784

Ashish Vinay Deshpande
Chief Financial Officer

Dhananjay Vasant Rao Deshpande
Whole-time Director
DIN: 07663196

Sanjay Kumar Babu
Company Secretary
Membership number: F-8649

Place: Bengaluru
Date: May 05, 2022

Place: Warora, Maharashtra
Date: May 05, 2022

a. Equity share capital*

For the year ended March 31, 2022

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

At April 01, 2021

Add Issue of share capital

At March 31, 2022

For the year ended March 31, 2021

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

At April 01, 2020

Add Issue of share capital

At March 31, 2021

b. Other equity**

Numbers (in million)	(Rs. in million)
870.00	8,700.00
870.00	8,700.00
870.00	8,700.00
870.00	8,700.00
870.00	8,700.00

	Attributable to equity holders					Total other equity
	0.001% Non-cumulative Non-Participating Compulsorily Convertible Preference shares ('CCPS') (refer notes 13 and 30)	Reserves and surplus			Retained earnings (refer note 13)	
		Securities premium (refer note 13)	Debt redemption reserve (refer note 13)			
For the year ended March 31, 2022						
As at April 01, 2021	1,700.08	229.92	187.50	(7,038.61)	(4,921.11)	
(Loss) / profit for the year	-	-	-	(486.95)	(486.95)	
Other comprehensive (loss) / income for the year***	-	-	-	(5.13)	(5.13)	
Total comprehensive income	-	-	-	(492.08)	(492.08)	
As at March 31, 2022	1,700.08	229.92	187.50	(7,530.69)	(5,413.19)	
For the year ended March 31, 2021						
As at April 01, 2020	1,700.08	229.92	187.50	(6,407.61)	(4,290.11)	
(Loss) / profit for the year	-	-	-	(633.28)	(633.28)	
Other comprehensive (loss) / income for the year***	-	-	-	2.28	2.28	
Total comprehensive income	-	-	-	(631.00)	(631.00)	
As at March 31, 2021	1,700.08	229.92	187.50	(7,038.61)	(4,921.11)	

* Also refer note 12

** Also refer note 13

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

Summary of significant accounting policies

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI firm registration number: 101049W / E300004



per Sandeep Karnam

Partner

Membership number: 061207

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



Sandeep Karnam
Whole-time Director
DIN: 03140784

Ashish Vinay Deshpande
Chief Financial Officer

Place: Warora, Maharashtra

Date: May 05, 2022

Dhananjay Vasantrao Deshpande
Whole-time Director
DIN: 07663196

Sanjay Kumar Babu
Company Secretary

Membership number: F-8649

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Particulars	(Rs. in million)	
	March 31, 2022	March 31, 2021
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
(Loss) / profit before tax	(682.34)	(840.16)
Non-cash adjustments to reconcile (loss)/ profit before tax to net cash flows:		
Depreciation and amortisation expenses	1,177.40	1,197.91
Loss on disposal / sale of property, plant and equipment (net)	0.04	1.66
Impairment allowance (including trade advances written off)	209.06	124.78
Net foreign exchange differences	14.69	(14.71)
Net gain on de-recognition of right-of-use assets and lease liabilities	-	(8.39)
Provisions/liabilities no longer required, written back	(1.84)	(11.29)
Finance costs	3,827.77	3,905.85
Interest income on bank deposits	(10.07)	(5.89)
Operating profit before working capital changes	4,534.71	4,349.76
Movements in working capital :		
(Increase) / decrease in inventories	(6.93)	836.91
(Increase) / decrease in trade receivables	(258.18)	(1,980.75)
(Increase) / decrease in non-current and current other financial assets and other assets	(1,120.06)	519.74
(Decrease) / increase in trade payables	(287.80)	(558.00)
(Decrease) / increase in non-current and current other financial liabilities, other liabilities, net employee defined benefit liabilities and provisions	(43.20)	25.03
Cash generated from operations	2,818.54	3,192.69
Direct taxes (paid) / refund (net)	(7.55)	5.78
Net cash flow from / (used in) operating activities (A)	2,810.99	3,198.47
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including capital work in progress, capital advances and intangible assets	(151.56)	(191.85)
Proceeds from sale of property, plant and equipment	-	4.70
Investment in bank deposits (having original maturity of more than three months) and other bank balances	(742.26)	(35.27)
Interest income received	4.09	6.26
Net cash flow (used in) / from investing activities (B)	(889.73)	(216.16)
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from borrowings	59.20	-
Repayment of borrowings	(620.92)	(1,112.80)
Payment of lease liabilities	-	(9.50)
Repayment of short-term borrowings (net of proceeds)	(522.60)	157.76
Finance costs paid	(856.45)	(1,962.76)
Net cash flow (used in) / from financing activities (C)	(1,940.77)	(2,927.30)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(19.51)	55.01
Cash and cash equivalents as at the beginning of the year	95.57	40.56
Cash and cash equivalents as at the end of the year	76.06	95.57
COMPONENTS OF CASH AND CASH EQUIVALENTS (refer note 11)		
Cash on hand	0.01	0.02
Balances with banks	76.05	95.55
Total cash and cash equivalents (refer note 11)	76.06	95.57

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Changes in liabilities arising from financing activities

Particulars	(Rs. in million)	
	Lease liabilities (refer note 32)	Borrowings (refer note 14)
As at April 01, 2021	-	32,262.66
Cash flow changes		
Proceeds from borrowings	-	59.20
Repayment of borrowings	-	(620.92)
Repayment of short-term borrowings (net of proceeds)	-	(522.60)
Non-cash changes		
Interest on borrowings measured at amortised cost	-	14.20
As at March 31, 2022	-	31,192.54
As at April 01, 2020	67.21	31,551.83
Cash flow changes		
Repayment of borrowings	-	(1,112.80)
Proceeds from short-term borrowings (net of repayment)	-	157.76
Payment of lease liabilities (refer note 32)	(9.50)	-
Non-cash changes		
Conversion of interest expenses into Funded Interest Term Loans (refer note 14)	-	1,651.53
Interest on borrowings measured at amortised cost	-	14.34
Accretion of interest on lease liabilities (refer note 32)	3.89	-
De-recognition of lease liabilities (refer note 32)	(61.60)	-
As at March 31, 2021	-	32,262.66

Summary of significant accounting policies

2.2

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

As per our report of even date

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

Sandeep Kamani
per Sandeep Kamani
Partner

Membership number: 061207



Place: Bengaluru
Date: May 05, 2022



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

Sanjay Barde Narayan
Sanjay Barde Narayan
Whole-time Director
DIN: 03140784

Ashish Vinay Deshpande
Ashish Vinay Deshpande
Chief Financial Officer

Place: Warora, Maharashtra
Date: May 05, 2022

Dhananjay Vasantrao Deshpande
Dhananjay Vasantrao Deshpande
Whole-time Director
DIN : 07663196

Sanjay Kumar Babu
Sanjay Kumar Babu
Company Secretary
Membership number: F-8649

GMR Warora Energy Limited
Corporate Identity Number (CIN): U40100MH2005PLC155140
Notes to the Ind AS financial statements for the year ended March 31, 2022

1. Corporate information

GMR Warora Energy Limited ('the Company') (Formerly known as EMCO Energy Limited) is a public company incorporated under the provisions of the Companies Act 1956, having its registered office at 701/704, 7th floor, Naman Centre, A wing, Bandra Kurla Complex, Mumbai - 400 051. The Company is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600 MW situated at Warora.

1.1 Going Concern

The Company has incurred loss during the current year and has accumulated losses of Rs. 7,530.69 million as at March 31, 2022 which has resulted in substantial erosion of the net worth of the Company and its current liabilities exceed current assets by Rs. 4,169.59 million as at March 31, 2022. There have been delays in repayment of dues to the lenders on account of the delay in the receipt of receivables from its customers as detailed in note 10, thereby resulting in lowering of credit ratings for the Company's borrowings. Further on account of expiry of PPA with one of the customers availing 200 MW of power in June 2020 and a consequent cancellation of Fuel Supply Agreement, there could be impact on the future business operations, financial position and future cashflows of the Company. However, the Company has made profits before taxes for the year ended March 31, 2020 and March 31, 2019 and have favourable interim orders towards the aforementioned claims. Also during the quarter ended December 31, 2021, the Company entered into a new PPA with Gujarat Urja Vikas Nigam Limited ('GUVNL') for the supply of 150 MW of power from October 2021 to July 2023. Further as detailed in note 14(10), most of the borrowing facilities of the Company became Special Mention Account-2/Non-Performing Assets, accordingly resolution process under Prudential Framework for Resolution of Stressed Assets, as prescribed by the Reserve Bank of India ('RBI') on June 07, 2019 was invoked on June 29, 2021 by default and Inter Creditors Agreement ('ICA') by majority of lenders was executed on July 27, 2021. Accordingly, the management of the Company based on the future business plans and forecasted cash flows is of the opinion that the Company will generate sufficient profits in the future years, realise its receivables and meet its debt obligations as per the Resolution Framework. Accordingly, the Ind AS financial statements of the Company continue to be prepared on a going concern basis which contemplates realisation of current assets and settlement of current liabilities in an orderly manner.

2. Significant accounting policies

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

2.1. Basis of preparation

A. Statement of compliance

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

B. Functional and presentation currency

The functional and presentation currency of the Company is Indian Rupee ('Rs') which is the currency of the primary economic environment in which the Company operates. All values are disclosed to the nearest Million with two decimals (INR 000,000.00), except where otherwise indicated.

C. Basis of measurement

The Ind AS financial statements have been prepared on the historical cost convention and on accrual basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.



2.2 Summary of significant accounting policies:

a. 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:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle.
- ii. Held primarily for the purpose of trading.
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Fair value measurement of financial instruments

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

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

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the Ind AS 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



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

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

For assets and liabilities that are recognised in the Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

c. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Description of performance obligations are as follows:

(i) Income from sale of Electrical Energy:

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

Revenue from energy units sold as per the terms of the PPA and Letter Of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis and includes unbilled revenue accrued up to the end of the accounting year.

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

Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to customers based on the units of energy delivered and the rate agreed with the customers. Revenue/ charges from unscheduled interchange for the deviation in generation with respect to scheduled generation are recognized/ charged at rates notified by Central Electricity Regulatory Commission ('CERC') from time to time, as revenue from sale of energy. Further, revenue is recognized/adjusted towards truing up in terms of the applicable CERC regulations.

Customers are billed on a monthly basis and are given credit period of 30 days for payment. Revenue in respect of claims on account of change in law events including coal cost pass through, carrying cost and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

Contract assets

A contract asset is the right to consideration in exchange for goods and services transferred to the customer (which consist of unbilled revenue). If the Company performs its obligations by transferring goods and services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

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

Trade receivables

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



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Contract liabilities

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

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

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

d. Taxes on income

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

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

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

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

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



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e. Property, plant and equipment

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

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date and is stated at cost less accumulated impairment loss.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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. Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these during more than a period of 12 months and having a value of more than 500,000.

On Transition to Ind AS, the Company has availed the optional exemption on "Long term Foreign currency Monetary items" and has accordingly continued with the policy to adjust the exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset recognised in the Ind AS financial statements for the year ended March 31, 2016 (as per previous GAAP) to the cost of the tangible asset and depreciates the same over the remaining life of the asset. In accordance with the Ministry of Corporate Affairs ("MCA") circular dated August 09, 2012, exchange differences adjusted to the cost of tangible fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences. As per amendment vide Notification No GSR 913 (E) dated December 29, 2011 the option of recognising such differences in the original cost was available only till the accounting period ending March 31, 2020.

f. Depreciation on Property, plant and equipment

The management has estimated the useful life of assets individually costing Rs. 5,000 or less to be less than one year, which is lower than those indicated in Schedule II.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

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



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Depreciation on Property, plant and equipment is provided on the Straight Line Method over the useful lives of the assets which is as follows:

Category of the asset	Estimated useful life (in years)
Plant and equipment – Power plant	40
Plant and equipment – Others	5-15
Buildings (on leasehold land)	3-60
Office equipment	5-15
Furniture and fixtures	10
Vehicles	8-10
Computers	3

g. Intangible assets

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

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

h. Amortisation of intangible assets

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

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

Software is amortised based on the useful life of six years on a straight-line basis as estimated by the management.

i. Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

j. Leases

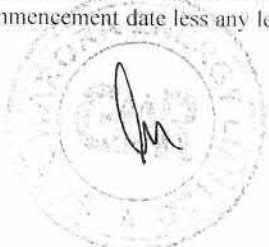
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

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

i. Right-of-use assets:

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



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basis over the shorter of the lease term and the estimated useful lives of the assets. The Company has obtained land on lease for a term of 95 years

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

ii. Lease Liabilities:

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

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

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to that extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

l. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets, and other non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and
- (ii) in case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less costs of disposal and the value in use.

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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



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The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the Company operates, or for the market in which the asset is used.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

m. Provisions and contingent liabilities

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

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

A 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 Ind AS financial statements.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Provisions and contingent liability are reviewed at each balance sheet.

Decommissioning liability:

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the 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.

n. Retirement and other employee benefits

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



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

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

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

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

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

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

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

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

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

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

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

o. Financial instruments

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

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

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Effective interest method

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



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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.

b. De-recognition

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

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

p. Convertible preference shares/ debentures

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

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

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

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

q. 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 that are readily convertible to a known amount of cash.

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

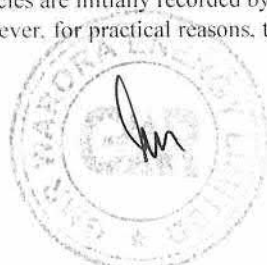
r. Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

s. Foreign currencies

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

Transactions in foreign currencies are initially recorded by the Company's at the 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.



GMR Warora Energy Limited

Corporate Identity Number (CIN): U40100MH2005PLC155140

Notes to the Ind AS financial statements for the year ended March 31, 2022

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Exchange differences arising on translation of long term foreign currency monetary items recognised in the Ind AS financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-“First time adoption of Indian Accounting Standard” are recognised directly in equity or added/ deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

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

t. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss. Refer note 36.

u. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

2.3 Impact of implementation of new standards/ amendments

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

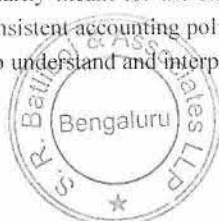
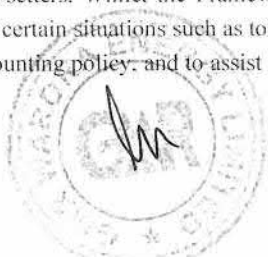
The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments have no impact on the Ind AS financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy; and to assist all parties to understand and interpret the Standards.



GMR Warora Energy Limited

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Notes to the Ind AS financial statements for the year ended March 31, 2022

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments have no impact on the Ind AS financial statements of the Company.

(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments have no impact on the Ind AS financial statements of the Company.

2.4. Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

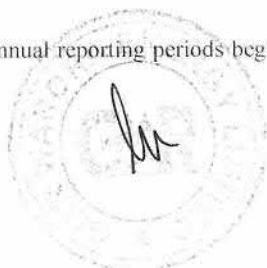
It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.



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Notes to the Ind AS financial statements for the year ended March 31, 2022

(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Company.



3 Property, plant and equipment

(Rs. in million)									
Particulars	Freehold land	Buildings on leasehold land	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Computers	Total	
Gross block (at cost/ deemed cost)									
As at April 01, 2020	117.19	4,591.28	33,152.17	49.54	133.91	8.75	12.48	38,065.32	
Additions	22.05	14.14	50.85	-	0.85	-	17.10	104.99	
Disposals	-	-	(8.20)	-	(0.68)	-	(0.12)	(9.06)	
As at March 31, 2021	139.24	4,605.42	33,194.76	49.54	134.08	8.75	29.46	38,161.25	
Additions	-	9.24	35.14	0.01	3.73	-	6.41	54.53	
Disposals	-	-	-	-	-	-	(0.79)	(0.79)	
As at March 31, 2022	139.24	4,614.66	33,229.90	49.55	137.81	8.75	35.08	38,214.99	
Accumulated depreciation									
As at April 01, 2020	-	872.91	5,441.99	17.35	61.51	1.82	0.63	6,405.21	
Charge for the year	-	149.75	1,003.85	5.01	21.17	0.82	2.22	1,182.82	
Disposals	-	-	(2.01)	-	(0.58)	-	(0.11)	(2.70)	
As at March 31, 2021	-	1,022.66	6,443.83	22.36	82.10	2.64	11.74	7,585.33	
Charge for the year	-	148.85	998.22	4.09	14.59	0.75	4.10	1,170.60	
Disposals	-	-	-	-	-	-	(0.75)	(0.75)	
As at March 31, 2022	-	1,171.51	7,442.05	26.45	96.69	3.39	15.09	8,755.18	
Net block									
As at March 31, 2022	139.24	3,443.15	25,787.85	23.10	41.12	5.36	19.99	29,459.81	
As at March 31, 2021	139.24	3,582.76	26,750.93	27.18	51.98	6.11	17.72	30,575.92	

Notes:

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

2 The management of the Company carried out a valuation assessment of its Property, Plant and Equipment (PPE) during the year ended March 31, 2022 by an external expert. The valuation assessment includes certain key assumptions such as fully utilizing the capacity of 200 MW, after expiry of new PPA with one of the customers in July, 2023, conclusion and timely realisation of claims with Discoms currently under dispute for various change in law events as detailed in notes 10 (c) and (d), enhancement in the operational performance of the plant including ramp up in generation and availability of coal with higher gross calorific value at competitive rates, decline in interest rates, restructuring of loans as detailed in note 14(10) etc. which the management believes reasonable reflect the future expectations and is of the view that the carrying value of the PPE as at March 31, 2022 is appropriate and accordingly has not made any adjustments to the carrying values of PPE as at March 31, 2022.

3 Refer note 14 in regard to details of pledge of the property, plant and equipment in connection with borrowings from the lenders.

4 Leasehold land includes amount paid as compensation to the land owners.

5 The Company has not revealed its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2022.

3(a) Capital work in progress (CWIP) Ageing Schedule

	(Rs. in million)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022	81.02	1.46	1.67	-	84.15
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	81.02	1.46	1.67	-	84.15
	(Rs. in million)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2021	11.25	1.67	-	-	12.92
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	11.25	1.67	-	-	12.92



4 Intangible assets

Particulars	(Rs. in million)	
	Computer software	Total
Gross block (at cost/ deemed cost)		
As at April 01, 2020		
Additions	13.04	13.04
As at March 31, 2021	-	-
Additions	13.04	13.04
As at March 31, 2022	-	-
	13.04	13.04
Accumulated amortisation		
As at April 01, 2020		
Charge for the year	5.69	5.69
As at March 31, 2021	3.21	3.21
Charge for the year	8.90	8.90
As at March 31, 2022	2.80	2.80
	11.70	11.70
Net block		
As at March 31, 2022	1.34	1.34
As at March 31, 2021	4.14	4.14

Note:

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

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* The investment is amounting to Rs 2,500 (March 31, 2021) / Rs 2,500.

6 Other Financial assets

	(Rs. in million)			
	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	6.12	6.12	10.00	15.21
	96.52	96.40	-	-
(A)	102.64	102.52	10.00	15.21
	3.39	3.39	-	-
	2.73	2.73	-	-
	-	-	10.00	15.21
	6.12	6.12	10.00	15.21
	-	-	11.88	6.67
	-	-	11.88	6.67
	-	-	(11.88)	(6.67)
	-	-	(11.88)	(6.67)
	6.12	6.12	10.00	15.21
	-	-	362.31	357.78
	-	-	731.26	354.60
	-	-	1,093.57	712.38
	-	-	69.29	49.61
	-	-	69.29	49.61
	-	-	(69.29)	(49.61)
(B)	-	-	1,093.57	712.38
	-	-	35.82	45.24
	-	-	-	45.13
	-	-	35.82	90.37
	-	-	2.50	-
	-	-	2.50	-
	-	-	(2.50)	-
(C)	-	-	35.82	90.37
	890.12	147.86	-	-
	-	-	6.47	0.49
(D)	890.12	147.86	-	2.56
	-	-	6.47	3.05
(D)	992.76	250.38	1,145.86	821.01

7(a) Deferred tax (liability) / asset (net)

	(Rs. in million)	
	March 31, 2022	March 31, 2021
Deferred tax liability		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	(4,030.32)	(5,051.14)
Fair valuation of borrowings at inception and subsequently recorded at amortized cost	(18.60)	(21.73)
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	28.07	42.12
Losses / unabsorbed depreciation available for offsetting against future taxable income	3,871.85	4,748.23
Others	149.00	87.22
Total	-	(195.30)



7(b) Income Tax

The Company is subject to income tax in India on the basis of financial statements.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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

Profit or loss section

- (a) Current tax
(b) Deferred tax (credit) / charge (net)

Total taxes

OCI section

Deferred tax related to items recognised in OCI during in the year:

Re-measurement (losses) / gains on defined benefit plans

(Rs. in million)	
March 31, 2022	March 31, 2021
-	-
(195.39)	(206.88)
(195.39)	(206.88)
(0.09)	(0.77)
(0.09)	(0.77)

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

(Loss) / profit before tax

Computed tax charge on applicable tax rates in India

Tax effect on permanent differences

Others

Total tax expenses

(Rs. in million)	
March 31, 2022	March 31, 2021
(682.34)	(840.16)
(171.73)	(211.45)
1.99	6.01
(25.65)	(1.44)
(195.39)	(206.88)

Note:

1. In the absence of virtual certainty that sufficient future taxable income would be available against which deferred tax assets can be realised, the Company has recognised deferred tax assets only to the extent of deferred tax liability as at March 31, 2022.

8 Other assets

Capital advances

Unsecured, considered good

Advances other than capital advances

Unsecured, considered good

Receivable from related parties (refer note 30)

Receivable from others

Advances other than capital advances which have significant increase in credit risk

Advances other than capital advances

Less: Advances other than capital advances which have significant increase in credit risk

Other advances (Unsecured, considered good)

Prepaid expenses

Balance with statutory / government authorities

Total other assets

(Rs. in million)			
Non-current		Current	
March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
-	0.44	-	-
(A) -	0.44	-	-
-	-	1.01	1.01
-	-	951.31	171.74
-	-	952.32	172.75
-	-	9.10	9.10
-	-	9.10	9.10
-	-	(9.10)	(9.10)
(B) -	-	952.32	172.75
6.62	16.55	62.05	71.47
0.64	3.60	-	-
(C) 7.26	20.15	62.05	71.47
(A+B+C) 7.26	20.59	1,014.37	244.22

9 Inventories (valued at lower of cost and net realizable value)

Raw materials

Goods in transit

Stores and spares (net of provision for inventory obsolescence of Rs. 34.19 million (March 31, 2021: Rs. 2.40 million))

Total inventories

(Rs. in million)	
March 31, 2022	March 31, 2021
68.81	27.10
23.31	26.83
283.47	314.73
375.59	368.66



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10. Trade receivables
Carried at amortised cost

Unsecured, considered good

Receivable from related parties (refer note 30)
Other trade receivables

(Rs. in million)	
March 31, 2022	March 31, 2021
2,501.61	1,809.10
4,026.21	4,625.78
(A) 6,527.82	6,434.88

Trade receivables which have significant increase in credit risk

Receivable from related parties (refer note 30)
Other trade receivables

153.88	-
108.11	96.75
(B) 261.99	96.75

Impairment allowance (allowance for bad and doubtful debts)

Receivable from related parties which have significant increase in credit risk (refer note 30)
Other trade receivables which have significant increase in credit risk

(153.88)	-
(108.11)	(96.75)
(C) (261.99)	(96.75)
(A+B+C) 6,527.82	6,434.88

Total trade receivables

Receivable from related parties:

GETL

2,501.61	1,809.10
2,501.61	1,809.10

Receivable from related parties which have significant increase in credit risk

Receivable from related parties

153.88	-
153.88	-

Less: Receivable from related parties which have significant increase in credit risk

(153.88)	-
2,501.61	1,809.10

Total receivable from related parties

2,501.61	1,809.10
----------	----------

Notes:

a. Trade receivables carries interest and are generally on terms up to 30 days.

b. 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. Also refer note 30.

c. The Company has claimed compensation for various "change in law" events including coal cost pass through, fly ash transportation, duties and taxes, carrying cost etc. from its customers under the Power Purchase Agreements ('PPA') and filed petitions with the regulatory authorities for settlement of such claims in favour of the Company. Based on certain interim favourable orders by Central Electricity Regulatory Commission ('CERC') the management is confident of settlement of claims (including interest thereon) made by the Company in its favour and has accordingly accounted Rs. 10,262.37 million till the period ended March 31, 2022 (including Rs. 1,035.28 million accounted during the year ended March 31, 2022). The Company has trade receivables and unbilled revenue of Rs. 7,621.39 million as at March 31, 2022. The management of the Company based on its internal assessment and certain interim favourable regulatory orders, is of the view that the aforesaid balances are fully recoverable as at March 31, 2022 and accordingly, has not made any adjustments in the Ind AS financial statements for the year ended March 31, 2022.

d. The Company received notices from one of its customer disputing payment of capacity charges of Rs 1,320.06 million for the period March 23, 2020 to June 30, 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. The Company responded and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer was of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof. Also, the PPA with the customer expired in June 2020. Further, during the year ended March 31, 2021, the Company filed petition with CERC for settlement of the dispute. During the quarter ended March 31, 2022, the said petition was decided in favour of the Company vide CERC order dated January 20, 2022 wherein CERC directed the customer to pay the aforesaid outstanding capacity charges along with delayed payment surcharge within 60 days from the date of the aforesaid order. The customer has filed an appeal against the said CERC order with Appellate Tribunal for Electricity ('APTEL') and the matter is pending conclusion. The management of the Company based on its internal assessment, legal expert advice, petition filed with CERC and favourable order received thereof, is of the view that the aforesaid capacity charges are fully recoverable and accordingly has not made any adjustments in the Ind AS financial statements of the Company for the year ended March 31, 2022.

e. Expected credit loss allowance

At the beginning of the year

Provision made during the year

Utilised / (reversed) during the year

At the end of the year

(Rs. in million)	
March 31, 2022	March 31, 2021
96.75	37.35
165.24	59.40
-	-
261.99	96.75

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10.1. Trade receivables ageing schedule (excluding unbilled revenue)

As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payments					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	957.34	2,082.75	-	-	-	-	3,040.09
Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables-considered good	55.33	92.40	27.79	1,433.72	743.32	1,135.17	3,487.73
Disputed Trade receivables-which have significant increase in credit risk	-	7.73	3.62	-	94.04	156.60	261.99
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total	1,012.67	2,182.88	31.41	1,433.72	837.36	1,291.77	6,789.81

As at March 31, 2021

Particulars	Current but not due	Outstanding for following periods from due date of payments					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	808.55	598.27	-	-	-	-	1,406.82
Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables-considered good	84.93	435.67	1,574.42	1,158.31	1,406.49	368.24	5,028.06
Disputed Trade receivables-which have significant increase in credit risk	-	-	-	22.25	74.50	-	96.75
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
TOTAL	893.48	1,033.94	1,574.42	1,180.56	1,480.99	368.24	6,531.63

11. Cash and cash equivalents

	(Rs. in million)			
	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balances with banks	-	-	76.05	95.55
- On current accounts	-	-	0.01	0.02
Cash on hand	-	-	-	-
(A)	-	-	76.06	95.57
Other bank balances	890.12	147.86	-	-
-Restricted balances with banks ¹	(B)	890.12	147.86	-
Amount disclosed under other financial assets (refer note 6)	(890.12)	(147.86)	-	-
(C)	(890.12)	(147.86)	-	-
Total	(A+B+C)	-	76.06	95.57

1. Restricted balances with banks includes deposits in relation to debt service reserve account, margin money deposits that are pledged by the Company with the lenders against long-term and short-term borrowings and other credit facilities availed by the Company

2. Balances with banks on current accounts does not earn interest.

3. For the purpose of statement of cash flows, cash and cash equivalents is same as above.

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12. Equity Share Capital

Authorised share capital:

Equity shares of Rs. 10 each

As at April 01, 2020
Increase/(decrease) during the year
As at March 31, 2021
Increase/(decrease) during the year
As at March 31, 2022

Equity Shares		Preference Shares	
Number (in million)	(Rs. in million)	Number (in million)	(Rs. in million)
900.00	9,000.00	200.00	2,000.00
-	-	-	-
900.00	9,000.00	200.00	2,000.00
-	-	-	-
900.00	9,000.00	200.00	2,000.00

a. Issued share capital

(i) Equity shares of Rs. 10 each issued, subscribed and fully paid (refer note 30)

As at April 01, 2020
Changes during the year
As at March 31, 2021
Changes during the year
As at March 31, 2022

Number (in million)	(Rs. in million)
870.00	8,700.00
-	-
870.00	8,700.00
-	-
870.00	8,700.00

(ii) 0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference shares ('CCPS') (refer note 30)

As at April 01, 2020
Changes during the year
As at March 31, 2021
Changes during the year
As at March 31, 2022

Number (in million)	(Rs. in million)
170.01	1,700.08
-	-
170.01	1,700.08
-	-
170.01	1,700.08

b. Terms/rights attached to equity shares

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

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

c. Terms/rights attached to 0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference Shares (CCPS):

During the year ended March 31, 2019, the Company converted 75,000,000 NCPS of Rs. 10/- each fully paid-up at par aggregating to Rs. 750.00 million in to 75,000,000 number of 0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference Shares ('CCPS') of Rs. 10 each fully paid up at par aggregating to Rs. 750.00 million.

Further, during the year ended March 31, 2019, pursuant to the approval of the Board of Directors, the Company had issued 95,008,060 CCPS of Rs. 10/- each at a premium of Rs. 2.42/- per share to GMR Energy Limited (total face value of Rs. 950.08 Million) by way of conversion of the sub-ordinated debts and inter-corporate deposits.

CCPS carries preferential dividend at the rate of 0.001% p.a. subject to availability of profits and lenders' consent. The preferential dividend is non-cumulative and shall be due only when declared by the Board of Directors. Each CCPS shall have one vote at the meeting of CCPS holders.

Further, in case the dividend on CCPS is not paid for two years or more, the holders of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Company (including the holders of equity shares) in terms of section 47 of the Companies Act, 2013.

Each CCPS will be converted into equity shares at any time at the option of the holder of CCPS or the Company. Subject to compliance with applicable laws, each CCPS shall automatically be converted into equity shares at the expiry of 15 years from the CCPS respective issue dates.

d. Shares held by Holding /Ultimate Holding Company and/ or their subsidiaries/ associates.

Out of the equity share issued by the Company, share held by its Holding Company are as below:

Name of Shareholder

GMR Energy Limited - Holding Company¹⁰⁴
Equity shares of Rs. 10 each, fully paid up

GMR Energy Limited - Holding Company
0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference Shares (CCPS)

March 31, 2022		March 31, 2021	
No. of shares held (in million)	(Rs. in million)	No. of shares held (in million)	(Rs. in million)
870.00	8,700.00	870.00	8,700.00
170.01	1,700.08	170.01	1,700.08

e. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder

GMR Energy Limited - Holding Company¹⁰⁴
Equity shares of Rs. 10 each, fully paid up

GMR Energy Limited - Holding Company
0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference Shares (CCPS)

March 31, 2022		March 31, 2021	
No. of shares held (in million)	% holding in class	No. of shares held (in million)	% holding in class
870.00	100.00%	870.00	100.00%
170.01	100.00%	170.01	100.00%

¹⁰⁴Including 6 shares held by nominees of GMR Energy Limited ('GEL')
[#] Promoter as per Section 2(69) of the Companies Act, 2013

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

g. Shares reserved for issue under option:

For details of shares reserved for issue on conversion of CCPS, please refer note 12 (c).

h. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.
Refer note 12 (c)

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13. Other equity

		(Rs. in million)
Debt redemption reserve¹	(A)	187.50
As at April 01, 2020		187.50
As at March 31, 2021		187.50
As at March 31, 2022		
Securities premium²	(B)	229.92
As at April 01, 2020		229.92
As at March 31, 2021		229.92
As at March 31, 2022		
Retained earnings³	(C)	(6,407.61)
Balance as at April 01, 2020		(633.28)
(Loss)/ profit for the year		2.28
Add: Other comprehensive income / (loss) for the year		(7,038.61)
Balance as at March 31, 2021		(486.95)
(Loss)/ profit for the year		(5.13)
Add: Other comprehensive (loss) / income for the year		(7,530.69)
Balance as at March 31, 2022		
0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference shares ('CCPS') (refer notes 12(c) and 30)	(D)	1,700.08
As at April 01, 2020		1,700.08
As at March 31, 2021		1,700.08
As at March 31, 2022		
Total other equity	(A+B+C+D)	(4,290.11)
Balance as at April 01, 2020		(4,921.11)
Balance as at March 31, 2021		(5,413.19)
Balance as at March 31, 2022		

1. The Company had issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create Debt Redemption Reserve ('DRR') out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued over the life of the debentures issued.

2. Securities premium is used to record the premium on issue of shares and is utilised in accordance with provisions of the Companies Act, 2013.

3. Retained earnings are profits / (losses) of the Company till date net of appropriations

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14 Financial liabilities - Borrowings (at amortised cost)

	(Rs. in million)			
	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Long-term borrowings				
Debentures				
750 (March 31, 2021: 750) Non-convertible debentures of Rs.1,000,000 each (secured) ^{1,8}	-	-	750.00	748.24
Term loans				
From banks				
Indian rupee term loans (secured) ^{2,3(a),3(b),3(c),3(d),7,8}	23,369.47	25,350.20	4,083.83	2,562.02
From financial institutions				
Indian rupee term loans (secured) ^{4,7,8}	-	129.87	230.31	250.00
Others				
Loan from a related party (unsecured) (refer note 30) ⁹	-	-	59.20	-
Short-term borrowings				
Cash credit loans from banks (secured) ^{3,7,8,9}	-	-	2,699.73	3,222.33
Total financial liabilities - borrowings	23,369.47	25,480.07	7,823.07	6,782.59
The above amount includes				
Secured borrowings	23,369.47	25,480.07	7,763.87	6,782.59
Unsecured borrowings	-	-	59.20	-

1. During the year ended March 31, 2015, the Company had issued 750 secured, rated, listed, redeemable, Non Convertible Debentures (NCD) of the face value of Rs. 1,000,000/- each which are listed on Bombay Stock Exchange. The secured NCD carries coupon rate of 14.40% per annum (March 31, 2021: 12.00%) payable semi-annually including an additional coupon rate to the extent of 0.25% p.a. payable for every notch below agreed rating of NCD.

Apart from the securities mentioned in note 14(7) below, these debentures are secured by way of (i) pledge of shares of at least 51% of the total equity shareholding together with all accretions thereon of the Company held by the Holding Company (ii) corporate guarantee of the Holding Company (iii) pledge of 37.50 million shares of GMR Bajoli Holi Hydropower Private Limited ('GBHHPL') held by the Holding Company. The securities as stated in note 14(7) shall rank pari-passu inter-se amongst the rupee term loan lenders, working capital lenders and bond holders as per the base case business plan as approved by the lenders. These debentures are redeemable in 3 equal instalments commencing from September 2022. However, the said NCD are covered under the Resolution Plan as detailed in note 14(10) below which is pending conclusion as on the adoption date of these Ind AS financial statements.

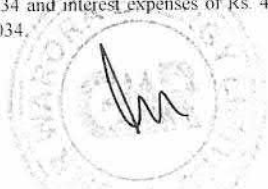
2. Indian rupee term loan from banks of Rs. 25,503.33 million (March 31, 2021: Rs. 25,942.67 million) carries interest @ Lead Banker's 6 months Marginal Cost of Funds based Lending Rates ('MCLR') plus spread of 3.80% p.a. (March 31, 2021: Lead Banker's 1 Year MCLR plus spread of 3.15% p.a.) and interest is payable on a monthly basis. Apart from the securities mentioned in note 14(7) below, these Indian rupee term loans are secured by way of pledge of shares of at least 51% of the total equity shareholding together with all accretions thereon of the Company held by the Holding Company. 72% of the loan was repayable in fifty four structured quarterly instalments commencing June, 2016 and ending on September 30, 2029 and remaining 28% of loan was repayable in a single bullet by way of refinancing in September, 2029.

During the year ended March 31, 2021, the Reserve Bank of India ('RBI') granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution during the period March 2020 till August 2020 ('RBI Moratorium Relief'). Accordingly, with respect to principal repayments, the revised repayment schedules were drawn and the tenor of the aforesaid loans was increased by six months, i.e., up to March 2030, except for one bank wherein the tenor was increased by three months i.e. up to December 2029. Further, interest expenses of Rs. 1,503.70 million for the said moratorium period was converted into Funded Interest Term Loans (FITL) and is payable in two equal quarterly instalments at the end of the tenor of the loan.

3(a). Indian rupee term loan from a bank of Rs. 165.84 million (March 31, 2021: Rs. 168.65 million) carries interest @ lender's 1 Year MCLR plus spread of 4.05% p.a. (March 31, 2021: lender's 1 Year MCLR plus spread of 4.05% p.a.) and interest is payable on a monthly basis. The loan was repayable in 20 equal quarterly instalments commencing from July 31, 2016 and ending on April 30, 2021. Pursuant to the RBI Moratorium Relief as stated in note 14(2) above, the revised repayment schedules were drawn and the tenor of the aforesaid loan was increased by 6 months i.e., up to October 31, 2021 and interest expenses of Rs. 16.72 million was converted into FITL which was payable in equal quarterly instalments commencing from October 31, 2020 and ending on October 31, 2021.

3(b). Indian rupee term loan from a bank of Rs. 832.72 million (March 31, 2021: Rs. 843.95 million) carries interest @ base rate of lender plus spread of 4.15% p.a. (March 31, 2021: base rate of lender plus spread of 4.15% p.a.) and interest is payable on a monthly basis. The loan was repayable in 31 structured quarterly instalments commencing from September 30, 2017 and ending on March 31, 2025. Pursuant to the RBI Moratorium Relief as stated in note 14(2) above, the revised repayment schedules were drawn and the tenor of the aforesaid loan was increased by 6 months i.e., up to September 30, 2025 and interest expenses of Rs. 51.07 million was converted into FITL which is payable in quarterly instalments commencing from September 30, 2020 and ending on September 30, 2025.

3(c). Indian rupee term loan from a bank of Rs. 951.41 million (March 31, 2021: Rs. 956.95 million) carries interest @ base rate of lender plus spread of 2.30% p.a. (March 31, 2021: base rate of lender plus spread of 2.30% p.a.) and interest is payable on a monthly basis. The loan was repayable in 74 structured quarterly instalments commencing from June 30, 2016 and ending on March 31, 2034. Pursuant to the RBI Moratorium Relief as stated in note 14(2) above, the revised repayment schedules were drawn and the tenor of the aforesaid loan was increased by 6 months i.e., up to September 30, 2034 and interest expenses of Rs. 49.73 million was converted into FITL which is payable in quarterly instalments commencing from September 30, 2020 and ending on September 30, 2034.



14. Financial liabilities - Borrowings (at amortised cost) (Contd.)

3(d). Apart from the securities mentioned in note 14(7) below, the above loans mentioned in paras 3(a), 3(b) and 3(c) are secured by first ranking pari passu or subservient charge/ mortgage /hypothecation over the below described assets in favour of lender or security trustee, as applicable:

- (i) exclusive pledge of equity shares of GIL such that the shares pledge provides a cover of 2.0 times over the outstanding loan amount,
- (ii) pledge of shares of at least 23% of the total equity shareholding together with all accretions thereon of the Company held by the Holding Company,
- (iii) pledge of 26% of the equity shares of GMR Vemagiri Energy Limited ('GVPGIL') held by the Holding Company.

4. Indian rupee term loan from a financial institution of Rs. 230.31 million (March 31, 2021: Rs. 379.87 million) carries interest @ rate of 13.00% p.a. (March 31, 2021: 13.00% p.a.) and interest is payable on a monthly basis. Apart from the securities mentioned in note 14(7) below, these Indian rupee term loans are secured by way of pledge of shares of at least 51% of the total equity shareholding together with all accretions thereon of the Company held by the Holding Company. The loan was repayable in 20 equal quarterly instalments commencing from June 30, 2017 and ending on March 31, 2022. Pursuant to the RBI Moratorium Relief as stated in note 14(2) above, the revised repayment schedules were drawn and the tenor of the aforesaid loan was increased by 6 months i.e., up to September 30, 2022 and interest expenses of Rs. 30.31 million was converted into FTTL which is payable in two equal quarterly instalments on June 30, 2022 and September 30, 2022.

5. Apart from the securities mentioned in note 14(7) below, Cash Credit loans from bank are secured by way of pledge of shares of at least 51% of the total equity shareholding together with all accretions thereon of the Company held by the Holding Company. Cash Credit Loans are repayable on demand and carries an interest rate ranging between 11.10% to 11.75% (March 31, 2021: 11.10% to 11.75%).

6. During the year ended March 31, 2022, the Company has taken unsecured term loan from a related party amounting to Rs. 59.20 million, carrying interest @ 8.50% p.a and is payable along with principal. The aforesaid loan is repayable on demand.

7. The above borrowings are secured by way of:

- (i) first pari-passu charge by way of mortgage on all immovable properties (owned and leased subject to provisions of extant laws in relation to Revenue Land) together with all the buildings and structures and appurtenances thereon, present and future, of the Company, pertaining to the project.
- (ii) first pari-passu charge by way of hypothecation of all the Company's movable property including movable plant and machinery, spares, tools, accessories, furniture, fixtures, vehicles and other movable assets both present and future of the Borrower pertaining to the Project.
- (iii) first charge cum assignment of all project related documents, contracts, rights, interests, insurance policies, permits/approvals and all benefits incidental to the project.
- (iv) first charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future, intangibles, goodwill, present and future of the Company.
- (v) first charge by way of hypothecation on all the current assets of the Company present and future.
- (vi) first charge on all the Project's bank accounts including but not limited to DSRA and the Trust & Retention Account (TRA) opened in a designated bank, where all cash inflows of the Project shall be deposited and all proceeds shall be utilised in a manner that the priority is decided by the lenders.
- (vii) first charge cum assignment of all the Company's rights and interests under Letter of Credit or such other security to be provided by the procurer of power under the terms of the PPA in favour of the Company, guarantee or performance bond provided by any party for any contract in favour of the Company pertaining to the Project.

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14. Financial liabilities - Borrowings (at amortised cost) (Contd.)

8. During the years ended March 31, 2022 and March 31, 2021, the Company defaulted in the principal repayment and payment of interest, details of which are as under:

During the year ended March 31, 2022

(Rs. in million)					
Nature of borrowing including debt securities	Name of lender	Amount not paid on due date (in INR million)	Amount unpaid as on balance sheet date (in INR million)	Whether principal or interest	No. of days delay or unpaid
Indian rupee term loan from banks	State Bank of India	870.00	690.00	Principal	0-365 days
Indian rupee term loan from banks	Union Bank of India	617.04	487.46	Principal	
Indian rupee term loan from banks	Punjab National Bank	312.52	261.72	Principal	
Indian rupee term loan from banks	UCO Bank	196.80	156.08	Principal	
Indian rupee term loan from banks	Bank of Baroda	141.53	113.93	Principal	
Indian rupee term loan from banks	Punjab & Sind Bank	104.75	83.08	Principal	
Indian rupee term loan from banks	ICICI Bank Limited	319.19	298.64	Principal	
Indian rupee term loan from a financial institution	IFCI Limited	250.00	100.00	Principal	
Debentures	IFCL Asset Management Company Limited	750.00	750.00	Principal	
Indian rupee term loan from banks	State Bank of India	1,413.33	1,222.90	Interest	
Indian rupee term loan from banks	Union Bank of India	937.36	805.66	Interest	
Indian rupee term loan from banks	Punjab National Bank	518.87	442.66	Interest	
Indian rupee term loan from banks	UCO Bank	322.76	279.09	Interest	
Indian rupee term loan from banks	Bank of Baroda	214.09	184.89	Interest	
Indian rupee term loan from banks	Punjab & Sind Bank	153.61	130.27	Interest	
Indian rupee term loan from banks	ICICI Bank Limited	262.43	226.66	Interest	
Indian rupee term loan from a financial institution	IFCI Limited	42.31	7.58	Interest	
Debentures	IFCL Asset Management Company Limited	108.03	108.03	Interest	
Cash credit loan from banks	Bank of Baroda	38.26	35.78	Interest	
Cash credit loan from banks	Union Bank of India	33.64	26.78	Interest	
Cash credit loan from banks	UCO Bank	23.67	22.30	Interest	

During the year ended March 31, 2021

(Rs. in million)					
Nature of borrowing including debt securities	Name of lender	Amount not paid on due date (in INR million)	Amount unpaid as on balance sheet date (in INR million)	Whether principal or interest	No. of days delay or unpaid
Indian rupee term loan from banks	State Bank of India	510.00	180.00	Principal	0-365 days
Indian rupee term loan from banks	Union Bank of India	367.13	129.57	Principal	
Indian rupee term loan from banks	Punjab National Bank	183.20	64.66	Principal	
Indian rupee term loan from banks	UCO Bank	115.36	40.72	Principal	
Indian rupee term loan from banks	Bank of Baroda	90.98	30.33	Principal	
Indian rupee term loan from banks	Punjab & Sind Bank	61.41	21.67	Principal	
Indian rupee term loan from banks	ICICI Bank Limited	172.22	20.55	Principal	
Indian rupee term loan from a financial institution	IFCI Limited	150.00	50.00	Principal	
Indian rupee term loan from banks	State Bank of India	579.49	190.43	Interest	
Indian rupee term loan from banks	Union Bank of India	331.75	122.62	Interest	
Indian rupee term loan from banks	Punjab National Bank	207.12	72.15	Interest	
Indian rupee term loan from banks	UCO Bank	112.29	43.67	Interest	
Indian rupee term loan from banks	Bank of Baroda	78.42	28.90	Interest	
Indian rupee term loan from banks	Punjab & Sind Bank	60.81	24.19	Interest	
Indian rupee term loan from banks	ICICI Bank Limited	64.64	39.11	Interest	
Indian rupee term loan from a financial institution	IFCI Limited	25.94	8.15	Interest	
Cash credit loan from banks	Bank of Baroda	4.47	2.48	Interest	
Cash credit loan from banks	Union Bank of India	10.63	6.85	Interest	
Cash credit loan from banks	UCO Bank	4.62	1.38	Interest	

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14. Financial liabilities - Borrowings (at amortised cost) (Contd.)

9. The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

Inventories			
Quarter ending	Value per books of account (in INR million)	Value per quarterly return/statement (in INR million)	Discrepancies
June 30, 2021	468.35	829.80	The difference is on account of the details being submitted on the basis of provisional books of accounts. Adjustments pertaining to inventory capitalised, provisioning on stock, goods in transit etc are done only on finalization of Ind AS financial results/ Ind AS financial statements.
September 30, 2021	403.11	754.94	
December 31, 2021	365.02	730.09	
March 31, 2022	375.59	786.52	

Trade and other receivables			
Quarter ending	Value per books of account (in INR million)	Value per quarterly return/statement (in INR million)	Discrepancies
June 30, 2021	6,879.93	6,886.91	The difference is on account of the details being submitted on the basis of provisional books of accounts. Adjustments pertaining to provision for doubtful debts etc are done only on finalization of Ind AS financial results/ Ind AS financial statements.
September 30, 2021	6,606.48	6,697.78	
December 31, 2021	7,615.20	7,628.57	
March 31, 2022	7,657.21	7,744.47	

Security deposits and Advances other than capital advances			
Quarter ending	Value per books of account (in INR million)	Value per quarterly return/statement (in INR million)	Discrepancies
June 30, 2021	333.00	319.31	The difference is on account of the details being submitted on the basis of provisional books of accounts. Adjustments pertaining to reconciliation with vendors, provision for advances, adjustments of payables against advances etc are done only on finalization of books of Ind AS financial results/ Ind AS financial statements.
September 30, 2021	603.70	595.08	
December 31, 2021	458.66	463.73	
March 31, 2022	1,064.96	1,128.06	

Trade payables			
Quarter ending	Value per books of account (in INR million)	Value per quarterly return/statement (in INR million)	Discrepancies
June 30, 2021	1,457.94	802.64	The discrepancies are primarily on account of exclusion of payables to certain related parties and period end provisions.
September 30, 2021	1,317.02	845.99	
December 31, 2021	1,069.93	584.90	
March 31, 2022	888.10	421.18	

10. The RBI had issued the Resolution Framework for COVID-19 related stress vide its Circular dated August 6, 2020 "Resolution Framework for COVID-19 related stress". The Company has been facing financial stress due to COVID- 19 pandemic and other factors as detailed in notes 1.1, 10(c) and (d) and accordingly had invoked the aforesaid Resolution Framework by obtaining requisite approvals of majority of lenders as per the guidelines issued by the RBI on December 30, 2020 in respect of all the borrowing facilities (including fund based, non-fund based and investment in non-convertible debentures) availed by the Company as on the invocation date. In this regard, all the lenders of the Company had entered into an Inter Creditors Agreement ("ICA") on January 21, 2021 and a resolution plan was to be implemented within 180 days from the invocation date in accordance with the framework issued by the RBI. Considering that the proposed resolution plan did not meet certain minimum rating criteria under Resolution Framework for COVID-19 related stress, the said resolution process failed during the quarter ended June 30, 2021. Further most of the borrowing facilities of the Company had become Special Mention Account-2/Non Performing Assets, accordingly resolution process under Prudential Framework for Resolution of Stressed Assets, as prescribed by the RBI on June 07, 2019 was invoked on June 29, 2021 by default and Inter Creditors Agreement by majority of lenders was executed on July 27, 2021.

The initial timeline for implementation of Resolution plan had expired on January 24, 2022. However, the lenders in the consortium meeting dated February 24, 2022 principally agreed to proceed with the Resolution Plan. The Lead lender issued a sanction letter dated April 05, 2022 for restructuring of loan facilities. As per the RBI circular as stated above, a minimum approval of lenders representing 75% by value of total outstanding loan facilities and 60% of Lenders by number is required for approval of Resolution Plan. The management confirms that the lenders are in advanced stage of implementation of Resolution Plan and the process of obtaining internal approval by majority of the lenders are currently in progress and hence the Company has not made any adjustments to the Ind AS financial statements for the year ended March 31, 2022 with regard to the said Prudential Framework for resolution of stressed assets and are also confident of obtaining the waiver from compliance of Financial Covenants which are waived for two years from the date of implementation of Resolution Plan as stated above.

11. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

12. Also, refer note 33(c)(iv).

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15 Other financial liabilities

(Rs. in million)	
Current	
March 31, 2022	March 31, 2021
Other financial liabilities recognised at amortised cost	
Interest accrued on borrowings (refer note 14 (8) and 30)	3,494.34
Accrued salaries and benefits (refer note 30)	89.88
Payable towards capital goods (including retention money) - related parties (refer note 30)	33.53
Payable towards capital goods (including retention money) - others (including Rs. 20.07 million (March 31, 2021: Rs. 12.07 million) as dues of micro enterprises and small enterprises) (refer note 18(2))	612.22
Total other financial liabilities	4,229.97
	1,326.77

16 Net employee defined benefit liabilities

Provision for employee benefits:
Provision for gratuity (refer note 31)

(Rs. in million)			
Non-current		Current	
March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
6.22	0.59	6.53	4.24
6.22	0.59	6.53	4.24

17 Provisions

Provision for employee benefits
-Provision for compensated absences

Provision for asset retirement obligation/ decommissioning liability¹

(Rs. in million)			
Non-current		Current	
March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
-	-	59.09	55.38
65.71	60.96	-	-
65.71	60.96	59.09	55.38

Note:

1. Details of rebates and asset retirement obligation/ decommissioning liability

As at April 01, 2020

Provision utilised/reversed during the year

Notional interest on account of unwinding of financial liabilities

As at March 31, 2021

Notional interest on account of unwinding of financial liabilities

As at March 31, 2022

Balances as at March 31, 2021

Non-current

Balances as at March 31, 2022

Non-current

(Rs. in million)
Provision for asset retirement obligation / decommissioning liability
56.56
4.40
60.96
4.75
65.71
60.96
65.71

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18 Financial liabilities - Trade payables

Carried at amortised cost

Total outstanding dues of micro enterprises and small enterprises^{1,2}

Total outstanding dues of creditors other than micro enterprises and small enterprises¹

The above amount includes:

Trade payables to related parties (refer note 30)

Trade payables to others

1. Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing

- For explanations on the Company's credit risk management processes, refer note 33

- The dues to related parties are unsecured

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

Disclosure as per the MSMED Act, 2006

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:

- Principal amount due to micro and small enterprises (Includes Rs. 20.07 million (March 31, 2021) Rs. 12.07 million) disclosed under other financial liabilities: payable towards capital goods - others)

- Interest thereon

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.

The amount of interest accrued and remaining unpaid at the end of each accounting year.

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.

(Rs. in million)	
Current	
March 31, 2022	March 31, 2021
97.64	55.27
790.46	1,122.47
888.10	1,177.74
506.80	515.94
381.30	661.80
888.10	1,177.74

(Rs. in million)	
Current	
March 31, 2022	March 31, 2021
117.71	67.34
5.74	6.79
-	-
2.14	2.57
7.88	9.36
26.35	18.47

18.1. Trade Payables Ageing Schedule

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	16.75	63.16	17.71	0.02	-	97.64
Total outstanding dues of creditors other than micro enterprises and small enterprises	113.50	349.70	74.24	4.01	227.97	769.42
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	21.04	-	-	-	-	21.04
Total	151.29	412.86	91.95	4.03	227.97	888.10

As at March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	2.99	52.02	0.19	0.07	-	55.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	111.07	580.91	37.83	147.24	224.38	1,101.43
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	21.04	-	-	-	-	21.04
Total	135.10	632.93	38.02	147.31	224.38	1,177.74

19 Other liabilities

Advances from customers

Statutory dues payable

Total other liabilities

(Rs. in million)	
Current	
March 31, 2022	March 31, 2021
0.32	0.44
27.05	39.09
27.37	39.53

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20 Revenue from operations

Income from sale of electrical energy (refer notes 10(c), 10(d) and 39)

(Rs. in million)	
March 31, 2022	March 31, 2021
12,994.04	14,773.27
12,994.04	14,773.27

- Sale of electrical energy is net of prompt payment rebate of Rs. 35.15 million (March 31, 2021 Rs. Nil)

Notes to revenue from operations:

a) Income from sale of electrical energy is recognised net of cash discount / rebates over time for each unit of electricity delivered.

b) Reconciliation of revenue recognised in the statement of profit and loss with contracted price

Particulars	(Rs. in million)	
	March 31, 2022	March 31, 2021
Income from sale of electrical energy		
Add: Rebates	12,994.04	14,773.27
Total Revenue as per Contracted Price	13,029.19	14,773.27

c) Contract balances:

Particulars	(Rs. in million)	
	March 31, 2022	March 31, 2021
Trade receivables		
- Current (gross)		
- Impairment allowance	6,789.81	6,531.63
	(261.99)	(96.75)
Contract assets		
Unbilled revenue		
- Current (gross)		
- Impairment allowance	1,162.86	761.99
	(69.29)	(49.61)
Contract liabilities		
Advance from customers		
- Current		
	0.32	0.44

Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

21 Other income

Delayed payment surcharge on overdue trade receivables (refer note 30)
Interest income on bank deposits
Provisions / liabilities no longer required, written back
Gain on account of foreign exchange fluctuations (net)
Net gain on de-recognition of right-of-use assets and lease liabilities (refer note 32)
Miscellaneous income

(Rs. in million)	
March 31, 2022	March 31, 2021
1,048.63	-
10.07	5.89
1.84	11.29
-	14.71
-	8.39
27.78	19.97
1,088.32	60.25

22 Consumption of fuel

Inventory at the beginning of the year (including Goods in transit)
Add: Purchases
Less: Inventory at the end of the year (including Goods in transit)

(Rs. in million)	
March 31, 2022	March 31, 2021
53.93	913.83
7,771.30	7,583.02
7,825.23	8,496.85
(92.12)	(53.93)
7,733.11	8,442.92

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23 Employee benefit expenses

Salaries, wages and bonus
Contribution to provident and other funds
Gratuity expenses (refer note 31)
Staff welfare expenses

(Rs. in million)	
March 31, 2022	March 31, 2021
405.78	375.00
25.65	25.05
4.36	4.66
5.40	2.67
441.19	407.38

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

24 Finance costs

Interest expenses (refer notes 14, 30 and 32(1))
Other borrowing costs

(Rs. in million)	
March 31, 2022	March 31, 2021
3,794.18	3,824.86
33.59	80.99
3,827.77	3,905.85

25 Depreciation and amortisation expenses

Depreciation of property, plant and equipment (refer note 3)
Depreciation of right-of-use assets (refer note 32)
Amortisation of intangible assets (refer note 4)

(Rs. in million)	
March 31, 2022	March 31, 2021
1,170.60	1,182.82
4.00	11.88
2.80	3.21
1,177.40	1,197.91

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26 Transmission charges

Transmission and distribution charges (net of reimbursement as stated below)⁽ⁱ⁾ (refer note 30)

(Rs. in million)	
March 31, 2022	March 31, 2021
456.79	740.65
456.79	740.65

Note:

(i) The Company has a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power for an aggregate contracted capacity of 200 MW. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed the Company to construct separate lines for evacuation of power through State Transmission Utility ('STU') though the Company was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, the Company preferred an appeal with Appellate Tribunal for Electricity ('APTEL'). APTEL vide its interim Order dated February 11, 2014 directed the Company to start scheduling the power from the Company's bus bar and bear transmission charges of inter-state transmission system towards supply of power. The Company in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 8, 2015 upheld the Company's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by the Company as per its interim order. Accordingly, as at March 31, 2022, the Company has raised claim of Rs 6,163.31 million towards reimbursement of transmission charges from March 17, 2014 till March 31, 2022. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and the matter is pending conclusion. Pursuant to notification No. L-1/250/2019/CERC, the transmission charges is being directly billed to the respective customers (DISCOMS) by Power Grid Corporation of India Limited and accordingly the Company has not received transmission charges related invoices for the period December 2020 to March 2022. Though there is a change in the invoicing mechanism, the final obligation towards the transmission charges will be decided based on the order of the Hon'ble Supreme Court of India as stated above.

In view of the favourable Order from APTEL, rejection of stay petition of MSEDCL by the Hon'ble Supreme Court of India, receipt of substantial amounts towards reimbursement of transmission charges and legal expert advice, the Company has recognized the reimbursement of transmission charges of Rs. 6,163.31 million from March 17, 2014 to March 31, 2022 (including Rs. 47.52 million for the year ended March 31, 2022) as reduction in the cost of transmission in the Statement of profit and loss. Further the cost of transmission charges as stated with effect from December 2020 is directly invoiced by Power Grid Corporation of India Limited to DISCOMS and has been disclosed as contingent liability pending the final outcome of the matter in the Hon'ble Supreme Court of India.

27 Other expenses

(Rs. in million)	
March 31, 2022	March 31, 2021
Repairs and maintenance (refer note 30)	433.63
Legal and professional fees (includes payment to auditor (refer details below) and (refer note 30))	490.89
Consumption of stores and spares	190.84
Insurance	127.06
Rates and taxes	152.74
Impairment allowance (including trade advances written off Rs. 16.43 million (March 31, 2021 : Nil)) (refer note 30)	96.68
Lease rent (refer notes 30 and 32)	53.80
Corporate social responsibility expenses (refer notes 30 and 36)	46.86
Electricity and water expenses (refer note 30)	10.61
Loss on account of foreign exchange fluctuations (net)	4.85
Loss on disposal / sale of property, plant and equipment (net)	209.06
Miscellaneous expenses	124.78
Total other expenses	7.51
	12.95
	7.90
	23.88
	19.81
	21.09
	14.69
	-
	0.04
	1.66
	27.81
	28.27
	1,128.44
	978.97

a) Payment to auditors (exclusive of applicable taxes)

As auditor:

Audit fee (including fees for internal controls over financial reporting and quarterly limited reviews)

In other capacity

Other services (including certification fees)

Reimbursement of expenses

(Rs. in million)	
March 31, 2022	March 31, 2021
3.50	3.00
-	2.20
0.14	0.21
3.64	5.41

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28. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit / (loss) for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. Further, equity shares that will be issued upon mandatory conversion of CCPS are included in the calculation of basic EPS from the date the contract is entered into.

Diluted EPS is calculated by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential ordinary shares into equity shares.

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Face value of equity shares (Rs. per share)	10	10
(Loss)/ profit attributable to equity shareholders (Rs. In million)	(486.95)	(633.28)
Weighted average number of equity shares (including CCPS) for calculation of:		
Basic EPS (Numbers in million)	1,040.01	1,040.01
Diluted EPS (Numbers in million)	1,040.01	1,040.01
Earning per share (EPS)		
(a) Basic EPS (in Rs. per share)	(0.47)	(0.61)
(b) Diluted EPS (in Rs. per share)	(0.47)	(0.61)

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29. Significant accounting judgements, estimates and assumptions

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

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include impairment of non-financial assets including property, plant and equipment, provision for employee benefits and other provisions, recoverability of deferred tax assets, revenue recognition from change in law and coal pass through and realisation thereof, commitments and contingencies, useful life of property, plant and equipment.

(i) Significant judgements

a. Going concern assessment

The Company has incurred losses during the year, which has resulted in substantial erosion of the Company's net worth and its current liabilities exceed its current assets. For the reasons stated in note 1.1, the Ind AS financial statements continues to be prepared on a going concern basis.

b. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount of property, plant and equipment is higher of its fair value less costs of disposal and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. The valuation assessment includes certain key assumptions such as fully utilizing the capacity of 200 MW after expiry of new PPA with one of the customers in July 2023, conclusion and timely realisation of claims with Discoms currently under dispute for various change in law events as detailed in note 10(c) and (d) above, enhancement in the operational performance of the plant including ramp up in generation and availability of coal with higher gross calorific value at competitive rates, decline in interest rates, restructuring of loans as detailed in note 14(10). Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets.

c. Revenue recognition and receivables thereof

The Company is eligible for claims under various Change in Law events which are having cost implications on generation and supply of power such as duties and taxes, incremental cost of power generation, etc., due to purchase of alternative coal in terms of frame work of Power Purchase Agreements entered by the Company with various Discoms and carrying cost thereof. Such claims are accounted 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 or final closure of the matter with the customers. The recognition and measurement of such claims on account of change in law events and carrying costs thereof, involves management judgement and estimation of operational / cost parameters based on qualitative parameters and are subject to final acceptance of the claims by the respective Discoms.

The Company estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in note 33.

d. Approval of the Resolution Plan by the Lenders and restructuring of borrowings and interest thereof

The RBI had issued the Resolution Framework for COVID-19 related stress vide its Circular dated August 6, 2020 "Resolution Framework for COVID-19 related stress". Refer note 14(10) for details.

ii) 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.

a. Taxes

Deferred tax assets for unutilised tax losses and tax depreciation are recognised to the extent that it is probable that taxable profit will be available against which the same can be utilised. 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. Deferred tax asset is recognised to the extent of the corresponding deferred tax liability. Refer note 7 for further disclosures.

b. 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 determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

Further details about gratuity obligations are given in note 31.

c. 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.

d. Useful lives of property, plant and equipment

In case of the power plant assets, useful life of the components of property, plant and equipment take into account the nature of the assets, the estimated usage of the asset, the operating condition of the asset, anticipated technological changes, manufacturer warranties and maintenance support. Further, depreciation on components is provided based on the useful life of each such component based on technical assessment, if materially different from that of the main asset.



30. Related parties

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
Enterprises that control the Company: Ultimate Holding Company Holding Company	GMR Enterprises Private Limited [GEPL] GMR Energy Limited [GEL]
Transactions with enterprises that jointly control the Holding Company and its subsidiaries and joint ventures / associates where transactions have taken place during the current year / previous year.	GMR Power and Urban Infra Limited [GPUIL] (Parent of Holding Company from January 01, 2022) (refer notes below) GMR Infrastructure Limited [GIL] (Parent of Holding Company until December 31, 2021) (refer notes below) Raxa Security Services Limited [RSSL] GMR Corporate Affairs Private Limited [GCAPL] GMR Energy Trading Limited [GETL] GMR Coal Resources PTE Limited [GCRPL] Delhi International Airport Limited [DIAL] GMR Infrastructure (Singapore) PTE Limited [GISPL] GMR Power Corporation Limited [GPCL] GMR Pochanpalli Expressways Limited [GPEL] GMR Kamalanga Energy Limited [GKEL]
Enterprise where key management personnel or their relative exercise significant influence and where transactions have taken place during the year / previous year.	GMR Varalakshmi Foundation [GVF]
Key management personnel and their relatives.	Mr. Srinivas Bommidala - Managing Director [resigned w.e.f. January 05, 2022] Mr. Ashis Basu - Whole Time Director Mr. Sanjay Narayan Barde - Whole Time Director Mr. Dhananjay Vasant Rao Deshpande - Whole Time Director Mrs. Meena Raghunathan - Director [resigned w.e.f. November 21, 2020] Mrs. Kavitha Gudapati - Director [appointed w.e.f. February 20, 2021] Mr. Subodh Kumar Goel - Independent Director Dr. Mundayat Ramachandran - Independent Director Mr. Srinivasachari Rajagopal - Director Mr. Ashish Vinay Deshpande - Chief Financial Officer Mr. Nirjhar Sarkar - Group Chief Financial Controller [resigned w.e.f. August 31, 2021] Mr. Nikhil Dujari - Group Chief Financial Officer [appointed w.e.f. May 11, 2021] Mr. Sanjay Kumar Babu - Company Secretary

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30. Related parties (Contd.)

30 b) Summary of transactions and outstanding balances with above related parties are as follows:

Particulars	(Rs. in million)	
	March 31, 2022	March 31, 2021
i) Delayed payment surcharge on overdue trade receivables		
- GETL	637.36	-
ii) Payment of lease rentals (including electricity charges)		
- DIAL	-	12.95
iii) Repairs and maintenance (including coal handling expenses)		
- GEL	172.26	221.36
iv) Legal and professional fees		
- GIL	52.25	52.77
- GPUIL	25.28	-
v) Income from sale of electrical energy		
- GETL	6,108.46	8,173.97
vi) Corporate social responsibility expenses (refer note 36)		
- GVF	6.85	9.43
vii) Reimbursement of expenses to		
- GETL (transmission charges on open exchange sales)	114.96	326.15
viii) Proceeds from borrowings		
- GPUIL	59.20	-
ix) Payments made by related parties on behalf of the Company		
- GETL (logo fees payment to GEPL)	128.56	-
- GETL (servicing of principal and interest on loan)	118.00	-
x) Reimbursement of transmission charges from		
- GETL (transmission charges on PPA sales)	26.20	251.80
xi) Security service charges		
- RSSL	52.91	46.25
xii) Impairment allowance		
- GETL	176.06	49.61
- GCAPL	5.21	6.67
xiii) Net gain on de-recognition of right-of-use assets and lease liabilities		
- DIAL	-	8.39
xiv) Interest expenses		
- GPUIL	1.26	-
xv) Other expenses		
- GPEL (Nil (March 31, 2021: Rs. 9,310))	-	0.01
xvi) Expenses include the following remuneration to the Key Management Personnel		
a) Remuneration to key managerial personnel (short-term employee benefits)		
Mr. Srinivas Bommidala	32.61	29.13
Mr. Ashis Basu	23.72	22.20
Mr. Sanjay Narayan Barde	28.18	25.99
Mr. Dhananjay Vasantrao Deshpande	9.70	8.78
Mr. Nirjhar Sarkar	5.64	8.22
Mr. Nikhil Dujari	9.02	-
Mr. Ashish Vinay Deshpande	4.19	3.91
b) Sitting fees to Directors:		
Mr. Subodh Kumar Goel	0.18	0.17
Mr. Srinivasachari Rajagopal	0.09	0.09
Dr. Mundavat Ramachandran	0.19	0.17
Mrs. Kavitha Gudapati	0.02	-



30. Related parties (Contd.)

30 c) Outstanding balances as at the year ended:

		(Rs. in million)	
Particulars		March 31, 2022	March 31, 2021
i) Security deposits (net of impairment allowance)			
- GCAPL		10.00	15.21
- RSSL		3.39	3.39
- GETL		2.73	2.73
ii) Trade receivables (net of impairment allowance)			
- GETL		2,501.61	1,809.10
iii) Payable towards capital goods and retention money			
- GEL		19.57	17.23
- GIL		13.96	13.96
iv) Unbilled revenue (net of impairment allowance)			
- GETL		362.31	357.78
v) Transmission and other receivables (including other advances) (net of impairment allowance)			
- GKEL		-	2.56
- GETL		35.82	45.24
- GISPL		1.01	1.01
vi) Trade payables			
- GEL		76.40	59.87
- GVF		3.92	6.10
- GIL		289.85	237.61
- GPUIL		25.28	-
- RSSL		60.90	30.51
- GEPL		-	128.56
- GPCL		0.16	0.16
- DIAL		47.24	50.32
- GCRPL		2.72	2.48
- GREL		0.33	0.33
- GPEL (Rs. 1,149 (March 31, 2021: Rs. 1,149))		0.00	0.00
vii) Borrowings			
- GPUIL		59.20	-
viii) Interest accrued on borrowings			
- GPUIL		1.26	-
ix) Corporate Guarantees received from			
- GEL		750.00	750.00
x) Equity share capital			
- GEL		8,700.00	8,700.00
xi) CCPS			
- GEL		1,700.08	1,700.08
xii) Payable to key managerial personnel			
Mr. Srinivas Bommidala		19.40	19.40
Mr. GBS Raju		16.59	16.59
xiii) Accrued salaries and benefits			
Mr. Srinivas Bommidala		-	12.15
Mr. Ashis Basu		1.80	7.06
Mr. Sanjay Narayan Barde		1.80	8.21
Mr. Dhananjay Vasant Rao Deshpande		1.29	2.93
Mr. Nirjhar Sarkar		-	1.59
Mr. Ashish Vinay Deshpande		0.51	1.12

Notes:

- Remuneration to key managerial personnel does not include provision for gratuity, leave encashment expenses, superannuation and premium for personal accidental policy, as the same are determined for the Company as a whole.
- Certain assets and shares of related parties have been pledged against borrowings of the Company. Refer note 14.
- Certain Key management personnel have extended personal guarantees as security towards borrowings of the Company. Refer note 14.
- Refer note 31 for details of transfer of defined benefit obligation and plan assets by the Company to certain related parties on account of transfer of certain employees.
- Certain assets of the Company have been pledged against the borrowings of certain related parties.
- The Board of Directors of GIL and GMR Power Infra Limited ('GPIL') approved a Composite Scheme of Amalgamation and Arrangement for demerger of Engineering Procurement and Construction (EPC), urban infrastructure and energy business of GIL into GPUIL. The aforesaid scheme was approved by the Hon'ble National Company Law Tribunal on December 24, 2021 and was filed with the Registrar of Companies on December 31, 2021. As a result of aforesaid restructuring GPUIL becomes immediate parent of GEL, the Holding Company.

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31. Employee benefits

Defined benefit plan

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

The fund provides a capital guarantee of the balance accumulated and declares interest periodically that is credited to the fund account. Although we know that the fund manager invests the funds as per products approved by Insurance Regulatory and Development Authority of India and investment guidelines as stipulated under section 101 of Income Tax Act, the exact asset mix is unknown and not publicly available. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

i. Net benefit expenses (recognized in the statement of profit and loss)

(Rs in million)		
Particulars	March 31, 2022	March 31, 2021
Current service cost	4.03	4.34
Net interest cost on defined benefit obligations/ (assets)	0.33	0.32
Net benefit expenses	4.36	4.66

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

(Rs in million)		
Particulars	March 31, 2022	March 31, 2021
Actuarial loss / (gain) on obligations arising from changes in experience adjustments	4.84	(3.10)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(1.02)	-
Actuarial loss / (gain) arising during the year	3.82	(3.10)
Return on plan assets less / (greater) than discount rate	1.22	0.05
Actuarial loss / (gain) recognised in OCI	5.04	(3.05)

iii. Net defined benefit asset/ (liability)

(Rs in million)		
Particulars	March 31, 2022	March 31, 2021
Defined benefit obligation	(43.60)	(37.92)
Fair value of plan assets	30.85	33.09
Plan (liability)/ asset	(12.75)	(4.83)

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

(Rs in million)		
Particulars	March 31, 2022	March 31, 2021
Opening defined benefit obligation	37.92	37.63
Current service cost	4.03	4.34
Interest cost on the defined benefit obligation	2.47	2.49
Benefits paid	(3.24)	(2.10)
Acquisition (credit) / cost	(1.40)	(1.34)
Actuarial loss / (gain) on obligations arising from changes in experience adjustments	4.84	(3.10)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(1.02)	-
Closing defined benefit obligation	43.60	37.92

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

(Rs in million)		
Particulars	March 31, 2022	March 31, 2021
Opening fair value of plan assets	33.09	32.91
Interest income on plan assets	2.14	2.17
Contributions by employer	1.48	1.50
Benefits paid	(3.24)	(2.10)
Return on plan assets (lesser)/ greater than discount rate	(1.22)	(0.05)
Acquisition (credit) / cost	(1.40)	(1.34)
Closing fair value of plan assets	30.85	33.09

The Company expects to contribute Rs. 6.53 million (March 31, 2021: Rs. 4.24 million) towards gratuity fund in FY 2022-23.

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31. Employee benefits (Contd.)

vi. The following pay-outs are expected in future years:

(Rs in million)	
Particulars	March 31, 2022
March 31, 2023	6.53
March 31, 2024	8.68
March 31, 2025	3.17
March 31, 2026	2.89
March 31, 2027	3.88
March 31, 2028 to March 31, 2032	26.52

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2021: 10 years)

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

Particulars	March 31, 2022	March 31, 2021
Investments with insurer	100%	100%

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

Particulars	March 31, 2022	March 31, 2021
Discount rate (in %)	7.10%	6.80%
Salary escalation (in %)	6.00%	6.00%
Employee turnover	5.00%	5.00%
Mortality rate	Refer note 4 below	Refer note 4 below

Notes:

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

2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

4. As per Indian Assured Lives Mortality (2006-08) Ultimate (March 31, 2021: Indian Assured Lives Mortality (2006-08) Ultimate)

5. Plan characteristics and associated risks:

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

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

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

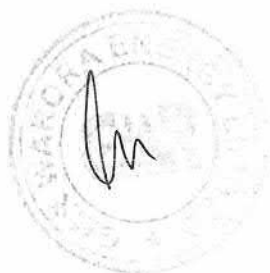
c. Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase,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

ix. A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

(Rs in million)		
	March 31, 2022	March 31, 2021
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(3.08)	(2.84)
Impact on defined benefit obligation due to 1% decrease in discount rate	3.58	3.31
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	3.37	3.13
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(3.01)	(2.74)
Attrition Rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	0.30	0.21
Impact on defined benefit obligation due to 1% decrease in attrition rate	(0.34)	(0.23)

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

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32. Lease, commitments and contingencies

I Leases

Operating lease: Company as a lessee

The Company has certain non-cancellable lease contracts in respect of leases for land and cancellable operating lease agreement for guest house and office spaces. Leases of land have lease term of 95 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are certain variable lease payments which are further discussed below.

The Company also has certain short-term leases for guest houses. The Company applies the 'short-term leases' recognition exemptions for these leases.

In case of land, the Company had been allotted lands under lease with a term of 95 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 service charges in the form of variable payments during the lease tenure. The lease can be further renewed for a period of 15 years.

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

	(Rs. in million)		
	Leasehold Land	Office Buildings	Total
Particulars	343.12	61.09	404.21
As at April 01, 2020 (refer note 3)	(4.00)	(7.88)	(11.88)
Depreciation expenses	-	(53.21)	(53.21)
De-recognition of right-of-use asset*	339.12	-	339.12
As at March 31, 2021	(4.00)	-	(4.00)
Depreciation expenses	335.12	-	335.12
As at March 31, 2022			

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

	(Rs. in million)	
	Lease rental	
Particulars	67.21	
As at April 01, 2020	3.89	
Accretion of interest	(9.50)	
Payments	(61.60)	
De-recognition of lease liability*	-	
As at March 31, 2021	-	
As at March 31, 2022	-	

*Lease arrangement with DIAL was terminated w.e.f. October 01, 2020. Accordingly, the Company derecognized the lease liability of Rs. 61.60 million and Right-of-use Assets of Rs. 53.21 million and recognized a gain of Rs. 8.39 million in the Statement of Profit and Loss during the year ended March 31, 2021.

The following are the amounts recognised in profit or loss:

	(Rs. in million)	
	March 31, 2022	March 31, 2021
Particulars	4.00	11.88
Depreciation expenses of right-of-use assets	-	3.89
Interest expense on lease liabilities	7.51	12.95
Expense relating to short-term leases (included in other expenses)	11.51	28.72
Total amount recognised in profit or loss		

The Company had total cash outflows for leases of Rs. 7.51 million (March 31, 2021: Rs. 22.45 million) in the year ended March 31, 2022.

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II Contingencies

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

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

Particulars	(Rs. in million)	
	As at	
	March 31, 2022	March 31, 2021
Bank guarantees outstanding	1,103.30	1,127.68
Matters relating to direct taxes under dispute ⁶	73.76	73.76
Others ^{2,3}	243.26	100.03

Others in addition to above

- The Company is subject to legal proceeding and claims relating to acquisition of land and other matters, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and is not carrying provisions for all the above mentioned amounts in its books of account, as the Company's management is confident of successfully litigating the matters and these are disclosed as contingent liability, where applicable in its Ind AS financial statements. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.
- The Company had experienced certain delays and incurred cost overruns in the completion of construction of transmission lines during the project phase. During the year ended March 31, 2017, the vendor had invoked arbitration clause under the contract and claimed damages of Rs 100.00 million (approximately). Based on internal legal assessment, the management of the Company is confident that the claims raised by the vendor is not tenable and hence no adjustments have been made in the Ind AS financial statements.
- During the year ended March 31, 2022, the Company has received a letter from Maharashtra Industrial Development Corporation ('MIDC') demanding recovery of Rs. 143.23 million towards retrospective increase in water rates from financial year 2017-18 to 2020-21. The Company filed a writ petition in the Bombay High Court (Nagpur Bench) against the said letter. The Bombay High Court granted an interim stay on the said matter subject to Company paying water charges at current rates and to pay arrears if the writ petition gets dismissed. The management of the Company based on its internal assessment, legal expert advice, petition filed with High Court is confident that the claims raised by the MIDC is not tenable and accordingly no adjustments have been made in the Ind AS financial statements in this regard.
- The aforesaid amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include similar demands for any subsequent years and further interest and penalty leviable, if any, at the time of final outcome of the appeals.
- The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The management is of the view that there are interpretative challenges on the application of the judgement retrospectively. In the absence of reliable measurement of the provision for earlier period/ years, the Company has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.
- Certain demands from the income tax authorities were set off against the brought forward business loss and depreciation of previous years which has not been disclosed above.
- Refer note 26 with regard to dispute with MSDDL on transmission charges pending the final outcome of the matter in the Hon'ble Supreme Court of India.
- The management believes that the ultimate outcome of the above matters will not have any material adverse effect on the Company's financial position and result of operations.

III Commitments

a. Capital commitments

Particulars	(Rs. in million)	
	As at	
	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	30.98	28.86
Other commitments	318.84	293.84

b. Other commitments

The Company has entered into fuel supply agreement whereby the Company has committed to purchase and supplier has committed to sell contracted quantity of fuel for defined period as defined in the fuel supply agreements.

The Company entered into PPAs with customers, pursuant to which it has committed to sell power of contracted capacity as defined in the respective PPAs, make available minimum PLF over the period of tariff year as defined in the respective PPAs. The PPAs contain provision for disincentives and penalties in case of certain defaults.

In terms of the prescribed new environmental norms notified as per Environment (Protection) Amendment Rules, 2015, GWEL is required to install the Flue Gas Desulphurization Systems (FGD) to control emission from the power plant by 2024.

Refer note 32 (I) for commitments related to lease arrangements.

Refer note 36 for commitments related to Corporate Social Responsibility expenses.



33. Disclosures on Financial instruments

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.2 (b) and 2.2 (c), to the Ind AS financial statements.

(a) Financial assets and liabilities

The management assessed that cash and bank balances, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Non-current financial assets and liabilities are discounted using an appropriate discounting rate where the time value of money is material. There are no financial instruments which are measured at fair value through statement of profit and loss or fair value through Other Comprehensive Income as at March 31, 2022 and March 31, 2021.

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2022 and March 31, 2021:

Particulars	(Rs. in million)	
	Carrying value and fair value	
	March 31, 2022	March 31, 2021
Financial assets		
Amortised cost		
(i) Investments (Rs. 2,500 (March 31, 2021: Rs. 2,500))	0.00	0.00
(ii) Trade receivables	6,527.82	6,434.88
(iii) Cash and cash equivalents	76.06	95.57
(iv) Other financial assets	2,138.62	1,071.39
Total assets	8,742.50	7,601.84
Financial liabilities		
Amortised cost		
(i) Borrowings	31,192.54	32,262.66
(ii) Trade payables	888.10	1,177.74
(iii) Other financial liabilities	4,229.97	1,326.77
Total liabilities	36,310.61	34,767.17

(b) Fair value hierarchy

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

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

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

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

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
At amortised cost				
March 31, 2022				
Non-current financial liabilities				
Borrowings	23,369.47	-	23,369.47	-
Current financial liabilities				
Borrowings	7,823.07	-	7,823.07	-
March 31, 2021				
Non-current financial liabilities				
Borrowings	25,480.07	-	25,480.07	-
Current financial liabilities				
Borrowings	6,782.59	-	6,782.59	-

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

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

(iii) Apart from the above table, there are no Level 1 and Level 2 items. There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2022 and March 31, 2021.

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33. Disclosures on Financial instruments (Contd.)**(c) Financial risk management objectives and policies**

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

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

i) Financial risk

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations towards operations and capital expenditure. The Company's principal financial assets include deposits, trade and other receivables and cash and cash equivalents derived from its operations.

The general risk management program of the Company focuses on the unpredictability of the financial markets and attempts to minimize their potential negative influence on the financial performance of the Company. The Company continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

ii) Market risk

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

The commodity exposure is mainly on account of fuel, a substantial part of which is a pass through cost as per the management and certain favourable court orders and hence the commodity price exposure is not likely to have a material financial impact on the Company.

(a) Market risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. Thus profits and cash flows from financing activities are dependent on market interest rates. Further, any decline in the credit rating of the Company will have an adverse impact on the interest rates.

The interest rate profile of the Company's interest-bearing financial instruments as reported by the management of the Company is as follows:

Particulars	(Rs. in million)	
	March 31, 2022	March 31, 2021
Fixed rate instruments:		
Financial liabilities	289.51	379.87
Variable rate instruments:		
Financial liabilities	30,903.03	31,882.79

Interest rate sensitivity

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

Particulars	(Rs. in million)	
	Increase in basis points	Effect on profit before tax
March 31, 2022		
INR	+50	(154.52)
	-50	154.52
March 31, 2021		
INR	+50	(159.41)
	-50	159.41

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

(b) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's investing and financing activities. The Company's exposure to foreign currency changes from operating activities is not material.

The following table shows foreign currency exposure at the end of reporting period.

Particulars	Currency	Amount in foreign currency (million)	Amount in Rs. (million)
Trade payables	USD	0.07 (0.07)	5.34 (4.99)
Other financial liabilities	USD	5.25 (5.25)	397.90 (383.83)

Notes:

I. Previous year's figures are shown in brackets above.



33. Disclosures on Financial instruments (Contd.)

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. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	(Rs. in million)
		Effect on profit / (loss) before tax
March 31, 2022	5%	20.16
March 31, 2021	5%	19.44

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2022 and March 31, 2021. The period end balances are not necessarily representative of the average debt outstanding during the period.

iii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, cash and cash equivalents and other financial assets of the Company.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 8,742.50 million and Rs. 7,601.84 million as at March 31, 2022 and March 31, 2021 respectively, being the total carrying value of investments, trade receivables, cash and cash equivalent and other financial assets of the Company.

Credit concentration:

As at March 31, 2022, 100% of trade receivables pertain to sales to State Distribution Companies under Long Term Power Purchase Agreement ("PPA") for sale of electrical energy directly or indirectly through a related party.

Expected Credit Loss (ECL)

The Company is having majority of receivables against sale of electrical energy to State Electricity Distribution Companies which are Government undertakings.

The Company is regularly receiving its normal power sale dues from Discoms and in case of any disagreement / amount under dispute, the same is recognised as per the binding regulatory orders which carries interest as per the terms of PPAs. Hence they are secured from credit losses in the future. Also refer notes 10(c) and 10(d) with regard to delay in receipts from customers and refer note 26 as regards dispute in relation to reimbursement of transmission charges from MSEDCCL.

With respect to trade receivables, unbilled revenue and other financial assets, the Company has constituted the terms to review the said balances on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables and receivables without any regulatory order based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

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

The following table summarises the changes in the loss allowance measured using expected credit loss:

Particulars	(Rs. in millions)	
	March 31, 2022	March 31, 2021
Opening balance	153.03	37.35
Amount provided/(reversed) during the year	192.63	115.68
Closing balance	345.66	153.03

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33. Disclosures on Financial instruments (Contd.)

iv) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposit, which carry no or low market risk.

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

Also refer note 14(10)

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value

Particulars	(Rs. in million)			
	0-1 years	1 to 5 years	> 5 years	Total
March 31, 2022				
Borrowings ^{1,2}	7,823.07	7,685.02	15,758.35	31,266.44
Other financial liabilities	4,229.97	-	-	4,229.97
Trade payables	888.10	-	-	888.10
	12,941.14	7,685.02	15,758.35	36,384.51
March 31, 2021				
Borrowings ^{1,2}	6,784.35	8,850.82	16,715.59	32,350.76
Other financial liabilities	1,326.77	-	-	1,326.77
Trade payables	1,177.74	-	-	1,177.74
	9,288.86	8,850.82	16,715.59	34,855.27

Notes:

1. The above excludes interest and other finance charges to be paid on the borrowings by the Company.

2. Reconciliation with carrying amounts:

	(Rs. in million)	
	As at March 31, 2022	As at March 31, 2021
Total amount repayable as per repayment terms	31,266.44	32,350.76
Less: Impact of recognition of borrowing at amortised cost using effective interest method	(73.90)	(88.10)
Net carrying value	31,192.54	32,262.66

3. Also refer notes 1.1 and 14(10)

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34. Capital management

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

The Company determines the amount of capital required on the basis of annual business plan and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term borrowings, issue of non-convertible debt securities.

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

Also refer note 14(10).

Particulars	(Rs. in million)	
	March 31, 2022	March 31, 2021
Borrowings (refer note 14)	31,192.54	32,262.66
Less: Cash and cash equivalents (refer note 11)	(76.06)	(95.57)
Total debts (A)	31,116.48	32,167.09
Capital components		
Equity share capital (refer note 12)	8,700.00	8,700.00
CCPS (refer note 12(c))	1,700.08	1,700.08
Other equity (excluding CCPS stated above) (refer note 13)	(7,113.27)	(6,621.19)
Total capital (B)	3,286.81	3,778.89
Capital and borrowings C= (A+B)	34,403.29	35,945.98
Gearing ratio (%) D= (A/C)	90.45%	89.49%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

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35 Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for Variance (March 2022 vs March 2021)
Current ratio	Current Assets	Current Liabilities	0.69	0.82	(15.85%)	Not applicable
Debt-Equity Ratio	Total borrowings (long-term borrowings and short-term borrowings)	Total equity (equity share capital + other equity)	9.49	8.54	11.16%	Not applicable
Debt Service Coverage ratio	Earnings before interest, tax, depreciation and amortization expenses (net of interest on bank deposits)	Debt service (finance costs plus principal repayments of long-term borrowings made during the period)	0.97	0.85	14.27%	Not applicable
Return on Equity ratio	Net profit after taxes	Average total equity	(0.14)	(0.15)	(10.88%)	Not applicable
Inventory Turnover ratio	Consumption of fuel plus consumption of stores and spares	Average of opening and closing balances of inventory	21.19	10.85	95.30%	Variance is primarily on account of decrease in average inventory balances during the year ended March 31, 2022
Trade Receivable Turnover Ratio	Revenue from operations	Average of opening and closing balances of trade receivables	2.00	2.70	(25.93%)	Variance is primarily on account of decrease in revenue
Trade Payable Turnover Ratio	Consumption of fuel plus transmission charges plus other expenses (net of impairment allowance (including trade advances written off), loss on account of foreign exchange fluctuations (net), rates and taxes and loss on disposal / sale of property, plant and equipment (net))	Average trade payables	8.79	6.86	28.26%	Variance is primarily on account of decrease in trade payables
Net Capital Turnover Ratio	Revenue from operations	Working capital = Current assets - Current liabilities	(3.12)	(8.71)	(64.20%)	Variance is primarily on account of decrease in revenue and decrease in working capital.
Net Profit ratio	Profit/ (loss) after tax	Revenue from operations	(0.038)	(0.043)	(12.50%)	Not applicable
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Net Worth + Total Debt + Deferred tax liability	0.08	0.08	(0.63%)	Not applicable
Return on Investment	Income generated from invested funds	Average invested funds	3.37%	3.91%	(13.80%)	Not applicable



36 Corporate Social Responsibility expenses

(a) Gross amount required to be spent by the Company during the year

(b) Amount spent during the year ending on March 31, 2022:

- (i) Construction/acquisition of any asset
(ii) On purposes other than (i) above

(c) Amount spent during the year ending on March 31, 2021:

- (i) Construction/acquisition of any asset
(ii) On purposes other than (i) above

(d) Details related to spent/ unspent obligations:

- (i) Contribution to related party / third parties
(ii) Unspent amount in relation to:
- Ongoing project
- Other than ongoing project

(Rs. in million)	
March 31, 2022	March 31, 2021
7.90	23.88

In cash	Yet to be paid in cash	Total
7.90	-	7.90

In cash	Yet to be paid in cash	Total
5.48	18.40	23.88

(Rs. in million)	
March 31, 2022	March 31, 2021
7.90	5.48
-	18.40
7.90	23.88

Details of ongoing project

In case of S. 135(6) (Ongoing Project)					
Opening Balance		Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c	Amount required to be spent during the year	From Company's Bank A/c	From Separate CSR Unspent A/c	
-	18.40	7.90	7.90	8.21	10.19

37 The Company has received a whistle blower complaint from one of the vendors with an allegation that the bidding process carried out by the Company is unfair. The Company based on the past performance and several recurring statutory and other non-compliances decided against renewing the term of service for the aforesaid vendor. The management based on the aforesaid facts, was of the view that the complaint is frivolous in nature and advised to drop the aforesaid matter without any further investigation.

38 Segment Information:

The Company's activities during the year mainly revolve around power generation and related activities. Considering the nature of Company's business and operations, as well as based on reviews of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS 108 "Operating Segments" prescribed under Companies (Indian Accounting standards) Rules, 2015. The Company's operations are mainly confined within India and as such there are no reportable geographical segments.

39 As at March 31, 2022 the amount payable in foreign currency to certain vendors of USD 5.25 million is outstanding for more than 3 years. The Company is in the process of filing necessary documents with the RBI and is confident that such delays will not require any adjustments to the Ind AS financial statements of the Company for the year ended March 31, 2022.

40 Other Statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the years ended March 31, 2022 and March 31, 2021.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as: search or survey or any other relevant provisions of the Income Tax Act, 1961).

41 MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial period starting April 01, 2021.



- 42 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the Ind AS financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.
- 43 Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

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

Sandeep Kaman
per Sandeep Kaman
Partner
Membership number: 061207



Place: Bengaluru
Date: May 05, 2022



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

S. S. Deshpande
Santav Basak Narayan
Director
DIN: 03140784
Dhananjay Vasantao Deshpande
Whole-time Director
DIN: 07663196
Ashwin Vinay Deshpande
Chief Financial Officer
Sanjay Kungur Babu
Company Secretary
Membership Number F-8649

Place: Warora, Maharashtra
Date: May 05, 2022