

Independent Auditor's Report

To the Members of GMR Energy Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of GMR Energy Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

- 3.(a) As mentioned in 4(2) to the accompanying standalone financial statements for the year ended 31 March 2023, the Company's carrying value of investment in GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL'), a subsidiary of the Company is Rs. 1,908.25 million (net of provision for diminution of Rs 4,135.60 million) as at 31 March 2023 [Rs. 2,840.30 million as at 31 March 2022 (net of provision for diminution of Rs. 3,199.62 million)]. Since 07 May 2014, GBHPL has stopped the construction of the 300 MW hydro-based power plant on Alaknanda river, Uttarakhand on the directions of the Hon'ble Supreme Court of India ('the Supreme Court'). The carrying value of the investments in GBHPL is significantly dependent on obtaining requisite approvals from Supreme court, environmental clearances, availability of funding support for development and construction of the aforesaid power plant and achievements of the other key assumptions made in the valuation assessment done by an external expert.
- (b) As mentioned in 4(4) to the accompanying standalone financial statements for the year ended 31 March 2023, the Company's carrying value of investment, loans and accrued interest thereon in GMR Kamalanga Energy Limited ('GKEL'), a subsidiary of the Company aggregates to Rs. 17,591.55 million (net of provision for diminution of Rs. 8,460.27 million) as at 31 March 2023 [Rs. 12,564.14 million as at 31 March 2022 (net of provision for diminution of Rs. 12,420.04 million)]. The Company has reversed the impairment provision amounting to Rs. 4,351.10 million during the year ended 31 March 2023. GKEL has significant accumulated losses which has resulted in substantial erosion of net worth. The management has measured the investment's carrying value in GKEL including reversal of impairment provision in the current year ended 31 March 2023 as mentioned above based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, amongst other key assumptions and the uncertainty and the final outcome of the litigations with the capital creditors as regards claims against GKEL.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandlok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

Accordingly, owing to the aforementioned uncertainties as also described further in the said notes to the accompanying standalone financial statements, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the loans (including accrued interest) and non-current investments in aforementioned subsidiaries as at 31 March 2023, and the consequential impact on the accompanying standalone financial statements including reversal of impairment provision recorded during the year ended 31 March 2023.

The opinion expressed by us, vide our audit report dated 09 May 2022, for the year ended 31 March 2022 was also qualified in respect of abovementioned matters.

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

Material Uncertainty Related to Going Concern

5. We draw attention to note 1.1 to the accompanying standalone financial statements which indicates that the Company has incurred cash losses during the year and net loss before tax and exceptional items of Rs.1,975.84 million during the year ended 31 March 2023, the accumulated losses amount to Rs. 72,231.95 million which have resulted in substantial erosion of net worth of the Company and the current liabilities exceed the current assets by Rs. 15,837.40 million as at the balance sheet date. As further disclosed in aforesaid note, there have been delays in repayment of principal and interest in respect of its borrowings during the year ended 31 March 2023. These events and conditions together indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. However, based on financial support committed by a significant shareholder, GMR Power and Urban Infra Limited ('GPUIL') to fund the construction and development stage entities, continuation of outstanding loans and corporate guarantee received from GPUIL and other mitigating factors as mentioned in the note 1.1, the management is of the view that going concern basis of accounting is appropriate for preparation of the standalone financial statements. Our opinion is not modified in respect of this matter.

Emphasis of Matters

6. (i) Recoverability of investments

- a) We draw attention to note 4(3) and note 6 to the accompanying standalone financial statements, regarding the investment (including promoter contribution as further described in Note 4(3)) made by the Company in GMR Warora Energy Limited ('GWEL'), a subsidiary of the Company amounting to Rs. 5,969.98 million (net of provision for diminution of Rs. 6,996.73 million) as at 31 March 2023. The recoverability of such investment and promoter contribution is dependent upon various claims and other receivables of GWEL, which are pending settlement / realization as at 31 March 2023, capacity utilization of plant in future years and certain other key assumptions as considered in the valuation performed by an external expert.

The above claims also include dispute pertaining to recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by GWEL. GWEL has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by GWEL. However, based on the Order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 08 May 2015, currently contested by MSEDCL in the Supreme Court and pending conclusion, GWEL has accounted for reimbursement of such transmission charges in the Statement of Profit and Loss amounting to Rs. 6,163.31 million for the period from 17 March 2014 to 31 March 2023 and transmission charges invoiced directly to MSEDCL by Power Grid Corporation Limited for the period December 2020 to March 2023 as contingent liability, as further described in aforesaid note.



Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

The management of the Company, based on its internal assessment, legal opinion, certain interim favourable regulatory orders and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment and promoter contribution in GWEL is appropriate and accordingly, no adjustments have been made in the accompanying standalone financial statements for the year ended 31 March 2023.

- b) We draw attention to Note 4(9) to the accompanying standalone financial statements, regarding the investment made by the Company in GMR Bajoli Holi Hydropower Private Limited ('GBHHPL'), a joint venture of the Company amounting to Rs. 2,635.83 million (net of provision for diminution of Rs. 1,914.00 million) as at 31 March 2023. The recoverability of such investment is dependent upon achievement of future business plans of GBHHPL and recoverability of a capital advance outstanding for Rs 2,693.00 million as at 31 March 2023 in the near future given to the contractor for the project, which along with other claims and counter claims, is pending for arbitration before the Arbitral Tribunal.

The management of the Company, based on its internal assessment, legal opinion and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment of the Company in GBHHPL is appropriate and accordingly, no adjustments have been made in the accompanying standalone financial statements for the year ended 31 March 2023.

(ii) Dispute in relation to interest income

We draw attention to note 20 to the accompanying standalone financial statements for the year ended 31 March 2023 in connection with interest income recognised by the Company in financial year ended 31 March 2022 pursuant to the Hon'ble Supreme Court Order dated 30 March 2022 amounting to Rs. 593.89 million, out of which Rs. 341.98 million has been disputed by the electricity supply companies. The management of the Company, based on the Hon'ble Supreme Court's Order, its internal assessment and external legal opinion, is of the view that the aforesaid interest income is appropriately calculated basis Hon'ble Supreme Court Order and thereby recoverable from the aforesaid electricity supply companies.

Our opinion is not modified in respect of the above matters.

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

7. The Company's Board of Directors are responsible for the other information. The other information does not include the standalone financial statements and our auditor's report thereon.

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

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

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

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance

Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

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

9. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
12. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone 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 standalone 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;



Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

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

Report on Other Legal and Regulatory Requirements

14. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
15. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section, 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) Except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) The matters described in paragraph 3 under Basis for Qualified Opinion section, paragraph 6 under the Emphasis of Matter section and paragraph 5 under Material uncertainty related to Going concern section, 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;
 - h) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed a modified opinion; and
 - 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. Except for the possible effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section, the Company, as detailed in note 31(II) to the standalone financial statements, has disclosed the impact of pending litigations on its standalone financial position as at 31 March 2023;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;



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Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
- iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 44(a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 44(b) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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 performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2023; and
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Manish Agrawal

Partner

Membership No.: 507000

UDIN: 23507000BGYERM2165



Place: New Delhi

Date: 08 May 2023

Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2023

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 report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.
- (B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company (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 standalone financial statements are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Mangalore and Kakinada with gross carrying values of Rs 81.72 million and Rs 15.57 million as at 31 March 2023, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. Further, the Company does not hold any intangible assets.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) The Company has made investments in and provided loans to Subsidiaries during the year as per details given below:

Particulars	Loans (Rs in million)
Aggregate amount provided/granted during the year:	
- Subsidiaries	692.42
Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries	692.42



Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2023 (Cont'd)

- (b) The Company has not provided any guarantee or given any security or granted any advances in the nature of loans during the year. However, the Company has made investment in 2 entities amounting to 943.17 million (year-end balance 943.17 million) and granted loans to 7 entities amounting to 692.42 million (year-end balance 692.42 million) and in our opinion, and according to the information and explanations given to us, such investments made and loans provided are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal has not been stipulated and accordingly, we are unable to comment as to whether the repayments of principal are regular. Further, no interest is receivable on such loans.
- (d) In the absence of stipulated schedule of repayment of principal and payment of interest in respect of loans or advances in the nature of loans, we are unable to comment as to whether there is any amount which is overdue for more than 90 days. Reasonable steps have been taken by the Company for recovery of such principal amounts and interest.
- (e) In respect of loans granted by the Company, the schedule of repayment of principal has not been stipulated. Further, no interest is receivable on such loans. According to the information and explanation given to us, such loans have not been demanded for repayment as on date.
- (f) The Company has granted loans which are repayable on demand or without specifying any terms or period of repayment, as per details below:

Particulars	Related Parties (₹ in million)
Aggregate of loans/advances in nature of loan	
- Repayable on demand (A)	-
- Agreement does not specify any terms or period of repayment (B)	92.42
Total (A+B)	92.42
Percentage of loans/advances in nature of loan to the total loans	100%

- (iv) The Company has not entered into any transaction covered under section 185 of the Act. As the Company is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sub-section (1) of section 186 in respect of investments, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including 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 material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2023 (Cont'd)

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(₹ in million)

Name of the statute	Nature of dues	Gross Amount (₹ in million)	Amount paid under Protest (₹ in million)	Period to which amount relates	Forum where dispute is pending
Andhra Pradesh Electricity Duty Act, 1939	Electricity duty	110.62	-	June 2010 to December 2011	Hon'ble High Court of Judicature, Andhra Pradesh

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

- (ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings to any lender or in the payment of interest thereon, except for the below:

(₹ in million)

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid till the date of audit report	Remarks, if any
Term Loan	Yes Bank Limited	2,305.61 201.12	Principal Interest	09-89 26-89	These defaults have been made good by the Company during the year. There are no defaults as on 31 March 2023.
Term Loan	Life Insurance Corporation of India (LIC)	1,166.50 70.57	Principal Interest	21 11-80	

- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures, except for the following:



Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2023 (Cont'd)

(₹ in million)

Nature of fund taken	Name of lender	Amount involved	Name of the subsidiary	Relation	Nature of transaction for which funds were utilized
Non-current borrowings	GMR Power and Urban Infra Limited	600.00	GMR Warora Energy Limited	Subsidiary	Promoter contribution given in accordance with the implementation of resolution plan of GMR Warora Energy Limited.

- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint ventures companies.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

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Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of GMR Energy Limited on the standalone financial statements for the year ended 31 March 2023 (Cont'd)

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has two CICs as part of the Group.

- (xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 2,155.43 million and 1,603.59 million respectively. For the purpose of reporting under this clause, while arriving at the amount of cash losses, the possible effects of the qualification(s) as described in 'Basis for Qualified Opinion' sections of the audit report on the standalone financial statements for the current year and the audit report on the standalone financial statements of the immediately preceding financial year issued by us, in respect of which we are unable to determine the effect thereof on the cash losses reported under this clause due to lack of necessary information, have not been taken into consideration.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, in our opinion, material uncertainty exists as on the date of the audit report with respect to Company's capability 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. Further, refer paragraph 5 under section 'Material uncertainty related to going concern' in our audit report. We, however, state that this is not an assurance as to the future viability of the company. We further state that 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) According to the information and explanations given to us, the Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Manish Agrawal

Partner

Membership No.: 507000

UDIN: 23507000BGYERM2165



Place: New Delhi

Date: 8 May 2023

Annexure B to the Independent Auditor's Report of even date to the members of GMR Energy Limited, on the standalone financial statements for the year ended 31 March 2023

Annexure B

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

1. In conjunction with our audit of the standalone financial statements of GMR Energy Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to standalone financial statements.



Annexure B to the Independent Auditor's Report of even date to the members of GMR Energy Limited, on the standalone financial statements for the year ended 31 March 2023 (Cont'd)

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements as at 31 March 2023:

The Company's internal financial control system towards estimating the carrying value of its investment, loans and accrued interest in certain subsidiaries as more fully explained in note 4(2) and 4(4) to the standalone financial statements were not operating effectively due to uncertainties in the judgments and assumptions made by the Company in such estimations, which could result in the Company not providing for adjustments, if any, that may be required to the carrying values of loans (including accrued interest), non-current investments and its consequential impact on the accompanying standalone financial statements including reversal of impairment provision recorded during the year ended 31 March 2023.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to the standalone financial statements were operating effectively as at 31 March 2023.




Walker Chandiok & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of GMR Energy Limited, on the standalone financial statements for the year ended 31 March 2023 (Cont'd)

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2023, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

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


Manish Agrawal
Partner
Membership No.: 507000
UDIN: 23507000BGYERM2165



Place: New Delhi
Date: 08 May 2023

GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Standalone Balance Sheet as at 31 March 2023
(All amounts in Rs. millions unless otherwise stated)

	Note	31 March 2023	31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	97.83	97.86
Financial assets			
(i) Investments	4	32,726.31	30,910.69
(ii) Loans	5	1,031.57	907.06
(iii) Other financial assets	6	633.06	131.09
Other non-current assets	10	-	-
Non-current tax assets (net)	7	3.48	2.77
Total of non-current assets		34,492.25	32,049.47
Current assets			
Financial assets			
(i) Trade receivables	8	113.59	96.60
(ii) Cash and cash equivalents	9A	3.77	10.02
(iii) Bank balances other than (ii) above	9B	56.90	25.66
(iv) Other financial assets	6	345.72	667.82
Current-tax assets (net)	7	3.52	33.23
Other current assets	10	7.66	60.36
Total of current assets		531.16	893.69
Total of assets		35,023.41	32,943.16
Equity and liabilities			
Equity			
Equity share capital	11	36,069.03	36,069.03
Other equity	12	(22,149.79)	(22,733.30)
Total of equity		13,919.24	13,335.73
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	4,626.88	7,848.87
(ii) Lease liabilities	31(I)	108.73	107.17
Total of non-current liabilities		4,735.61	7,956.04
Current liabilities			
Financial liabilities			
(i) Borrowings	13	11,864.71	8,534.03
(ii) Lease liabilities	31(I)	0.88	0.89
(iii) Trade payables	15		
(A) Total outstanding dues of micro enterprise and small enterprises		22.78	38.75
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		140.14	275.70
(iv) Other financial liabilities	16	3,920.45	2,770.72
Other current liabilities	17	416.70	27.18
Provisions	18	2.90	4.12
Total of current liabilities		16,368.56	11,651.39
Total liabilities		21,104.17	19,607.43
Total of equity and liabilities		35,023.41	32,943.16

Summary of significant accounting policies and other explanatory information. 2.3

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

This is the Standalone Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's registration number: 001076N/N500013

Manish Agrawal

Partner

Membership Number: 50700



Place: New Delhi
Date: 8 May 2023

For and on behalf of the board of directors
GMR Energy Limited

Srinivas Bommidala
Vice Chairman & Director
DIN: 00061464
Place: New Delhi
Date: 8 May 2023

Manoj Kumar Singh
Chief Financial Officer
Place: New Delhi
Date: 8 May 2023

Mr. Madhva Bhimacharya Terdal
Director
DIN: 05343139
Place: Bengaluru
Date: 8 May 2023

Sanjay Kumar Babu
Company Secretary - FCS 8649
Place: New Delhi
Date: 8 May 2023

Ashis Basu
Chief Executive Officer
Place: New Delhi
Date: 8 May 2023



GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Standalone Statement of Profit and Loss for the year ended 31 March 2023
 (All amounts in Rs. millions unless otherwise stated)

	Note	31 March 2023	31 March 2022
Continuing operations			
Income			
Revenue from operations	19	219.63	199.66
Other income	20	362.02	980.04
Total income		581.65	1,179.70
Expenses			
Sub-contracting expenses		181.99	170.35
Employee benefits expense	21	21.12	20.91
Finance costs	22	2,237.09	2,108.17
Depreciation expenses	23	0.03	0.06
Other expenses	24	117.26	190.00
Total expenses		2,557.49	2,489.49
Loss before tax expenses and exceptional items from continuing operations		(1,975.84)	(1,309.79)
Exceptional items	25	2,559.22	(1,477.62)
Profit/(loss) before tax expenses from continuing operations		583.38	(2,787.41)
Tax expenses of continuing operations			
Current income tax	26	-	-
Deferred tax		-	-
Profit/(loss) after tax expenses from continuing operations		583.38	(2,787.41)
Discontinued operations			
Loss from discontinued operations before tax expenses	27	-	(81.90)
Tax expense of discontinued operations		-	-
Loss after tax expenses from discontinued operations		-	(81.90)
Profit/(loss) for the year		583.38	(2,869.31)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plans		0.13	2.20
Income tax effect		-	-
Other comprehensive income for the year, net of tax		0.13	2.20
Total comprehensive income for the year		583.51	(2,867.11)
Earnings per equity share (Rs.) from continuing operations	28	0.16	(0.77)
Basic and diluted			
Earnings per equity share (Rs.) from discontinued operations	28	-	(0.02)
Basic and diluted			
Earnings per equity share (Rs.) from continuing and discontinued operations	28	0.16	(0.79)
Basic and diluted			
Summary of significant accounting policies and other explanatory information.	2.3		
The accompanying notes are an integral part of the standalone financial statements.			
This is the Standalone Statement of Profit and Loss referred to in our report of even date.			

For **Walker Chandio & Co LLP**
 Chartered Accountants
 Firm's registration number: 001076N/N500013

Manish Agrawal
 Partner
 Membership Number: 507000



Place: New Delhi
 Date: 8 May 2023

For and on behalf of the board of directors
GMR Energy Limited

Srinivas Bommidala
 Vice Chairman & Director
 DIN: 00061464
 Place: New Delhi
 Date: 8 May 2023

Manoj Kumar Singh
 Chief Financial Officer
 Place: New Delhi
 Date: 8 May 2023

Mr. Madhva Bhimacharya Teral
 Director
 DIN: 05343139
 Place: Bengaluru
 Date: 8 May 2023

Sanjay Kumar Babu
 Company Secretary - FCS 8649
 Place: New Delhi
 Date: 8 May 2023

Ashish Basu
 Chief Executive Officer
 Place: New Delhi
 Date: 8 May 2023




Particulars	31 March 2023	31 March 2022
A. Cash flow from operating activities		
Profit / (Loss) before tax from continuing operations	583.38	(2,787.41)
Loss before tax from discontinued operations	-	(81.90)
Profit/ (Loss) before tax	583.38	(2,869.31)
Adjustments for :		
Depreciation expenses	0.03	0.06
Provision for diminution in value of investments and loans (included in exceptional items)	(2,559.22)	1,477.62
Provision / liability no longer required written back	(60.45)	(145.62)
Provision towards impairment of capital work in progress	-	103.93
Impairment allowance on other than trade receivables	-	0.44
Provisions for employee benefits	(1.22)	0.43
Gain on account of foreign exchange fluctuations (net)	(156.04)	(3.25)
Loss on sale of property, plant and equipment (PPE) (net) / write off of PPE	-	(22.05)
Finance costs	2,237.09	2,108.17
Interest income on bank deposits and others	(132.68)	(154.49)
Interest income on income tax refunds	(11.30)	(10.11)
Operating (loss) / profit before working capital changes and other adjustments	(100.41)	485.82
Working capital changes and other adjustments:		
Other assets	52.70	4.18
Other financial assets	426.60	(667.10)
Trade receivables	(16.99)	(19.50)
Trade payables	(91.08)	(6.15)
Other financial liabilities	(97.71)	(30.94)
Other current liabilities	388.30	22.99
Cash used in operating activities before tax	561.41	(210.70)
Income taxes refunded (net)	40.30	57.88
Net cash flow from / (used in) operating activities	601.71	(152.82)
B. Cash flows from investing activities		
Proceeds from disposal of PPE	-	828.07
Proceeds from / (purchase of) non current investments (including share application money)	594.19	(1,491.40)
Investments of bank deposits (net)	(30.00)	84.75
Inter corporate deposits / unsecured loans/ refunded from subsidiaries and other companies	-	1,821.36
Inter corporate deposits / unsecured loans / promoter contribution given to subsidiaries and other companies	(692.35)	(98.18)
Interest received on bank deposits	2.43	15.13
Net cash (used in)/ flows from investing activities	(125.73)	1,159.73
C. Cash flows from financing activities		
Repayment of non current borrowings	(1,567.00)	(1,928.36)
Proceeds from non-current borrowings	3,019.88	5,611.26
Proceeds from current borrowings	3,835.57	1,101.37
Repayments of current borrowings	(5,179.76)	(4,675.75)
Payment of lease liabilities	(9.48)	(9.53)
Interest paid	(581.44)	(1,101.82)
Net cash used in financing activities	(482.23)	(1,002.83)
Net (decrease)/ increase in cash and cash equivalents	(6.25)	4.08
Cash and cash equivalents at the beginning of the year	10.02	5.94
Cash and cash equivalents at the end of the year	3.77	10.02
Cash and cash equivalent comprises of (refer note 9A):		
Cash on hand	0.07	0.17
Balances with banks in current accounts	3.70	9.85
	3.77	10.02

Note: The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

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

This is the Standalone Statement of Cash flow referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's registration number: 001076N/N500013


Manish Agrawal
Partner
Membership Number: 507000





Place: New Delhi
Date: 8 May 2023

For and on behalf of the board of directors
GMR Energy Limited


Srinivas Bommidala
Vice Chairman & Director
DIN: 00061464
Place: New Delhi
Date: 8 May 2023


Manoj Kumar Singh
Chief Financial Officer
Place: New Delhi
Date: 8 May 2023


Mr. Madhva Bhimacharya Teral
Director
DIN: 05343139
Place: Bengaluru
Date: 8 May 2023


Sanjay Kumar Babu
Company Secretary - FCS 8649
Place: New Delhi
Date: 8 May 2023


Ashis Basu
Chief Executive Officer
Place: New Delhi
Date: 8 May 2023



Equity share capital (refer note 11)

Particulars	Balance as at 1 April 2021	Issued during the year	Balance as at 31 March 2022	Issued during the year	Balance as at 31 March 2023
Number of shares	3,60,69,02,694	-	3,60,69,02,694	-	3,60,69,02,694
Amount	36,069.03	-	36,069.03	-	36,069.03

Other equity (refer note 12)

Particulars	Reserves and surplus					Total other equity attributable to equity holders of the Company
	General reserve	Securities premium	Other reserves arising on account of restructuring	Capital redemption reserve	Retained earnings	
As at 1 April 2021	318.05	37,427.02	12,051.84	285.25	(69,948.35)	(19,866.19)
Loss for the year	-	-	-	-	(2,869.31)	(2,869.31)
Other comprehensive income	-	-	-	-	2.20	2.20
Total comprehensive income	-	-	-	-	(2,867.11)	(2,867.11)
As at 31 March 2022	318.05	37,427.02	12,051.84	285.25	(72,815.46)	(22,733.30)
Profit for the year	-	-	-	-	583.38	583.38
Other comprehensive income	-	-	-	-	0.13	0.13
Total comprehensive income	-	-	-	-	583.51	583.51
As at 31 March 2023	318.05	37,427.02	12,051.84	285.25	(72,231.95)	(22,149.79)

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

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's registration number: 001076N/N500013

Manish Agrawal
Partner
Membership Number: 507000

Place: New Delhi
Date: 8 May 2023



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

Srinivas Bommidala
Vice Chairman & Director
DIN: 00061464
Place: New Delhi
Date: 8 May 2023

Manoj Kumar Singh
Chief Financial Officer
Place: New Delhi
Date: 8 May 2023

Mr. Madhva Bhimacharya Teral
Director
DIN: 05343139
Place: Bengaluru
Date: 8 May 2023

Sanjay Kumar Babu
Company Secretary - FCS 8649
Place: New Delhi
Date: 8 May 2023

Ashis Basu
Chief Executive Officer

Place: New Delhi
Date: 8 May 2023



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

1. Corporate information

GMR Energy Limited ('GEL' or 'the Company') is a public limited Company domiciled in India and its registered office is situated at 701, 7th floor, Naman Centre, Plot No C-31, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051. The registered office of the Company is located at Naman Centre, Bandra Kurla Complex, Mumbai, India. The Company was engaged in the business of generation and sale of electrical energy from its 220 MW plant situated at Kakinada, Andhra Pradesh, India and has investment in power projects.

1.1. Going Concern

The Company has been incurring losses including cash losses. The Company has incurred net loss before tax and exceptional items of Rs. 1,975.84 million during the year ended 31 March 2023 and has accumulated losses of Rs. 72,231.95 million as at 31 March 2023, which has resulted in substantial erosion of the Company's net worth and its current liabilities exceed its current assets as at 31 March 2023 by Rs. 15,837.40 million. Further, there have been delays in repayments of external borrowings and interest thereof by the Company during the year ended 31 March 2023. Management is taking various initiatives including monetisation of assets and other strategic initiatives to create sustainable cash flows. Based on future business plans and valuation assessment of key projects by an external expert as detailed in the notes 4(2), 4(3), 4(4), 4(5) and 4(9) and continuing financial support by its significant shareholder, GMR Power and Urban Infra Limited ('GPUIL') to construction and project stage entities, loans from GPUIL to the Company and extensions granted for previous years loans presented as current borrowings and corporate guarantee issued by GPUIL to the lenders of GWEL for the promoter contribution to be given by the Company as per resolution plan entered between GWEL and its lenders (refer note 6), the standalone financial statements continue to be prepared on a going concern basis, which contemplates realisation of assets and settlement of liabilities in an orderly manner. The statutory auditors of the Company have also given a separate section on material uncertainty related to going concern in their audit report in this regard.

2.1 Basis of preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 (the 'Act'). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

The standalone financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 8 May 2023. The revision to standalone financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

The functional and presentation currency of the Company is Indian Rupee ("Rs.") which is the currency of the primary economic environment in which the Company operates. All the values are rounded off to the nearest million (Rs. 000,000) except when otherwise indicated.



2.2. Recent accounting pronouncement issued but not made effective

Amendment to Ind AS 1, Presentation of Financial Statements

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 1 which requires entities to disclose material accounting policies instead of significant accounting policies. Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The amendment also clarifies that immaterial accounting policy information need not be disclosed. If it is disclosed, it should not obscure material accounting information.

Amendment to Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 8 which specifies an updated definition of an 'accounting estimate'. As per the amendment, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty and measurement techniques and inputs are used to develop an accounting estimate. Measurement techniques include estimation techniques and valuation techniques.

Amendment to Ind AS 12, Income Taxes

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 12, which requires entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases of lessees and decommissioning obligations and will require recognition of additional deferred tax assets and liabilities.

These amendment rules are effective from 01 April 2023 and the company is evaluating the requirement of the said amendments and its impact on the standalone financial statements.

2.3. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle,
- 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



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The term 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.

Income-tax assets are classified as non-current. However, for income-tax assets pertaining to assessment years where the refund orders have been issued, are classified as current.

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

b. Fair value measurement of financial instruments

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

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

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

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

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

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

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

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

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



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

c. Revenue recognition

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price, 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 operations

Revenue from operation is exclusive of goods and service tax (GST). Revenue includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

Revenue is recognised as follows:

1. Cost plus contracts: Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

2. Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on



GMR Energy Limited**Corporate Identity Number (CIN): U85110MH1996PLC274875****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

Contract balances**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

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

Trade receivables

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

Contract liabilities

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

Interest income

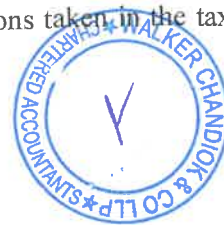
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial 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 but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

d. Income taxes

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

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



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the 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.

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.

e. Non-current assets held for sale and discontinued operations

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- a) The appropriate level of management is committed to a plan to sell the asset;
- b) An active programme to locate a buyer and complete the plan has been initiated;
- c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the standalone balance sheet.



GMR Energy Limited**Corporate Identity Number (CIN): U85110MH1996PLC274875****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- i) Represents a separate major line of business or geographical area of operations,
- ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- iii) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss.

Additional disclosures are provided in Note 27. All other notes to the standalone financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

f. Property, plant and equipment ('PPE')

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

PPE under installation or under construction as at balance sheet are shown as capital work-in-progress and the related advances are shown as capital advances.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

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.

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

Category of asset*	Estimated useful life
Plant and machinery	10 – 25 years*
Office equipment's (including computer equipment's)	3-6 years
Furniture and fixtures	10 years
Vehicles	8 years

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Further, the management has estimated the useful lives of asset individually costing Rs. 5,000 or less to be less than one year, whichever is lower than those indicated in Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

g. Borrowing cost

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

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

h. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

The Company as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also



GMR Energy Limited**Corporate Identity Number (CIN): U85110MH1996PLC274875****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

assesses the right-of-use asset for impairment when such indicators exist. At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

i. 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.

j. Impairment of non-financial assets, investments in subsidiary and joint venture companies

As at the end of each accounting year, the company reviews the carrying amounts of its PPE and investments in subsidiary and joint venture companies, to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any.

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. If there is no reason to believe that an asset's value in use materially exceeds its fair value less costs to sell, the asset's fair value less costs to sell may be used as its recoverable amount. This will often be the case for an asset that is held for disposal. This is because the value in use of an asset held for disposal will consist mainly of the net disposal proceeds, as the future cash flows from continuing use of the asset until its disposal are likely to be negligible. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Impairment losses of continuing and discontinued operations, including investments in subsidiary and joint venture companies, are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

k. Provisions, contingent liabilities and contingent assets

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

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

Provisions and contingent liability are reviewed at each balance sheet.

Contingent assets are neither recognized nor disclosed except when realization of income is virtually certain, related asset is recognized.



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

1. Retirement and other employee benefits

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

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

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

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

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

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

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

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses are determined.



GMR Energy Limited**Corporate Identity Number (CIN): U85110MH1996PLC274875****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

m. Financial instruments

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

All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. In case of interest free or concession loans/debentures/preference shares given to subsidiaries and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries and joint ventures are measured at cost less impairment.

Investment in preference shares/ debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

Effective interest method

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

(a) Financial assets**Financial assets at amortised cost**

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



GMR Energy Limited**Corporate Identity Number (CIN): U85110MH1996PLC274875****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023****Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss. Financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

Impairment of financial assets, excluding investments in subsidiary and joint venture companies

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

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

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

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



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

(b) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

a. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

b. De-recognition

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

Off-setting of financial instruments

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



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

n. 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.

o. Cash and cash equivalents

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

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

p. Foreign currencies

Transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

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

q. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure to the statement of profit and loss as and when incurred.

r. Derivative financial instruments

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.



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

t. Exceptional items

An item of income or expense which due to its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the standalone financial statements.

u. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Actual results could differ from those estimates. Estimates and impairment 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.

Fair value measurement of financial instruments - When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The cash flow projections used in these models are based on estimates and assumptions relating to conclusion of tariff rates, operational performance of the plants and coal mines, life extension plans, availability and market prices of gas, coal and other fuels, restructuring of loans etc in case of investments in entities in the energy business and favourable outcomes of litigations etc. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Classification of leases - The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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.

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the standalone financial statements.

In respect of financial guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Impairment of non current assets including property, plant and equipment and investments - Determining whether investment are impaired requires an estimation of the recoverable amount, which is the higher of fair value less costs of disposal and value in use of the individual investment or the relevant cash generating units. Further, impairment testing for property, plant and equipment is carried out basis the fair value less cost of disposal. The fair value less costs of disposal calculation is based on available data for similar property, plant and equipment/investments or observable market prices less incremental costs for disposing of the property, plant and equipment/investments. The value in use calculation is based on DCF model over the estimated useful life of the power plants. Further, the cash flow projections are based on estimates and assumptions relating to conclusion of operational performance of the plants, life extension plans, availability and market prices of gas, coal and other fuels, tying up of untied capacity, future tariff rates, timely realisation of trade receivables including regulatory claims, renewal of existing Power purchase agreements, restructuring of loans, reduction of finance cost, favorable outcome of litigations etc which are considered as reasonable by the management.

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables advances and loans.



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Provisions –At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, actual future outcome may be different from this judgement.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Going concern assessment – The Company has been incurring losses including cash losses, which has resulted in substantial erosion of the Company's net worth and its current liabilities exceed its current assets. For the reasons stated in note 1.1, the standalone financial statements continues to be prepared on a going concern basis.

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GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in Rs. millions unless otherwise stated)

3 Property, plant and equipment

Particulars	Land	Right of use asset (refer note 31(I))	Buildings	Office equipment	Vehicles	Furniture and fixtures	Total
Gross block							
As at 1 April 2021	97.75	0.84	122.61	2.29	0.16	2.36	226.01
Additions	-	-	-	0.09	-	-	0.09
As at 31 March 2022	97.75	0.84	122.61	2.38	0.16	2.36	226.10
Additions	-	-	-	-	-	-	-
As at 31 March 2023	97.75	0.84	122.61	2.38	0.16	2.36	226.10
Accumulated depreciation							
As at 1 April 2021	-	0.84	122.61	2.21	0.16	2.36	128.18
Charge for the year	-	-	-	0.06	-	-	0.06
As at 31 March 2022	-	0.84	122.61	2.27	0.16	2.36	128.24
Charge for the year	-	-	-	0.03	-	-	0.03
As at 31 March 2023	-	0.84	122.61	2.30	0.16	2.36	128.27
Net block							
As at 31 March 2022	97.75	-	-	0.11	-	-	97.86
As at 31 March 2023	97.75	-	-	0.08	-	-	97.83

Notes

1. Property, plant and equipment have been pledged as security for borrowings (refer note 13).

2. There are no contractual commitments with respect to property, plant and equipment.

3. During the year ended 31 March 2023, the Company has received an advance of Rs. 400 million from GMR Energy Trading Limited (GETL) for sale of land (classified under Property, Plant and equipment) having gross block of Rs 81.72 million, situated in the district of Mangalore in the state of Karnataka for a total sales consideration of Rs. 800 million. The land has not been classified under assets held for sale (as per Ind As 105) as it cannot be considered as available for immediate sale in its present condition considering that the land has been pledged with a bank against a non-fund based facility.

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GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in Rs. millions unless otherwise stated)

4 Investments**31 March 2023****31 March 2022****A. Investments (valued at cost, unless otherwise stated)****Unquoted****a) In equity shares of subsidiaries****- Indian Companies**GMR Vemagiri Power Generation Limited ('GVPGL') ^{1, 5, 7}

2,959.00

2,959.00

[274,500,140 (31 March 2022 : 274,500,134) equity shares of Rs. 10 each fully paid-up]

50.00

49.95

GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL') ^{2, 7}

[5,000,000 (31 March 2022: 4,995,100) equity shares of Rs. 10 each fully paid-up]

0.50

0.50

GMR Consulting Services Private Limited (GCSPL)

[50,000 (31 March 2022 : 50,000) equity shares of Rs. 10 each fully paid-up]

9,987.50

9,987.50

GMR Warora Energy Limited ('GWEL') ^{1, 3, 7}

[870,000,000 (31 March 2022 : 870,000,000) equity shares of Rs. 10 each fully paid-up]

0.50

0.50

GMR Maharashtra Energy Limited ('GMEL')

[50,000 (31 March 2022 : 50,000) equity shares of Rs. 10 each fully paid-up]

0.10

0.10

GMR Rajam Solar Power Private Limited ('GRSPPL')

[10,000 (31 March 2022 : 10,000) equity shares of Rs. 10 each fully paid-up]

736.00

736.00

GMR Gujarat Solar Power Private Limited ('GGSPPL') ¹

[73,600,000 (31 March 2022 : 73,600,000) equity shares of Rs. 10 each fully paid-up]

0.10

0.10

GMR Bundelkhand Energy Private Limited ('GBEL')

[10,000 (31 March 2022 : 10,000) equity shares of Rs. 10 each fully paid-up]

-

0.50

GMR Indo Nepal Energy Links Limited ('GINELL') #

[NIL (31 March 2022: 50,000) equity shares of Rs. 10 each fully paid-up]

0.50

0.50

GMR Indo Nepal Power Corridors Limited ('GINPCL')

[50,000 (31 March 2022: 50,000) equity shares of Rs. 10 each fully paid-up]

21,069.84

20,126.71

GMR Kamalanga Energy Limited ('GKEL') ^{1, 4, 7}

[2,097,752,783 (31 March 2022 : 2,003,440,283) equity shares of Rs. 10 each fully paid-up]

- Body Corporates

GMR Energy (Mauritius) Limited ('GEML') (Rs. 3,954; 31 March, 2022: Rs. 3,954)

0.00

0.00

[95 (31 March 2022: 95) equity shares of USD 1 each fully paid-up]

The Registrar of Companies has struck off the name of the Company from the register of Companies on 23 February 2023.

b) In equity shares of joint ventures**- Indian Companies**GMR Bajoli Holi Hydropower Private Limited (GBHHPL) ^{1, 9, 7}

4,296.66

4,296.66

[429,665,600 (31 March 2022 : 429,665,600) equity shares of Rs. 10 each fully paid-up]

0.25

0.25

GMR Tenaga Operations and Maintenance Private Limited (GTOM)

[25,000 (31 March 2022 : 25,000) equity shares of Rs. 10 each fully paid-up]

(c) Investment in additional equity of subsidiaries and joint ventures on account of fair valuation of loans, debentures, preference shares and guaranteesGWEL ^{3, 7}

449.22

449.22

GGSPPL

32.77

32.77

GKEL ^{4, 7}

3,950.41

3,950.41

GMEL ⁷

112.44

109.94

GCSPL ⁷

17.83

11.12

GINPCL ⁷

2.25

1.99

GINELL

-

1.33

GRSPPL

20.52

20.52

GBHHPL ^{9, 7}

253.17

253.17

GBHPL ^{2, 7}

5,993.85

5,989.97

GVPGL ^{5, 7}

894.93

815.97

GBEL ⁷

31.24

42.22

GTOM ⁷

0.15

0.15



GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in Rs. millions unless otherwise stated)

4 Investments (Cont'd)

	31 March 2023	31 March 2022
Investments at amortised cost		
d) In preference shares of subsidiaries (Unquoted)		
- Indian Companies		
GWEL ^{3,7}	1,930.00	1,930.00
[170,008,060 (31 March 2022 : 170,008,060) 0.001% compulsory convertible preference shares of Rs.10]		
GVPGL ^{5,7}	2,864.92	2,864.92
[50,000 (31 March 2022 : 50,000) 0.001% Non-cumulative compulsory convertible preference shares of Rs. 100,000 each fully paid-up]		
- Body Corporate		
GEML	-	1,387.85
[Nil (31 March 2022 : 18,567,995) class A preference shares of USD 1.00 each fully paid-up]		
Investments at fair value through statement of profit and loss		
e) In equity shares of other companies		
- Indian Companies		
Power Exchange India Limited ⁶	-	-
[4,000,000 (31 March 2022 : 4,000,000) equity shares of Rs 10 each fully paid-up]		
GMR Energy Trading Limited ⁸	140.60	140.60
[14,060,000 (31 March 2022 : 14,060,000) equity shares of Rs 10 each fully paid-up]		
Total (a+b+c+d+e)	55,795.24	56,160.42
Less: Provision for diminution in the value of investments (refer note 4(7) below)		
- GEML	-	857.61
- GINPCL	2.68	2.50
- GINELL	-	1.83
- GRSPPL	20.62	20.62
- GWEL	6,996.73	5,420.72
- GBHHPL	1,914.00	1,914.00
- GKEL	8,460.27	12,420.04
- GGSPPPL	28.00	28.00
- GMEL	112.94	110.44
- GVPGL	1,348.25	1,220.26
- GBHPL	4,135.60	3,199.62
- GBEL	31.34	42.32
- GCSPL	18.34	11.62
- GTOM	0.15	0.15
	23,068.93	25,249.73
Total	32,726.31	30,910.69
*Buyback of GKEL stake from erstwhile joint venture shareholders in terms of settlement agreement has resulted in increase in shareholding of GEL in GKEL from 87.42% to 97.63%. Accordingly, GKEL has been treated as a subsidiary w.e.f. 30 September 2021.		
Aggregate amount of non-current unquoted investments	55,795.24	56,160.42
Aggregate provision for diminution in the value of non-current unquoted investments	23,068.93	25,249.73

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4 Investments (Cont'd)

Notes:

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

2. As at 31 March 2023, the Company has investments of Rs. 1,908.25 million (after provision for diminution in the value of investment of Rs. 4,135.60 million) in GBHPL and has also provided bank guarantee to Uttarakhand Government and Power Grid Corporation of India of Rs. 188.20 million towards Project implementation and Long Term Access taken by GBHPL. GBHPL is in the process of developing and construction of 300 MW hydro based power plant in Alaknanda River, Chamoli District of Uttarakhand. The Hon'ble Supreme Court of India ('the Court'), while hearing a civil appeal in the matters of Alaknanda Hydro Power Company Limited, directed vide its order dated 7 May 2014 that no further construction work shall be undertaken by the 24 projects coming up on the Alaknanda and Bhagirathi basins until further orders. Further, during the year ended 31 March 2016, Ministry of Environment Forest and Climate Change ('MoEF') has represented to the Supreme Court of India that of the six hydro projects in Uttarakhand, two projects including GBHPL requires certain design modifications as per the policy stipulations. During the year ended 31 March 2018, the validity of Environmental Clearance ('EC') granted to GBHPL by the MoEF ceased to exist subject to the final outcome of the matter pending before the Court.

Based on its internal assessment and a legal opinion, the management of the Company is confident of obtaining the requisite clearances to commence construction and obtain requisite funding towards the cost of construction and based on business plan and a valuation assessment carried out by an external expert during the year ended 31 March 2023, the management of the Company is of the view that the carrying value of its investments in GBHPL as at 31 March 2023 is appropriate. The statutory auditors of the Company have modified their Audit Report in this regard.

3 a) The Company has investments (including investments in equity share capital / preference share capital) and promoter contribution as per resolution plan (presented under other non-current financial assets as per note 6) of Rs. 5,969.98 Million (after provision for diminution in the value of investment of Rs. 6,996.73 Million) in GMR Warora Energy Limited ('GWEL') and has also provided corporate guarantee of Rs. 750.00 Million towards loans taken by GWEL from the lenders. GWEL is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600 MW situated at Warora. GWEL has accumulated losses of Rs. 5,854.39 million as at 31 March 2023, which has resulted in substantial erosion of GWEL's net worth. There have been delays in repayment of dues to the lenders on account of the delay in the receipt of the claims as stated below by GWEL from its customers thereby resulting in lowering of credit ratings for GWEL's borrowings. However, GWEL has successfully implemented Resolution Plan under Prudential Framework for Resolution of Stressed Assets, as prescribed by the RBI during the financial year ended 2023.

However, the Company has made profits before taxes for the year ended 31 March 2023 and have favourable interim orders towards the claims as stated below. Also, GWEL is confident of entering into Power Purchase Agreement ('PPA') and fully utilizing the capacity of 200 MW after expiry of PPA with one of the customers in January 2024. GWEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 8,822.24 million and the payment from the customers against the claims including interest on such claims is substantially pending receipt. GWEL had 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 have filed petitions with the regulatory authorities for settlement of such claims in favour of GWEL. Based on certain favourable interim regulatory orders, the management is confident of a favourable outcome towards the outstanding receivables.

Further, GWEL received notices from one of its customer disputing payment of capacity charges of Rs. 1,320.06 million for the period 23 March 2020 to 30 June 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. GWEL responded and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer is of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof. Also, the PPA with the customer expired in June 2020. During year ended 31 March 2021, GWEL filed petition with CERC for settlement of the dispute. During the quarter ended 31 March 2022, the said petition has decided in the favour of GWEL vide CERC order dated 20 January 2022, wherein CERC directed the customer to pay the outstanding capacity charges along with delayed payment surcharge within 60 days from the date of aforesaid order. The customer filed an appeal against the said CERC order before APTEL during the quarter ended 30 June 2022. APTEL issued an interim order and directed to pay 25% of the principal amount within a period of one week from the date of interim order and deposit balance outstanding amount in an interest-bearing fixed deposit with a nationalised bank. However, GWEL has not received any amount from the customer and matter is pending conclusion. The management of GWEL based on its internal assessment, legal expert advice, petition filed with CERC and a favourable order received thereof, of the view that the aforesaid capacity charges are fully recoverable and accordingly has not made any adjustments in the standalone financial statements of GWEL for the year ended 31 March 2023.



4 Investments (Cont'd)

3 b) Further most of the borrowing facilities of GWEL have 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 07 June 2019 has been invoked on 29 June 2021 by default. Inter Creditors Agreement has been executed on 27 July 2021. The lead lender issued a sanction letter dated 5 April 2022 for restructuring of loan facilities. As per RBI circular 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. During the year ended 31 March 2023, GWEL has received the approvals from the aforesaid requisite lenders on the Resolution plan. In the consortium meeting held on 11 January 2023 all the lenders have confirmed the implementation of the resolution plan in their respective books of accounts. Accordingly, the management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the above mentioned receivables and based on business plans and valuation assessment by an external expert during the year ended 31 March 2023, the Company has accounted diminution in the value of investment of Rs. 1,576.01 million considering the impact of the recent implementation of the Resolution Plan along with key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales through other long term PPA's and management's plan for entering into a PPA and fully utilizing the capacity of 200 MW after expiry of PPA with one of the customers in January 2024, therefore management is of the view that the carrying value of its investment in GWEL as at 31 March 2023 is appropriate.

c) GWEL entered into a Power Purchase Agreement (PPA) with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') on 17 March 2020 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 GWEL to construct separate lines for evacuation of power through State Transmission Utility ('STU') though GWEL was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, GWEL preferred an appeal with Appellate Tribunal for Electricity ('APTEL'). APTEL vide its interim Order dated 11 February 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power. GWEL in terms of the interim order scheduled the power from its bus bar from 17 March 2014 and paid inter-state transmission charges. APTEL vide its final Order dated 8 May 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly, as at 31 March 2023, GWEL has raised claim of Rs. 6,163.31 million towards reimbursement of transmission charges from 17 March 2014 till 31 March 2023. 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 (other than the deviation charges) is being directly billed to the respective customers (DISCOMS) by Power Grid Corporation of India Limited and accordingly, GWEL has not received transmission charges (other than the deviation charges) related invoices for the period December 2020 to March 2023. 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 favorable Order from APTEL, receipt of substantial amount towards reimbursement of transmission charges, legal opinion and internal assessment of the management of the Company that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of Rs. 6,163.31 million relating to the period from 17 March 2014 to 31 March 2023 as reduction in the cost of transmission in the Statement of profit and loss. Further the cost of transmission with effect from December 2020 till March 2023, directly invoiced by Power Grid Corporation of India Limited to DISCOMS has been disclosed as contingent liability pending the final outcome of the matter in the Hon'ble Supreme Court of India.

The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in respect of the above matters.

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4 Investments (Cont'd)

4 (a) The Company's carrying value of investments (including investments in equity share capital, subordinate loans and interest accrued thereon) in GMR Kamalanga Energy Limited ('GKEL') is Rs. 17,591.55 million (after provision for diminution in the value of investment of Rs. 8,460.27 million). The Company has also provided corporate / bank guarantee of Rs. 6,000.00 million towards loan taken by GKEL from the project lenders.

GKEL is engaged in development and operation of 3*350 MW under Phase I and 1 *350 MW under Phase II coal based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has accumulated losses of Rs. 13,868.47 million as at 31 March 2023 which has resulted in substantial erosion of GKEL's net worth. Further, GKEL has trade receivables including delayed payment surcharge receivables and unbilled revenue (including claims) of Rs. 16,620.46 million as at 31 March 2023, towards coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt as at 31 March 2023.

Based on certain favourable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers, the management is confident of a favourable outcome towards the outstanding receivables of GKEL. Further, as detailed in note 4(4)(c) there are continuing litigation with SEPCO Electric Power Construction Corporation (SEPCO) ("Capital Creditors") which are pending settlement. Company has signed PPA for supply of 102 MW round the clock to TANGEDCO for a period of five years through the aggregator M/s PTC India Limited. Further, the Company is actively pursuing its customers for realization of claims. GKEL has signed fuel supply agreement with Coal India Limited for supply of coal from its Mahanadi Coal Field Mines for 3.64 million ton, which is within a distance of 15 KM from the plant site. In addition to above, GKEL has won the bid (Shakti-III) for supply of 0.40 Million ton of coal for balance 150 MW.

Further, considering the improvement in tariff and higher demand on Exchange, as evidenced by higher profits during the year ended 31 March 2023, the carrying value has significantly improved by Rs. 4,351.10 million resulting to reversal of impairment, earlier recorded basis the discounted cash flow method which is significantly dependent on various assumptions around settlement of disputes with customers and timely realisation of receivables, settlement of litigations with the capital creditors in favour of GKEL, raising funds for completion of construction and commencement of operations for Phase II currently under construction, achievement of cost optimization measures, and other key assumptions. In view of these matters, business plans, valuation assessment by an external expert and management assessment carried out during the year ended 31 March 2023, the management is of the view that the carrying value of the investments in GKEL as at 31 March 2023 is appropriate. The statutory auditors of the Company have modified their Audit Report in this regard.

(b) During the year ended 31 March 2019, the Company received a notice of arbitration from one of the erstwhile joint venture shareholders of GKEL seeking the Company to purchase their 10.20% stake in GKEL for Rs. 2,881.76 million as per the terms of the shareholding agreement. During the year ended 31 March 2021, the arbitral tribunal pronounced an award directing GEL to purchase 219.30 million shares of GKEL held by the erstwhile joint venture shareholders by paying them aggregate sum of Rs 2,881.76 million approximately plus interest calculated @ 2% above the SBI PLR from 11 October 2018 till the date of award within 30 days from the date of Award failing which it carries interest @18% per annum till the date of payment.

The Management of the Company was of the opinion that the invocation of the arbitration proceedings is invalid as the fund buyout obligation under the Share Subscription and Shareholder Agreement has not been validly triggered. The Management of the Company had filed a petition to challenge the award before the Hon'ble High Court of Bombay under and on the grounds available in section 34 and section 29A of the Arbitration and Conciliation Act, 1996.

During the year ended 31 March 2022, the Company has filed consent minutes of order with the joint venture shareholder of GKEL in the Hon'ble High Court of Bombay for purchase of 219.00 million shares of GKEL held by the joint venture shareholder for an aggregate consideration of Rs. 2,193.00 million, which is to be paid in tranches as per the due dates agreed in the consent minutes. Further, in accordance with the consent minutes, GPUIL and GMR Enterprises Private Limited, the ultimate holding companies of GKEL, had jointly and severally provided an unconditional and irrevocable corporate guarantee to the joint venture shareholder for Rs. 1,943.00 million to guarantee the payment terms of the Company as agreed in the consent minutes.

Accordingly, the abovementioned award pronounced by the arbitral tribunal will not be enforced by the erstwhile joint venture shareholder, if the Company is able to make the payments of the aggregate consideration as per the due dates agreed in the consent minutes.

All the eight tranches of the payment amounting to Rs 2,193.13 million have been completed during the current year (including payments made in the previous year) and proportionate shares of GKEL have been transferred to the Company. In accordance with the consent minutes, the Company had recognized a liability equivalent to the difference between the fair value of the shares (as per the fair valuation exercise performed by an independent valuer) to be acquired as per the consent minutes and the obligation to be paid against purchase of such shares amounting to Rs. 391.33 million as at 31 March 2022, which has been squared off now in the books of account. The eighth tranche was due on 31 December 2022, towards which the Company had applied for one month extension in line with the consent minutes. The payment towards this eighth tranche was made subsequently in the month of February 2023. The Management has met its payment obligations as per the consent minutes of order filed with the Hon'ble High Court of Bombay and accordingly, no other adjustments have been made in the accompanying Statement. Further, the corporate guarantee given by GPUIL and GMR Enterprises Private Limited have been released, considering all the tranches have been paid.



4 Investments (Cont'd)

(c) GKEL entered into agreement with SEPCO in 2008 for the construction and operation of a coal fired thermal power plant. Disputes arose between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the power plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings.

An Arbitral Tribunal was constituted to adjudicate upon the disputes between the parties. SEPCO filed its claim and GKEL filed its counter – claims before the Arbitral Tribunal. The Arbitral Tribunal has passed an Award on 07 September 2020 on the issues before it except the issues of interest and cost. Since there were computation/ clerical / typographical errors in the Award, both parties (GKEL and SEPCO) applied for correction of the Award under Section 33 of the Arbitration & Conciliation Act, 1996.

The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on 17 November 2020 (the "Award"). GKEL has received a final award on the issues of interest and cost (the "Final Award") in the previous year on 24 June 2021 which was later corrected and re-issued on 1 September 2021. The net impact of the Award and the Final Award on GKEL could be approximately Rs. 11,599.40 million as on 31 March 2023, payable by GKEL to SEPCO (including bank guarantee invoked by GKEL). GKEL has already made a provision of Rs. 11,599.40 million in its books towards any such liability and thus there is no material additional impact in books of accounts due to the Award and the Final Award.

GKEL has challenged the Award and the Final Award under Section 34 of the Arbitration and Conciliation Act, 1996 (Act) before the Hon'ble High Court of Orissa on 15 February 2021 and 31 December 2021 respectively. The High Court vide its judgement and order dated 17 June 2022 has dismissed the petition filed by GKEL on 15 February 2021 to put aside the Final Award on the basis that impugned award does not fall under the category which warrants interference under Section 34 of the Arbitration Act.

The Company has challenged judgement by filing special leave petition before the Supreme Court of India which has been registered as SLP (C) No. 12194 of 2022 on grounds; a) Violation of Principles of Natural Justice, b) Judgement is in violation of the guidelines laid by Supreme Court for timely pronouncing of judgements c) Violation of due process of law and others. The Hon'ble Supreme Court in the hearing on 25 July 2022 has issued notice and stayed the operation of the Section 34 Judgment. The matter was last listed for hearing on 09 December 2022, on which date SEPCO sought an adjournment and thus the Hon'ble Supreme Court had directed the matter to be listed after 4 weeks. Since then, the matter has not been listed again before the Hon'ble Supreme Court. Based on legal advice obtained, the Company seems to have a good arguable case to challenge the Section 34 judgement and have it set aside.

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

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4 Investments (Cont'd)

5. GMR Vemagiri Power Generation Limited ('GVPGL'), a subsidiary of the Company is engaged in the business of generation and sale of electrical energy from the gas-based power plants 387 MW situated at Vemagiri. In view of lower supplies / availability of natural gas to the power generating companies in India, GVPGL, is facing shortage of natural gas supply. As a result, the GVPGL had not generated and sold electrical energy since May 2013 till 31 March 2015. GVPGL had emerged as a successful bidder in the auction process organised by the Ministry of Power and operated on an intermittent basis from August 2015 till September 2016. The Company has not been operational since September 2016. GVPGL have ceased operations and have been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply. GVPGL has incurred net loss of Rs. 638.24 million during the year ended 31 March 2023 and has accumulated losses of Rs. 8,881.03 million as at 31 March 2023.

GVPGL had filed petition claiming losses of Rs. 4,470.00 million pertaining to capacity charges for loss of revenue on account of unavailability of the fuel during the period 2006 to 2008, excluding interest, and based on legal opinion is confident of recovery of such claims. During the year ended 31 March 2019, the Honourable High Court of Andhra Pradesh passed its judgement and held that the Central Electricity Regulatory Commission ('CERC') has the jurisdiction to adjudicate the aforesaid claims of GVPGL. Further, during the year ended 31 March 2020, the Andhra Pradesh DISCOMs ('APDISCOMs') appealed against, the aforesaid judgement before the Honourable Supreme Court. The Supreme Court vide its order dated 4 February 2020 dismissed the aforesaid petition of the DISCOMs and held that CERC will have jurisdiction to adjudicate the disputes in the present case and directed CERC to dispose off the petition filed before it within six month. The matter is pending to be heard before the CERC as at 31 March 2023.

Additionally, during the year ended 31 March 2020, in case of GVPGL's litigation with APDISCOMs, wherein APDISCOMs refused to accept declaration of capacity availability on the basis of deep water gas citing that natural gas for the purpose of PPA does not include Deep Water Gas and consequent refusal to schedule power from GVPGL and pay applicable tariff including capacity charges. CERC has passed order dated 28 January 2020, declaring that natural gas for the purpose of PPA includes Deep Water Gas. Accordingly, GVPGL is entitled to claim capacity charges from APDISCOMs from October 2016 based on availability declaration for generation of power on the basis of deep water gas, along with late payment surcharge.

GVPGL has calculated a claim amount of Rs. 7,413.13 million for the period from November 2016 till February 2020 for capacity charges. As at 31 March 2023, GVPGL has not received any of the aforesaid claims and is confident of recovery of such claims in the future based on the CERC Order.

The management is evaluating various approaches / alternatives to deal with the situation and is confident that Government of India ('GoI') would take further necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. Further, the management of the Company has carried out a valuation assessment of GVPGL during the year ended 31 March 2023 according to net realisable value method, considering that the plant is not in operation since a long time and there is uncertainty with respect to availability of natural gas. Based on the aforementioned reasons, claims for capacity charges and legal opinion, the management is of the view that the Company's investments in GVPGL of Rs. 5,370.60 million (net of provision for diminution of Rs. 1,348.25 million) as at 31 March 2023 is appropriate.

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4 Investments (Cont'd)

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

7. During the year ended 31 March 2023 and 31 March 2022, based on its internal assessment with regard to future operations and valuation assessment by an external expert, the management of the Company made a provision for diminution /reversed provision for impairment recorded in earlier years in the value of its investments including loan in certain subsidiaries and joint ventures (including additional investments made during the year) and has disclosed the same as an 'exceptional item' in the standalone financial statements of the Company.

8. Unquoted equity instruments for which cost has been considered as an appropriate estimate of fair value as cost represents the best estimate of fair value within that range.

9. The Company's carrying value of investments (including investments in equity share capital) in GMR Bajoli Holi Hydropower Private Limited ('GBHHPL') is Rs. 2,635.83 million (after provision for diminution in the value of investment of Rs. 1,914.00 million). GBHHPL has set up 180 MW hydro based power plant in Chamba, District of Himachal Pradesh. It had experienced delays in the completion of construction and incurred costs overruns. During the current year, GBHHPL has commenced commercial operations.

Further, during the current year i.e. with effect from 13 July 2022, GBHHPL has terminated its agreement with Ganmon Engineers and Contractors Private Limited ('the contractor') in respect of the hydropower project as the Company noticed repeated slippages by the contractor in achieving the targets and multifarious breaches under the work orders.

The construction had to be completed by June 2018, however the project was delayed and as a part of one time settlement with the contractor, extension was granted till 31 May 2020. Even after such time extension and payment of huge unadjusted advances, the contractor could not finish the critical components of civil works within the extended date and further delayed the completion of the project. As a consequence of such delay, GBHHPL had recovered its dues including due to liquidated damages and unadjusted advances from the contractor by way of invoking available bank guarantees (BGs) provided by the contractor, amounting to Rs 1,288.90 million and accordingly GBHHPL has adjusted it against such advances.

Further, during the current year on 10 June 2022, GBHHPL invoked arbitration against the contractor to recover further unadjusted advances outstanding as recoverable from the contractor amounting to Rs 2,693.00 million as at 31 March 2023, however, the contractor has also filed counter claims against the Company before the arbitration tribunal towards costs and damages on account of prolongation of the Contract. GBHHPL filed its reply to the Statement of Defence and counterclaims on 1 March 2023. Currently, the matter is pending adjudication before the Arbitral Tribunal.

Based on legal assessment by an independent legal consultant, the management believes that aforesaid unadjusted advances are recoverable in the near future and accordingly, have been so considered in the valuation assessment carried out by an external expert during the year ended 31 March 2023, basis which the Management is of the view that the carrying value of its investments in GBHHPL as at 31 March 2023 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in respect of the above matter.



GMR Energy Limited**Corporate Identity Number (CIN): U85110MH1996PLC274875****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

(All amounts in Rs. millions unless otherwise stated)

4 Investments (Cont'd)

10. The Company has investments in certain companies of GMR Group that are in the business of development of highways on build, operate and transfer model on annuity or toll basis and in Delhi International Airport Private Limited (DIAL). These investments have been funded by GMR Power Urban Infra Limited ('GPUIL') (erstwhile company GMR Infrastructure Limited ('GIL')) against an agreement to pass on any benefits or losses out of investment to GMR Power Urban Infra Limited ('GPUIL') (erstwhile company GMR Infrastructure Limited ('GIL')) and has been approved by the Board of Directors of the Company. Accordingly, such investments are not accounted in the standalone financial statements of the Company, the details of which are as below:

	31 March 2023	31 March 2022
a) In equity shares	690,000	690,000
GMR Pochanpalli Expressways Private Limited (GPEPL)	100	100
Delhi International Airport Private Limited (DIAL)	3,000,000	3,000,000
GMR Chennai Outer Ring Road Private Limited (GCCRPL)	24,222,593	24,222,593
GMR Ambala - Chandigarh Expressways Private Limited (GACEPL)		
b) In preference shares	1,200,000	1,200,000
GCORRPL		

Further, pursuant to the Company's agreement with Tenaga Nasional Berhad (Tenaga) and its affiliate, Power and Energy International (Mauritius) Limited as detailed in note 12(1), the Company is in the process of transferring its stake in the abovementioned companies to GPUIL or its subsidiaries after obtaining requisite approvals.



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5	Loans - non current	31 March 2023	31 March 2022
	(Unsecured, considered good unless otherwise stated)		
	Loan and advances to related parties (refer note 29 and note (1) below)	1,031.57	907.06
	Unsecured, considered good	25.02	35.00
	Unsecured loans - credit impaired	1,056.59	942.06
	Total		
	Less: Impairment allowance (allowance for doubtful loans)	(25.02)	(35.00)
	Unsecured loans - credit impaired	1,031.57	907.06
	Total		

Notes:
1. Also refer note 4(4), 4(7) and 4(9).
2. Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Company. The carrying value may be affected by the changes in the credit risk of the counter parties.

a) Loans which are granted to promoters, directors, KMPs and the related parties during the year

	31 March 2023	% to total Loans granted during the year	31 March 2022	% to total Loans granted during the year
Loan amount outstanding	92.42	100.00	98.18	100.00
Type of Borrower				
Related Parties* [Refer note 29(b)]				

* The same has been treated as additional equity investment in subsidiaries.

6 Other financial assets

(Unsecured, considered good unless stated otherwise)

Security deposits	33.06	131.09	-	-
Other receivables	-	-	341.98	664.63
Promoter contribution as per resolution plan (refer note i below)	600.00	-	-	-
Other amounts recoverable (refer note 25)	-	-	3.73	3.19
Other amounts recoverable which have significant increase in credit risk	-	-	369.87	292.22
Total	633.06	131.09	715.59	960.04
Less: Impairment allowance on other than trade receivables which have significant increase in credit risk	-	-	(369.87)	(292.22)
	633.06	131.09	345.72	667.82

(i) Note: In accordance with the Resolution Plan of GMR Warora Energy Limited, (Wholly Owned Subsidiary) ('GWEL') in terms of "Prudential Framework for Resolution of Stressed Assets" issued vide RBI circular dated June 7, 2019 read with IRAC Norms issued by the Reserve Bank of India which was duly approved by the lenders of GWEL and by the Board of Directors of GWEL at its meeting held on 23 June 2022, the Company has infused Rs 600 million as of promoters' contribution during the year ended 31 March 2023. Further, as per the resolution plan, the Company shall contribute for an amount upto Rs. 1,600 million into GWEL (including Rs 600 million contributed in the year ended 31 March 2023), to be infused over 4 years (upto 31 March 2025), by way of extending intercorporate loan, subscription of optionally /compulsory convertible securities or any other instrument as may be mutually decided in consultation with the lenders of GWEL. Further, as resolved by the Board of Directors of the Company as well as GPUL respectively, GPUL will provide financial assistance upto Rs. 1,600 million for the purpose of infusions of promoters' contribution. Also, in accordance with the resolution plan, GMR Power Urban and Infra Limited (GPUL) has provided corporate guarantee for the abovementioned promoter contribution.

7 Tax assets (net)

Advance income tax, including tax deducted at source (net of provision for tax)

Non Current		Current	
31 March 2023	31 March 2022	31 March 2023	31 March 2022
3.48	2.77	3.52	33.23
3.48	2.77	3.52	33.23

8 Trade receivables

Unsecured, considered good unless stated otherwise

Receivable from related parties (refer note 29)

31 March 2023 31 March 2022

113.59	96.60
113.59	96.60

Notes:
1. No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
2. Trade receivables are non-interest bearing.

a) Ageing schedule of trade receivables

As at 31 March 2023	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding from the due date of payment						
Undisputed trade receivables - considered good	113.59	-	-	-	-	113.59
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-

As at 31 March 2022	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding from the due date of payment						
Undisputed trade receivables - considered good	96.60	-	-	-	-	96.60
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-

9A Cash and cash equivalents

31 March 2023 31 March 2022

Cash and cash equivalents

Balances with banks
- On current accounts
Cash on hand

Total

3.70	9.85
0.07	0.17
3.77	10.02

9B Other Bank Balances

31 March 2023 31 March 2022

- Deposits with remaining maturity for less than 12 months

Total

56.90	25.66
56.90	25.66

*Includes margin money deposit (including interest accrued) amounting to Rs. 56.90 million (31 March 2022 : 25.66 million) against bank guarantee issued in favour of various authorities.

10 Other assets

Advances, other than capital advances				
Excess of planned assets over obligation (refer note 30)				
Prepaid expenses				
Balances with statutory authorities				
Balances with statutory authorities which have significant increase in credit risk				
Other recoverables which have significant increase in credit risk				
Total				
Less: Impairment allowance on balances with statutory authorities which have significant increase in credit risk (refer note 31(II)(B)(ii))				

Non-current		Current	
31 March 2023	31 March 2022	31 March 2023	31 March 2022
-	-	0.31	2.13
-	-	2.56	2.44
-	-	1.19	0.07
-	-	3.60	55.72
45.99	45.99	-	-
-	-	4.57	-
45.99	45.99	12.23	60.36
(45.99)	(45.99)	(4.57)	-
-	-	7.66	60.36

11 Equity share capital

a) Authorised

	Equity shares of Rs. 10 each		Preference shares of Rs. 10 each		Preference shares of Rs. 1,000 each	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At 1 April 2021	4,00,00,00,000	40,000.00	17,25,00,000	1,725.00	1,42,75,000	14,275.00
At 31 March 2022	4,00,00,00,000	40,000.00	17,25,00,000	1,725.00	1,42,75,000	14,275.00
At 31 March 2023	4,00,00,00,000	40,000.00	17,25,00,000	1,725.00	1,42,75,000	14,275.00

b) Issued issued, subscribed and fully paid up

	Equity shares of Rs. 10 each		Preference shares of Rs. 10 each		Preference shares of Rs. 1,000 each	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At 1 April 2021	3,60,69,02,694	36,069.03				
At 31 March 2022	3,60,69,02,694	36,069.03				
At 31 March 2023	3,60,69,02,694	36,069.03				

c) Terms / rights attached to equity shares

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

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

d) Terms/ rights attached to preference shares

During the year ended 31 March 2011, the Company issued 13,950,000 compulsorily convertible cumulative preference shares ('CCCPS') of Rs. 1,000 each. These preference shares were held by Claymore Investments (Mauritius) Pte Limited, IDFC Private Equity Fund III, Infrastructure Development Finance Company Limited, IDFC Investment Advisors Limited, Ascent Capital Advisors India Private Limited and Argonaut Ventures (collectively called as PE Investors).

During the year ended 31 March 2014, GEL entered into an amended and restated share subscription and shareholders agreement ('Amended SSA') with the investors, GPUIL (erstwhile GIL) and other GMR group companies. The investors continue to hold 6,900,000 CCCPS in GEL and a new investor GKFF Capital subscribed to additional 325,000 CCCPS of Rs. 1,000 each (collectively referred to as 'Portion B securities').

As per the Amended SSA and Share Purchase Agreement ('SPA') between the investors, GEL and other GMR Group Companies, 7,050,000 CCCPS with a face value of Rs. 7,050.00 Million ('Portion A Securities') were bought by GMR Generation Asset Limited ('GGAL') and GMR Energy Projects (Mauritius) Limited ('GEPML') for a consideration of Rs. 11,691.70 Million. Portion A Securities were convertible into equity shares of the Company as per the terms prescribed in clause 5 of the SPA not later than the date of conversion of Portion B Securities. CCCPS of Rs. 7,050.00 Million has been considered as 'Other equity' considering that the Company had agreed to convert Portion A Securities into agreed number of equity shares.

As defined in the terms of Amended SSA, GEL was to provide an exit to the Portion B Securities investors within 30 months from last return date (29 November 2013) at the agreed price of Rs. 12,786.73 Million ('Investor exit amount'). In case of non-occurrence of Qualified Initial Public offer ('QIPO') within 24 months from the last return date, GMR Group were to give an exit to Portion B Securities investors at investor exit amount by notifying them the intention to purchase the preference shares within 30 days from the expiry of the 24th month. In case of non-occurrence of QIPO or no notification from GMR group companies as stated aforesaid, the Portion B Securities investors had the sole discretion to exercise the various rights under clause 10 of the Amended SSA.

During the year ended 31 March 2017, GGAL had purchased 449,988 Portion B securities from PE Investors for a consideration of Rs. 857.97 Million. Subsequently, GEL and other GMR Group Companies had entered into Amended and Restated Shareholders' Agreements with PE investors for the conversion of remaining 5,430,665 Portion B Securities into 537,659,768 equity shares of the Company. Further, the Company had converted 7,499,988 CCPS held by GGAL and GEPML into 292,175,223 equity shares of the Company. Pursuant to such conversion, the Company has accounted Securities Premium of Rs. 11,538.45 Million during the year ended 31 March 2017. Further, these PE investors have certain rights on GPUIL (erstwhile GIL), whereby GPUIL (erstwhile GIL) is obligated to purchase the shares of these PE investors as per the Amended and Restated Shareholders' Agreements.

e) GEL along with other GMR Group companies entered into a Subscription and Shareholders Agreement with Tenaga Nasional Berhad (Tenaga) and its affiliate, Power and Energy International (Mauritius) Limited ('Investors') whereby the investors have acquired a 30% equity stake in a select portfolio of GEL assets on a fully diluted basis for a consideration of Rs. 19,993.38 Million (USD 300.00 Million) through primary issuance of equity shares of GEL. The transaction was completed on 4 November 2016 and GEL has allotted 1,082,070,808 equity shares to the Investors for the said consideration of USD 300.00 Million. As per the conditions precedent to the completion of the transaction, GEL's investments in certain erstwhile subsidiaries of GEL were transferred from GEL to other subsidiaries of GPUIL (erstwhile GIL) and certain borrowings availed by the Company from GIL and other GMR Group companies were novated to GGAL.



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GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in Rs. millions unless otherwise stated)

f) Out of the equity and preference shares issued by the Company, shares held by its holding company, ultimate company and their subsidiaries / associates are as below:

Shares held by enterprises that jointly control the Company and its continuing subsidiaries (Refer note 12(1))

	31 March 2023	31 March 2022
GGAL		
1,301,531,411 (31 March 2022 : 1,301,531,411) equity shares of Rs. 10 each.	13,015.32	13,015.32
GEPML		
150,912,717 (31 March 2022 : 150,912,717) equity shares of Rs. 10 each.	1,509.13	1,509.13
GPUIL		
490,330,844 (March 31, 2022: 470,726,742) equity shares of Rs. 10 each.	4,903.31	4,707.27
Welfare trust for GMR Group Employees		
15,000,000 (31 March 2022 : 15,000,000) equity shares of Rs. 10 each	150.00	150.00
Power and Energy International (Mauritius) Limited		
1,051,154,500 (31 March 2022 : 1,082,070,808) equity shares of Rs. 10 each	10,511.55	10,820.71
GMR Infratech Private Limited		
30,916,308 (31 March 2022 : NIL) equity shares of Rs. 10 each	309.16	-

g) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 March 2023	31 March 2022
During the year ended 31 March 2017, 537,659,768 equity shares were allotted by conversion of the 5,880,653 Portion B Securities. [Refer note 11 (d)]	5,376.60	5,376.60
During the year ended 31 March 2017, 292,175,223 equity shares were allotted by conversion of the 7,050,000 Portion A Securities. [Refer note 11 (d)]	2,921.75	2,921.75

(h) Details of shareholders holding more than 5% shares in the Company

	31 March 2023		31 March 2022	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs. 10 each				
GGAL	1,30,15,31,411	36.08%	1,30,15,31,411	36.08%
GPUIL	49,03,30,844	13.59%	47,07,26,442	13.05%
Claymore Investments (Mauritius) Pte. Limited	42,04,16,542	11.66%	42,04,16,542	11.66%
Power and Energy International (Mauritius) Limited	1,05,11,54,500	29.14%	1,08,20,70,808	30.00%

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

(i) Details of promoter shareholding

Name of promoter	As at 31 March 2023		
	Number of shares	% of total shares	% Change during the year
GM Rao	9,000	0.00%	-
G. Varalakshmi	9,000	0.00%	-
Srinivas Bommidala	180	0.00%	-
B.Ramadevi	180	0.00%	-
GBS Raju	180	0.00%	-
Kiran Kumar Grandhi	180	0.00%	-
GMR Generation Assets(GMR Renewable Energy Ltd)	1,30,15,31,411	36.08%	-
GMR Energy Project (Mauritius) Limited	15,09,12,717	4.18%	-
GPUIL	49,03,30,844	13.59%	0.54%
Welfare Trust for GMR Group Employees	1,50,00,000	0.42%	-

Name of promoter	As at 31 March 2022		
	Number of shares	% of total shares	% Change during the year
GM Rao	9,000	0.00%	-
G. Varalakshmi	9,000	0.00%	-
Srinivas Bommidala	180	0.00%	-
B.Ramadevi	180	0.00%	-
GBS Raju	180	0.00%	-
Kiran Kumar Grandhi	180	0.00%	-
GMR Generation Assets(GMR Renewable Energy Ltd)	1,30,15,31,411	36.08%	-
GMR Energy Project (Mauritius) Limited	15,09,12,717	4.18%	-
GPUIL	47,07,26,442	13.05%	0.84%
Welfare Trust for GMR Group Employees	1,50,00,000	0.42%	-

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12 Other equity

	31 March 2023	31 March 2022
(a) Capital redemption reserve	285.25	285.25
Balance at the beginning of the year	285.25	285.25
Balance at the end of the year		
(b) Securities premium account	37,427.02	37,427.02
Balance at the beginning of the year	37,427.02	37,427.02
Balance at the end of the year		
(c) General reserve	318.05	318.05
Balance at the beginning of the year	318.05	318.05
Balance at the end of the year		
(d) Retained earnings	(72,815.46)	(69,948.35)
Balance at the beginning of the year	0.13	2.20
Add: Re-measurement gains on defined benefit plans (net of tax, if any)	583.38	(2,869.31)
Add: Loss for the year	(72,231.95)	(72,815.46)
Balance at the end of the year		
(e) Other reserve arising on account of restructuring [refer note 12(1)]	12,051.84	12,051.84
Balance at the beginning of the year	12,051.84	12,051.84
Balance at the end of the year		
Total (a+b+c+d+e)	(22,149.79)	(22,733.30)

Note:

1. During the year ended 31 March 2017, the Company along with certain GMR Group entities entered into a Subscription and Shareholders Agreement with Tenaga Nasional Berhad (Tenaga) and its affiliate, Power and Energy International (Mauritius) Limited ('Investors') whereby the investors have acquired a 30% equity stake in a select portfolio of GEL assets on a fully diluted basis for a consideration of USD 300.00 Million through primary issuance of equity shares of GEL. The transaction was completed on 4 November 2016 and GEL has allotted equity shares to the Investors for the said consideration of USD 300.00 Million. As per the conditions precedent to the completion of the transaction, GEL's investment in certain component entities of GEL (excluded entities) have been transferred from GEL to GMR Group companies along with the transfer of loan payable by the Company to GIL and its other subsidiaries towards discharge of consideration for the investment in entities transferred. Pursuant to the above transaction, compulsory convertible preference shares issued by the Company to the PE investors and to certain GMR Group entities have been converted into equity shares.

Pursuant to such restructuring, during the year ended 31 March 2017, the Company has accounted a surplus amounting to Rs. 12,051.84 Million which has been included in Other equity.

Nature and purpose of reserves

Capital redemption reserve

Capital redemption reserve represents amounts set aside on redemption of shares.

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

Represents amounts transferred from debenture redemption reserve to general reserve post redemption of debentures.

Retained earnings

Retained earnings are the profits of the Company earned till date net of appropriations.

Other reserves arising on account of restructuring

As explained in note 12(1).



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13 Borrowings	Non Current		Current Borrowing	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Term loans				
Indian rupee term loan from a bank (secured) ^{1, 4}	-	-	-	3,330.46
Indian rupee term loan from a financial institution (secured) ^{2, 4}	-	-	-	1,166.50
Loans from related parties - unsecured (refer note (3) below and note 29)	4,626.88	7,848.87	11,864.71	4,037.07
	<u>4,626.88</u>	<u>7,848.87</u>	<u>11,864.71</u>	<u>8,534.03</u>
The above amount includes				
Secured borrowings	-	-	-	4,496.96
Unsecured borrowings	4,626.88	7,848.87	11,864.71	4,037.07
	<u>4,626.88</u>	<u>7,848.87</u>	<u>11,864.71</u>	<u>8,534.03</u>

1. Secured Indian rupee term loan from a bank of Rs. Nil million (31 March 2022: 3,330.46 million) was secured by way of first charge on all long term loans and advances, such that cover of 1.0x of the outstanding facility amount was maintained through out the tenor of the loan, pledge of over 26% shareholding of GWEL and GVPGL held by the Company, residual charge on the proceeds remaining after the sale of movable fixed assets and current assets charged by other lenders and pari-passu pledge of 26% of shares of GMR Airport Limited held by GPUL (erstwhile GIL). The loan carried an interest rate of 12.15% to 13.70% p.a. (31 March 2022: 12.15% to 12.70% p.a.) and was initially repayable in 16 structured quarterly instalments commencing after 15 months from the date of first disbursement. The bank had a put option for full or part of the facility amount at the end of 36 months from the date of first disbursement and every 3 months thereafter. The put option has not been exercised by the lender during the year. The loan has been repaid in full during the year ended 31 March 2023.

2. Secured Indian rupee term loan from a financial institution of Rs. Nil million (31 March 2022 : Rs. 1,166.50 million) which was initially repayable in 6 equal instalments after fifth year from the date of first disbursement. The loan carried an interest of 12.00% p.a. payable quarterly. The loan was secured by (i) Corporate guarantee of GMR Power and Urban Infra Limited and (ii) Pledged shares of one of the subsidiary of: GMR Airport Infrastructure Limited ('GAIL') (erstwhile GMR Infrastructure Limited).

During the year ended 31 March 2023, the Company had defaulted in the principal repayment and quarterly payment of interest. Further, in case of default of two consecutive principal instalments or interest thereon or any combination thereof, the lender has the right to convert at its option, the whole or part of the defaulted amount of the loan into fully paid-up equity shares of the Company, at par. However, no such rights have been exercised by the lender during the year ended 31 March 2023. During the year ended 31 March 2023, the loan has been repaid in full and no dues certificate has been obtained from the financial institution.

3a. Long term loan from related parties carries an interest rate of 12.25% p.a. to 12.50% p.a. and is repayable on the expiry of 3 years from the date of disbursement. (31 March 2022 : 12.25% to 12.50% p.a.).

3b. Short term loan from related parties of carries an interest rate of 9.25 % p.a.to 12.50% p.a. (31 March 2022 : 10.70 % p.a.to 12.50% p.a.).

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

Particulars	Nature	31 March 2023 (Rs. in Million)	31 March 2022 # (Rs. in Million)	31 March 2023 Period of Default (No. of days)	31 March 2022 # Period of Default (No. of days)
Indian Rupee term loans from bank*	Payment of principal	-	768.50	-	0-90
Indian Rupee term loans from bank**	Payment of interest	-	74.04	-	0-90

The Company has made good the default as at 31 March 2022 and repaid the term loans in its entirety during the financial year ended 31 March 2023.

5. Borrowings obtained on the basis of security of current assets
Company has not borrowed funds from banks and financial institutions during the year ended 31 March 2023 and 31 March 2022.

6. Utilization of borrowings
The Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years.

7. The maturity analysis of borrowings are disclosed in note 34.

14 Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Lease liabilities	Non-current borrowings	Current borrowings	Other financial liabilities: current (interest accrued)	Total
Balance as at 1 April 2021	106.90	7,898.95	8,375.44	1,053.37	17,434.67
Proceeds from borrowings	-	5,611.26	1,101.37	-	6,712.62
Repayment of borrowings	-	(1,928.36)	(4,675.75)	-	(6,604.12)
Transfer of current maturities to short term	-	(3,732.98)	3,732.98	-	-
Interest expense	10.69	-	-	2,108.17	2,118.86
Payment of lease liabilities	(9.53)	-	-	-	(9.53)
Interest paid	-	-	-	(1,101.82)	(1,101.82)
Balance as at 31 March 2022	108.06	7,848.87	8,534.03	2,059.72	18,550.69
Proceeds from borrowings	-	3,019.88	3,835.57	-	6,855.45
Repayment of borrowings	-	(1,567.00)	(5,179.76)	-	(6,746.76)
Transfer of current maturities to short term	-	(4,674.87)	4,674.87	-	-
Interest expense	11.03	-	-	2,226.06	2,237.08
Payment of lease liabilities	(9.48)	-	-	-	(9.48)
Interest paid	-	-	-	(581.44)	(581.44)
Balance as at 31 March 2023	109.61	4,626.88	11,864.71	3,704.34	20,305.54

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15 Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 3 below)
Total outstanding dues of creditors other than micro enterprises and small enterprises
Trade payables to related parties (refer note 29)
Trade payables - others

31 March 2023	31 March 2022
22.78	38.75
22.70	21.83
117.44	253.87
162.92	314.45

Notes:

- Includes retention money of Rs.2.25 Million (31 March 2022 : Rs. 0.65 Million). Retention money is payable on the completion of the contracts or after the completion of the defect liability period as defined in the respective contracts. These payments are kept as retention to ensure performance of the vendor obligation and hence are not discounted for present value of money.
- 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 34(ii)(A)(a).
 - The dues to related parties are unsecured.
- The Management is in continuous process of obtaining confirmations from its vendors regarding their registrations under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Under the MSMED Act, 2006 which come into force with effect from 02 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of information and records available with the Company, the following disclosures are made for the amounts due to Micro, Small and Medium Enterprises. Further, in view of the management, the impact of interest, if any, that may be payable in accordance with provision of the Act are not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

3. Disclosure as per "The Micro, Small and Medium Enterprises Development Act, 2006"

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

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

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 this Act:

The amount of interest accrued and remaining unpaid at the end of each accounting year; and
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of allowance of deductible expenditure under section 23 of the MSMED Act, 2006.

31 March 2023	31 March 2022
22.78	38.75
-	-
-	-
-	-
-	-

4. The maturity analysis of trade payables are disclosed in note 34.
- a) Ageing schedule of trade payables

As at 31 March 2023	Outstanding from the due date of payment						Total
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Un-Disputed Trade Payable	-	9.25	13.33	-	-	-	22.78
(a) Micro, small and medium enterprises	92.14	20.30	3.89	1.58	2.17	20.06	140.14
(b) Others	-	-	-	-	-	-	-
(ii) Disputed Trade Payable	-	-	-	-	-	-	-
(a) Micro, small and medium enterprises	-	-	-	-	-	-	-
(b) Others	92.14	29.55	17.42	1.58	2.17	20.06	162.92
Total (i) + (ii)							

As at 31 March 2022	Outstanding from the due date of payment						Total
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Un-Disputed Trade Payable	-	4.87	33.88	-	-	-	38.75
(a) Micro, small and medium enterprises	172.22	40.15	42.27	2.17	4.18	14.71	275.70
(b) Others	-	-	-	-	-	-	-
(ii) Disputed Trade Payable	-	-	-	-	-	-	-
(a) Micro, small and medium enterprises	-	-	-	-	-	-	-
(b) Others	172.22	45.02	76.15	2.17	4.18	14.71	314.45
Total (i) + (ii)							

16 Other financial liabilities

Interest accrued on borrowings (refer note 29)
Advance from vendor against the claim (refer note 31(II)(c))
Advance from others
Accrued salaries and benefits
Other payables (refer note 4(4)(b))
Financial guarantee contracts (refer note 29)
Capital creditors

31 March 2023	31 March 2022
3,704.33	2,059.72
161.18	161.09
1.42	2.99
3.26	2.75
-	391.33
50.26	56.06
-	96.78
3,920.45	2,770.72

The maturity analysis of other financial liabilities are disclosed in note 34.

17 Other liabilities

Tax deductible at source payable
Other statutory dues
Advance for sale of land*

31 March 2023	31 March 2022
16.53	27.00
0.17	0.18
400.00	-
416.70	27.18

* During the year ended 31 March 2023, the Company has received an advance of Rs. 400 million from GMR Energy Trading Limited (GETL) for sale of land (classified under Property, Plant and equipment) having gross block of Rs 81.72 million, situated in the district of Mangalore in the state of Karnataka for a total sales consideration of Rs.800 million. The land has not been classified under assets held for sale (as per Ind As 105) as it cannot be considered as available for immediate sale in its present condition considering that the land has been pledged with IDBI bank against a non-fund based facility.

18 Provision

Provision for compensated absences

31 March 2023	31 March 2022
2.90	4.12
2.90	4.12



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	31 March 2023	31 March 2022
19 Revenue from operations		
Sale of services*	219.63	199.66
Income from maintenance service (refer note 29)	219.63	199.66
* The same is recognised over a point of time.		
a) Contract balances:		
Trade receivables (refer note 8)	113.59	96.60
- Current	-	-
b) Contract Liabilities		
c) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to Rs Nil.		
	31 March 2023	31 March 2022
20 Other income		
Interest income	2.43	6.26
Bank deposits	130.25	148.23
Notional income on unwinding financial assets (refer note 29)	11.30	10.11
Income tax refunds	-	593.89
Others*	154.85	-
Gain on account of foreign exchange fluctuations (net)	2.75	75.94
Other non operating income- scrap sale	60.45	145.62
Provision/liability no longer required written back	362.02	980.04

* During the year ended 31 March 2022, the Company had recognized interest income amounting to Rs. 593.89 million pursuant to the Hon'ble Supreme Court judgement dated 30 March 2022 which upheld the Appellate Tribunal for Electricity (APTEL's) judgement and dismissed the civil appeals and confirmed the liability of electricity supply companies (ESCOs) to pay the interest. The ESCOs had paid their respective principal amounts to the Company in the year 2016 amounting to Rs. 671.50 million. In response to the Hon'ble Supreme Court judgement the Company has sent a demand letter on 8 April 2022 demanding Rs. 597.15 million towards interest from the ESCOs compounded quarterly in accordance with aforesaid orders. The ESCOs have submitted a reply to the Company disputing the interest amount claimed by the Company and have accepted a liability of Rs. 251.91 million on account of interest out of demand raised of Rs. 597.15 million. Further, during the year ended 31 March 2023, the Company has received the interest amount of Rs. 251.91 million. The ESCOs have mentioned that the question of computation of interest post 15 February 2016 i.e., when repayment of principal was paid, does not arise in any event and further the claim of interest on interest is not in accordance with APTEL's order. The Company has involved an independent legal consultant to assess the matter and from perusal of the order of the Hon'ble Supreme Court, APTEL's judgement and such external legal opinion obtained, the Company believes that for the purpose of calculation of interest amount, outstanding dues includes principal amount and accrued interest. Accordingly, the Company has claimed Rs. 593.89 million in its books of account as communicated in its letter dated 8 April 2022 which is in accordance with applicable position of law. The Company has filed the Application before Supreme Court seeking consequential directions for payment of outstanding amounts pursuant to the Supreme Court Order dated 30 March 2022 which remain unpaid despite the dismissal order. Replies and rejoinders are filed in the matter and likely to be listed in the month of May 2023.

The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in respect of the above matter.

	31 March 2023	31 March 2022
21 Employee benefits expense	19.04	16.68
Salaries, wages and bonus	1.27	1.80
Contribution to provident and other funds (refer note 30)	0.04	0.16
Gratuity expenses (refer note 30)	0.77	2.27
Staff welfare expenses	21.12	20.91
22 Finance costs	2,174.66	2,038.43
Interest expense (refer note 29)	11.03	10.69
Interest on lease liability	51.40	59.05
Other borrowing costs	2,237.09	2,108.17
23 Depreciation and amortisation expenses	0.03	0.06
Depreciation of property, plant and equipment (refer note 3)	0.03	0.06
24 Other expenses	6.72	0.93
Rates and taxes	2.33	0.51
Repairs and maintenance-	5.15	-
-buildings	72.67	160.85
-others	15.77	13.77
Legal and professional fees	4.19	1.87
Auditor's remuneration (refer note(i) below)	-	2.12
Travelling and conveyance	0.70	0.14
Foreign exchange loss	1.56	1.42
Bank charges	1.51	0.42
Directors' sitting fees (refer note 29)	6.66	7.97
Power and fuel	117.26	190.00
Miscellaneous expenses		
(i) Auditor's remuneration*	14.99	12.98
Audit fee (including fee for audit of consolidated financial statements of the Company)	0.15	0.55
Other services (including certification fees)	0.63	0.24
Reimbursement of expenses	15.77	13.77

*inclusive of goods and service tax



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25 Exceptional items

Provision for diminution / (reversal) in the value of investments and loans, if any (refer note 4)
Provision for diminution / (reversal) in value of investment on redemption of investment in preference share of GMR Energy Mauritius Limited ('GEML')

31 March 2023	31 March 2022
(1,701.61)	1,477.62
(857.61)	-
(2,559.22)	1,477.62

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

As at 1 April 2021

Add: Provision for diminution in the value of investments during the year

Add: Loss on recognition of derivative liability [refer note 4(4)(c)]

As at 31 March 2022

Add: Provision for diminution / (reversal) in the value of investments during the year

Add: Loss on recognition of derivative liability [refer note 4(4)(c)]

Less: Recovery of impaired loans from group companies during the year

Less: Provision for diminution in the value of investments written off during the year

As at 31 March 2023 (refer note 4)

Amount

23,253.45

1,477.62

518.66

25,249.73

(2,559.22)

391.33

(11.09)

(1.83)

23,068.93

26 Tax expense

Particulars

Current income tax

Deferred tax

31 March 2023 31 March 2022

- -

- -

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2022: 25.17%) and the reported tax expense in the statement of profit and loss are as follows:

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Loss before tax from continuing operations

Loss before tax from discontinued operations

Accounting loss before income tax

583.38 (2,787.41)

- (81.90)

583.38 (2,869.31)

146.84 (722.21)

At India's statutory income tax rate of 25.17% (31 March 2022 : 25.17%)

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Unrecognised deferred tax on unabsorbed losses, unabsorbed depreciation and temporary differences

Tax expense

(146.84) 722.21

- -

Note:

1) The Company has carry forward business losses of Rs. 18,063.08 million that are available for off setting for 8 years against future taxable business profits, unabsorbed depreciation of Rs. 5,434.68 million that is available for off setting for indefinite period and capital loss of Rs. 8,929.15 million are available for off setting for 8 years against future long term capital gains. The above mentioned losses will expire between the assessment years 2024-25 to 2031-32. The Company has not recognised deferred tax asset in respect of the above mentioned business losses, unabsorbed depreciation and capital losses and certain other temporary differences since it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.



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27 Discontinued operations

During the year ended 31 March 2017, the Company had entered into memorandum of understanding for the sale of its Barge Mounted Power Plant located at Kakinada, however the sale was not completed. The Company continued to look for buyers and accordingly had disclosed the same as discontinued operations at the expected realisable value. During the year ended 31 March 2020, the Company entered into a Sale and Purchase Agreement to sell Barge Mounted Power Plant for USD 15.50 million. During the year ended 31 March 2022, the sale of the Barge Mounted Power Plant was completed and the resulting loss on such sale had been disclosed under discontinued operations.

	31 March 2023	31 March 2022
Loss from discontinued operations		
Income	-	22.05
Other income	-	22.05
Total income		
Expenses	-	103.93
Sub-contracting expenses	-	0.01
Stores and spares consumed	-	103.94
Total expenses		
	-	(81.90)
Loss before tax expenses and exceptional items		
	-	-
Exceptional items		
	-	(81.90)
Loss from discontinued operations before tax expenses		
	-	-
Tax expenses of discontinuing operations		
	-	(81.90)
Loss from discontinuing operations (VI)		

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GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in Rs. millions unless otherwise stated)

28 Earnings Per Share ('EPS')

Basic EPS is calculated by dividing the loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares

Diluted EPS is calculated by dividing the profit attributable to equity shareholders (after making adjustments for convertible securities) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. However, there are no such convertible securities issued by the Company and hence the diluted EPS is equal to the basic EPS.

Particulars	31 March 2023	31 March 2022
Face value of equity shares (Rs. per share)	10	10
Weighted average number of equity shares used for computing earning per share (basic and diluted) (refer note 11)	3,606,902,694	3,606,902,694
Profit / (Loss) from continuing operations as per statement of profit and loss (Rs. in Millions)	583.38	(2,787.41)
Profit/ (Loss) from discontinued operations as per statement of profit and loss (Rs. in Millions)	-	(81.90)
Profit/ (Loss) from continuing and discontinued operations (Rs. in Millions)	583.38	(2,869.31)
EPS for continuing operations - Basic and diluted (Rs.)	0.16	(0.77)
EPS for discontinued operations - Basic and diluted (Rs.)	-	(0.02)
EPS for continuing and discontinued operations - Basic and diluted (Rs.)	0.16	(0.79)

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GMR Energy Limited

Corporate Identity Number (CIN): U85110MH1996PLC274875

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in Rs. millions unless otherwise stated)

29 Information on related party transactions pursuant to Ind AS 24 - Related Party Disclosures**a) Names of related parties and nature of related party relationship :**

(i) Enterprises that jointly control the Company	GMR Enterprises Private Limited ('GEPL')
	GMR Power and Urban infra Limited ('GPUIL') *
	GMR Generation Assets Limited ('GGAL')
	GMR Energy Projects (Mauritius) Limited ('GEPML')
	Tenaga Nasional Berhad ('Tenaga')
	Power and Energy International (Mauritius) Limited ('PEIML')
	GMR Infratech Private Limited ('GIPL')
(ii) Transactions with subsidiaries and joint ventures of enterprises that jointly control the Company*	GMR Energy Trading Limited ('GETL')
	Celebi Delhi Cargo Terminal Management India Private Limited ('CDCTM')
(iii) Key managerial personnel ('KMP')	Mr. Srinivas Bommidala, Vice Chairman and Director
	Mr. Madhva Bhimacharya Terdal, Director
	Mr. Srinivasachari Rajaopai, Non Executive Director
	Mr. Bimal Jayant Parakh, Independent Director
	Mr. Nazmi Bin Othman, Nominee Director
	Mr. M. Ramachandran, Independent Director
	Mr. Mohd Shahazwan Bin Mohd Harris, Nominee Director (till 2 September 2021)
	Mr. G. M. Rao, Chairman and Director
	Mr. Kiran Kumar Grandhi, Director
	Mr. Siva Kameswari Vissa, Independent Director
	Mr. Manoj Kumar Singh, Chief Financial Officer
	Mr. Ashis Basu, Chief Executive Officer
	Mr. Sanjay Barde Narayan, Chief Executive Officer
	Mr. Sanjay Kumar Babu, Company Secretary
	Hafiz Bin Ismail, Alternate Director (w.e.f. 03 November 2022)
	Mohd Zarihi Bin Mohd Hashim, Nominee Director (w.e.f. 03 November 2022)

1. Refer note 32 for the details of subsidiaries and joint ventures.

* Pursuant to scheme of agreement vide NCLT order dated 22 December 2021, the shares held by the GIL in the Company stand transferred to GPUIL.



29 Related party transactions :

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

Sl. No	Particulars	For year ended	
		31 March 2023	31 March 2022
1	Income from supply of operational and maintenance contract – GWEL	219.63	199.66
2	Notional income on unwinding financial assets- loans – GKEL – GBHHPL	124.45 -	109.27 33.18
3	Notional income on unwinding financial assets- corporate guarantee – GWEL – GKEL	1.21 4.59	1.20 4.58
4	Logo fees – GEPL Rs. 1,120 (31 March 2022 : Rs. 1,120)	0.00	0.00
5	Management fees (cross charges) – GPUIL **	0.87	0.78
6	Interest expense on loan taken – GPUIL ** – GGSPL – GETL – GGAL	1,578.19 86.94 64.32 64.57	1,043.94 89.50 30.39 21.09
7	Investment in preference shares - share application money allotted – GEML	-	391.18
8	Inter corporate deposit /unsecured loan given – GBHPL – GCSPL – GBEPL – GVPGL – GINELL – GINCPPL – GMEL – GTOM	3.88 6.71 0.11 78.96 - 0.26 2.50 -	2.28 7.06 0.56 87.93 - 0.20 0.15
9	Inter corporate deposit /unsecured loan refunded – GBHHPL – GRSPL – GBEL	- - 11.08	1,794.26 24.10 3.00
10	Conversion of inter corporate deposit into investments in additional equity – GBHPL – GVPGL – GTOM – GBEL – GMEL – GCSPL – GINPCL	3.88 78.96 - 0.11 2.50 6.71 0.26	2.28 87.93 0.15 0.56 0.20 7.06 -
11	Unsecured loan availed – GETL – GGAL – GPUIL ** – GGSPL – GPUIL	547.50 581.20 5,726.75 - -	787.48 0.05 1,457.86 163.74 4,303.42
12	Unsecured loan repaid – GETL – GGAL – GGSPL – GPUIL	616.60 66.20 - 1,567.00	541.56 113.92 14.04 1,928.36
13	Provision for diminution / (reversal) in value of investments – GKEL – GBHHPL – GWEL – GBHHPL – GBEL – GINPCL – GINELL – GCSPL – GVPGL – GMEL – GTOM – GEML	(3,959.77) 935.98 1,576.01 - (10.98) 0.18 (1.83) 6.72 127.99 2.50 - (837.61)	518.67 224.28 100.00 676.44 0.56 - - 7.06 468.93 0.20 0.15 -
14	Advance against sale of land – GETL	399.98	-
15	Redemption of Preference Shares – GEML	1,387.85	-
16	Foreign exchange gain on redemption of preference shares – GEML	149.57	-
17	Pledge of deposit for bank guarantee issued on behalf of Subsidiary – GBHPL	32.13	-
18	Promoter contribution made (Other non current financial assets) – GWEL	600.00	-
19	Investment written off – GINELL	1.83	-



c) Outstandin balance at the year end		As at	
Sl. No	Particulars	31 March 2023	31 March 2022
1	Trade receivable - current - GWEL	113.59	96.60
2	Security deposit - non-current - CDCTM	1.00	1.00
3	Trade payable - current - GEPL (Rs. 1,180) - GPUIL**	0.00 22.70	0.00 21.83
4	Non-current investments (including additional equity of subsidiaries and joint ventures on account of fair valuation of loans, debentures, preference shares and guarantees) (refer note (v) below)		
	- GVPGL	5,370.60	5,419.63
	- GBHPL	1,908.25	2,410.30
	- GWEL	5,369.98	5,945.99
	- GGSPPPL	740.77	740.77
	- GKEL	16,559.98	11,657.09
	- GBHHPL	2,635.83	2,635.82
	- GTOM	0.25	0.25
	- GEML	-	530.24
	- GINPCL	0.06	-
	- GETL	140.60	140.60
5	Loans - non-current (refer note (vi)) - GKEL	1,031.57	907.06
6	Promotor contribution made (Other non current financial assets) - GWEL	600.00	-
7	Unsecured loans/inter corporate deposit, which have significant increase in credit risk - non-current		
	- GRSPPL	-	9.98
	- GCSPL	19.19	19.19
	- GINPCL	3.34	3.34
	- GMEL	0.50	0.50
	- GINELL	1.99	1.99
8	Other amounts recoverable - GGAL	-	3.19
9	Unsecured current borrowings		
	- GGSPPPL	938.73	938.72
	- GPUIL	10,008.32	2,626.39
	- GGAL	656.13	76.02
	- GETL	261.53	330.63
10	Unsecured non current borrowings - GPUIL	4,626.88	7,848.87
11	Interest accrued on borrowings		
	- GGSPPPL	505.01	426.87
	- GGAL	76.02	12.39
	- GPUIL	3,054.68	1,406.80
	- GETL	68.62	21.09
	- GPUIL	-	81.01
12	Financial gurantee contracts - current		
	- GKEL	49.47	54.14
	- GWEL	0.79	1.92
13	Pledge of deposit for bank gurantee issued on behalf of Subsidiary - GBHPL	51.69	19.56
14	Corporate gurantee outstanding		
	- GUKPL	410.85	377.38
	- GWEL	750.00	750.00
	- GKEL	6,000.00	6,000.00
15	Bank gurantee outstanding - GBHPL	188.20	188.20
16	Advance against sale of land - GETL	400.00	-

** Pursuant to scheme of agreement vide NCLT order dated 22 December 2021, the shares held by the GIL in the Company stand transferred to GPUIL.

d) Remuneration paid to key managerial personnel :		For the year ended 31 March 2023		For the year ended 31 March 2022	
Detail of KMP		Short term employee benefits*	Sitting fees	Short term employee benefits*	Sitting fees
Mr. Srinivasachari Rajagopal		-	0.45	-	0.42
Mr. Bimal Jayant Parakh		-	0.33	-	0.28
Mr. M. Ramachandran		-	0.45	-	0.42
Mr. Siva Kameshwari Vissa		-	0.33	-	0.28
Mr. Sanjay Babu - Company Secretary		3.37	-	3.07	-

*The remuneration to the key managerial personnel does not include the provisions for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Notes:

- The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company.
- Refer note 4 on non-current investment.
- The Company has provided security by way of pledge of investment for loans taken by certain Company (refer note 31(II)(iv)).
- Enterprises that jointly control the Company has securitised certain assets towards the borrowing facilities of the Company.
- Non-current investments are net off provision for diminution in the value of investments.
- The maximum outstanding balance at any time during the year is Rs. 4,109.16 million for GKEL and NIL for GBHHPL. (amounts are exclusive of non cash adjustments).



30 Employee benefits

a) Defined contribution plan

Contribution to provident and other funds included under employee benefit expense (note 21) are as below:

	31 March 2023	31 March 2022
Contribution to provident and pension fund	0.90	1.17
Contribution to superannuation fund	0.36	0.63
Total	1.27	1.80

b) Defined benefit plan

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

The scheme is funded by way of a separate irrevocable Trust and the company is expected to make regular contributions to the Trust. The fund is managed by an insurance company and the assets are invested in their conventional group gratuity product. The fund provides a capital guarantee of the balance accumulated and declares interest periodically that is credited to the fund account. Although we know that the fund manager invests the funds as per products approved by Insurance Regulatory and Development Authority of India and investment guidelines as stipulated under section 101 of Income Tax Act, the exact asset mix is unknown and not publicly available. The Trust assets managed by the fund manager are highly liquid in nature and we do not expect any significant liquidity risks. The Trustees are responsible for the investment of the assets of the Trust as well as the day to day administration of the scheme.

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

i. Net employee benefit expenses (recognised in the statement of profit and loss (note 21)):	31 March 2023	31 March 2022
Particulars		
Current service cost	0.18	0.23
Net interest cost on defined benefit obligations	(0.17)	(0.07)
Net benefit expenses	0.01	0.16

ii. Remeasurement (gains) / loss recognised in other comprehensive income:	31 March 2023	31 March 2022
Particulars		
Actuarial loss/(gains) on obligations due to defined benefit obligations experience	(0.18)	0.27
Actuarial gain on obligations due to defined benefit obligations assumption changes	(0.04)	(0.07)
Actuarial loss/(gains) arising during the year	(0.22)	0.20
Return on plan assets lesser than discount rate	0.09	(2.40)
Actuarial gain recognised in other comprehensive income	(0.13)	(2.20)

Balance sheet

iii. Net defined benefit asset/ (liability):	31 March 2023	31 March 2022
Particulars		
Defined benefit obligation	2.02	3.97
Fair value of plan assets	4.58	6.41
Plan asset	2.56	2.44

iv. Changes in the present value of the defined benefit obligation are as follows:	31 March 2023	31 March 2022
Particulars		
Opening defined benefit obligation	3.97	3.74
Current service cost	0.18	0.23
Interest cost	0.21	0.25
Transferred (to) / from group companies	-	(0.46)
Actuarial loss/(gains) on obligations due to defined benefit obligations experience	(0.18)	0.27
Actuarial gain on obligations due to defined benefit obligations assumption changes	(0.04)	(0.07)
Benefits paid	(2.12)	-
Closing defined benefit obligation	2.02	3.97

v. Changes in the fair value of the plan assets are as follows:	31 March 2023	31 March 2022
Particulars		
Opening fair value of plan assets	6.41	5.96
Expected return on plan asset	-	0.33
Contributions by employer	-	0.02
Interest income from plan assets	0.38	(2.30)
Benefits paid	(2.12)	-
Return on plan assets lesser than discount rate	(0.09)	2.40
Closing fair value of plan assets	4.58	6.41

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

Particulars	31 March 2023	31 March 2022
Investments with the insurer	100%	100%

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

Particulars	31 March 2023	31 March 2022
Discount rate	7.30%	7.10%
Salary escalation	6.00%	6.00%
Employee turnover	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult

Notes:

- Plan assets are fully represented by balance with the Life Insurance Corporation of India.
- The long term estimate of the expected rate of return on fund assets has been arrived at based on the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.
- The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- 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:
 - 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
 - Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
 - Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

viii. A quantitative sensitivity analysis for significant assumption as at 31 March 2023 and 31 March 2022 are as shown below:

Impact on the defined benefit obligation	31 March 2023	31 March 2022
Discount rate		
Effect due to 1% increase in discount rate	(0.17)	(0.22)
Effect due to 1% decrease in discount rate	0.20	0.25
Attrition rate		
Effect due to 1% increase in attrition rate	0.06	0.05
Effect due to 1% decrease in attrition rate	(0.07)	(0.06)
Salary escalation rate		
Effect due to 1% increase in salary escalation rate	0.18	0.12
Effect due to 1% decrease in salary escalation rate	(0.18)	(0.14)

The sensitivity analysis above have been determined based on method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.

ix. The following payments are expected benefits payments in future years:

Particulars	31 March 2023
31 March 2024	0.15
31 March 2025	0.16
31 March 2026	0.02
31 March 2027	0.19
31 March 2028	0.21
31 March 2029 to 31 March 2033	1.20

Particulars	31 March 2022
31 March 2023	1.80
31 March 2024	0.17
31 March 2025	0.19
31 March 2026	0.21
31 March 2027	0.22
31 March 2028 to 31 March 2032	1.30

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2022 : 10 years).



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31 Commitments and Contingencies**I Leases****Operating lease: Company as lessee**

The Company has obtained land and office premises on operating lease having a term of 30 years and 11 months respectively and are renewable as mutually agreed between the parties. There is no escalation clause in the lease agreement pertaining to office premises, however there is an escalation clause of 15% after every 3 years in the land lease agreement. There are no subleases.

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

Particulars	Amount
As at 1 April 2021	106.90
Additions	-
Accretion of interest	10.69
Adjustments during the year	(9.33)
As at 31 March 2022	108.06
Additions	-
Accretion of interest	11.03
Adjustments during the year	(9.48)
As at 31 March 2023	109.61

	31 March 2023	31 March 2022
Current	0.88	0.89
Non-current	108.73	107.17

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

Particulars	31 March 2023	31 March 2022
Interest expense on lease liabilities	11.03	10.69
Expense relating to short-term leases (included in other expenses)	-	2.52
Total amount recognised in profit or loss	11.03	13.21

Information about extension and termination options

	Office premises	Office premises
Right of use assets		
Number of leases	2	2
Range of remaining terms (in years)	7-15	8-16
Average remaining lease term (in years)	11	12
Number of leases with extension option	-	-
Number of leases with termination option	-	-

The maturity analysis of lease liabilities are disclosed in note 34.

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 standalone financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the standalone financial statements but does not record a liability in its accounts unless the loss becomes probable.

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

A. Contingent Liabilities

a. Particulars	31 March 2023	31 March 2022
- Corporate guarantees (refer note 29)	7,160.85	7,127.38
- Bank guarantees {also includes related party amounting to 188.20 million (31 March 2022 : Rs 188.20 million) [refer note 29]}	1,291.19	1,291.19



Others in addition to (a) above

b. During the year ended 31 March 2012, the Company received an intimation from the Chief Electrical Inspectorate, Government of Andhra Pradesh ('GoAP'), whereby GoAP had demanded electricity duty on generation and sale of electrical energy amounting to Rs. 110.62 Million calculated at the rate of six paise for each electricity unit generated by the Company for the period from June 2010 to December 2011.

Based on an internal assessment and a legal opinion obtained by the Company, the management is confident that the provisions of Electricity Duty Act and Rules, 1939 in respect of payment of electricity duty are not applicable to the Company and accordingly, electricity duty liability of Rs. 146.11 Million (31 March 2022 : Rs. 146.11 Million) for the period since June 2010 has been considered as a contingent liability as at 31 March 2023 and accordingly no adjustments have been made to the standalone financial statements of the Company for the year ended 31 March 2023.

c. GEL had entered into a Power Purchase Agreements ('PPAs') with Karnataka Power Transmission Corporation Limited for supply of energy during the period December 15, 1997 to July 7, 2008. GEL had a Fuel Supply Agreement ('FSA') with a fuel supplier towards purchase of Naphtha for generation of electricity during the aforementioned period. The FSA provided for payment of liquidated damages to the fuel supplier in the event there was a shortfall in the purchase of the annual guaranteed quantity.

During the year ended 31 March 2013, GEL received a demand towards liquidated damages amounting to Rs. 2,961.64 Million along with an interest of Rs. 55.54 Million towards failure of GEL to purchase the annual guaranteed quantity for the period from 21 November 2001 to 6 June 2008 under the erstwhile FSA. GEL had disputed the demand from the supplier towards the aforementioned damages. Further, GEL has filed its statement of defense and counter claim amounting to Rs. 359.62 Million along with interest at the rate of 18% p.a.

The matter was under arbitration. During the year ended 31 March 2017, the Arbitration Tribunal issued its arbitral award directing the fuel supplier to pay Rs. 322.10 Million to GEL towards its counter claim filed by GEL and rejected the claims of the fuel supplier. Subsequently, the fuel supplier filed an appeal before the District Civil Court of Bangalore for setting aside the entire arbitration award. The fuel supplier has also filed an interim application under Section 36 of the Arbitration and Conciliation Act for grant of interim stay on execution of the Arbitration award. The District City Civil Court vide its order issued the stay order on the operation of the Arbitration Award on furnishing of a bank guarantee by the fuel supplier equivalent to 50% of counter claim amount. Fuel supplier has filed writ petition before Karnataka High Court for setting aside the interim stay order dated 4 March 2017. Karnataka high court has dismissed the objection petition. GEL has filed execution petition before Delhi High Court for execution of Arbitral award, the outcome of which is awaited.

Fuel supplier has filed an appeal before Bangalore High court against the order passed by the District Civil Court. Hon'ble High Court, ordered stay of the Award subject to Fuel supplier depositing 50% of the Award amount. Hon'ble High Court has allowed GEL to withdraw the amount on furnishing BG of equivalent amount. Company has filed application for permission to withdraw amount upon submission of Corporate Guarantees. During the year ended 31 March 2020, High court allowed the Company's Application with the condition that Group give Affidavit-cum-Undertaking to state that it will not encumber/sell its land offered as security, till the disposal of the Appeal of fuel supplier.

Further, based on submission of two Corporate Guarantee copies by GEL and GGAL and Affidavit of undertaking by GBEL the court had permitted GEL to withdraw the amount which has been deposited by the fuel supplier on a condition that GEL shall re-deposit the aforesaid amount before the Court, within a time frame to be stipulated by the Court at the time of final disposal if the fuel supplier is successful in the appeal. The amount withdrawn by the Company has been shown as payable under other financial liabilities.

The final outcome of the case is pending conclusion. However, based on its internal assessment, the management of the Company is confident that the claim of the fuel supplier towards such liquidated damages is not tenable and accordingly no adjustments have been made to the standalone financial statements of the Company and the claim from the fuel supplier has been considered as a contingent liability.

d. GEL had entered into Technical Service Agreement ('TSA') and Parts and Repair Work Supply Agreement ('PRWST') with General Electric International Inc. and its affiliates (collectively referred as 'GE') for scheduled maintenance of gas turbines in gas based power plants. GE has raised invoices on the Company as per the terms in the agreement, which are outstanding as at date. The Company has not paid the liability in contravention with Master Circular issued by the Reserve Bank of India ('RBI') on Import of Goods and Services dated 1 July 2014 (as amended).

During the year ended 31 March 2020, GE served demand notice under Section 8 of the Insolvency and Bankruptcy Code, 2016 of India demanding payment of outstanding amount. Pursuant to the above, the Company and GE, entered into a settlement, wherein the Company has agreed to pay the outstanding dues amounting to USD 2.16 million to GE as per the proposed payment plan mentioned in the settlement agreement. In case the Company fail to make payment as per the agreed schedule, GEL agreed to pay additional interest as per the TSA. On 18 July 2020, GE approached International Court of Arbitration (ICA) of the International Chamber of Commerce (ICC) by filing Emergency Application under ICC Arbitration Rules against the Company. The Emergency Arbitrator, having jurisdiction to adjudicate a contract aggregating to USD 0.89 million between the Company and one of the affiliate of General Electric International Inc., vide its order dated 3 August 2020, directed the Company to pay USD 0.89 million to GE. During the year ended 31 March 2021, GEL, in accordance with the order of the emergency arbitrator and approval of the RBI (as per which no penalty or delay fee was charged), had paid USD 0.89 million to GE.

During the year ended 31 March 2021, the overseas vendors had initiated arbitration proceeding towards recovery of such overdue payable, which is pending in the Arbitral Tribunal of International Court of Arbitration of International Chamber of Commerce.

During the previous year ended 31 March 2022, the Company has entered a joint protocol with GE in accordance with which the Company has deposited Rupees equivalent of USD 1.68 million as a security deposit with GE amounting to Rs 124.24 millions. The Company and GE have submitted the joint protocol to the Arbitral Tribunal for their approval. The Company has recorded an interest at the rate of 6-month LIBOR + 3.5% spread, of USD 0.09 million from the date of due date of payment.

GEL has received the RBI approval on 31 March 2022 for payment of remaining amount of USD 1.27 million and made the payment during the year current ended 31 March 2023. The matter is currently pending before ICA.

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e. A search under Section 132 of the IT Act was carried out at the premises of the Company by the income tax authorities on 11 October 2012, followed by search closure visits on various dates during the year ended 31 March 2013 to check the compliance with the provisions of the IT Act. The income tax department has subsequently sought certain information / clarifications. During the year ended 31 March 2015 and 31 March 2016, block assessments have been completed for the Company and appeals have been filed with the income tax department against the disallowances made in the assessment orders. The management of the Company believes that it has complied with all the applicable provisions of the IT Act with respect to its operations and will not have significant impact on the standalone financial statements.

f. During the year ended 31 March 2023, the GMR Energy Limited ("GEL") has received order from National Green Tribunal ("NGT") dated 27 September 2022 post disposing off the Petition filed by Mr. E.A.S Sharma along with K.M. Rao (Applicants) and held that Andhra Pradesh Maritime Board ("APMB") and GEL are jointly and severally liable for the damage caused to the mangroves and mudflats in the GEL/ East Coastal Concession Private Ltd (ECPL) plant opposite to Coast Guard office, Kakinada, and are liable to pay environmental compensation to be assessed by the Committee appointed by NGT; and for maintenance of mangroves for a period of five years will have to be undertaken by GEL, under the supervision of the Andhra Pradesh Maritime Board (who is currently in possession of the land) and the Forest Department. Currently, the Committee is yet to be formed as per the NGT Order and inspect the overall site. The Company plans to demonstrate its bona-fide efforts and work already undertaken for restoration of mangroves leading to its speedy growth. Based on the above-mentioned facts, the Company is confident that there will not be any material liability on the Company on account of environmental compensation in near future

g. Also refer note 4 as regards various pending litigations and claims made by the Company and its subsidiaries and joint ventures.

B. Litigation provided for

i. Provision made in respect of disputes towards utilisation of duty entitlement pass book scrips Rs. 0.54 Million (31 March 2022: Rs. 0.54 Million).

ii. The management of the Company has made a provision of Rs. 45.99 Million (31 March 2022 : Rs. 45.99 Million) against excise duty being disputed by the central excise authorities with regard to refund of excise duty.



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III Capital and other commitments

i. The Company has entered into agreements with the lenders of the following subsidiaries/ joint ventures wherein it has committed to hold at all times at least 51% of the equity share capital of subsidiaries joint ventures and not to sell, transfer, assign, dispose off, pledge or create any security interest till the final settlement of all the obligations to the lenders or with the permission of the lenders except pledge of shares to the respective lenders as covered in the respective agreements with the lenders.

31 March 2023	31 March 2022
GWEL	GWEL
GGSPPL	GGSPPL
GBHHPL	GBHHPL

The Company has entered into a Share Subscription and Share Holding Agreement with Infrastructure Development Finance Company Limited ("shareholder") in which it has committed to the shareholder that either the Company directly, or indirectly (along with the other group Companies as defined in the shareholding agreement) will hold at least 51% of the paid up equity share capital of GKEL.

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

Nature of relationship	Outstanding commitment for financial assistance	
	31 March 2023	31 March 2022
Fellow subsidiaries	5.00	5.00
Joint ventures	4,718.68	4,718.68
Subsidiaries	12,333.48	12,425.90
Others	17.10	17.10
Total	17,074.26	17,166.68

iii. The Company has provided commitment to the lenders of the following subsidiaries to fund the cost overruns over and above the estimated project cost, if any, to the extent as defined in the respective agreements executed with the lenders.

31 March 2023	31 March 2022
GWEL	GWEL
GGSPPL	GGSPPL
GBHHPL	GBHHPL
GKEL	GKEL

iv. The Company has certain long term unquoted investments included in note 4 which have been pledged as security towards loan facilities sanctioned to the Company and the investee companies.

Name of the Company	Year ended	
	31 March 2023	31 March 2022
	(Equity shares of Rs.10 each fully paid up)	
GVPGL	197,640,102	197,640,102
GWEL	869,999,994	869,999,994
GGSPPL	73,600,000	73,600,000
GBHHPL	311,879,456	311,879,456
GKEL	1,878,440,283	1,878,440,283

v. The Company has committed to provide continued financial support to ensure that its subsidiaries and joint ventures are able to meet their debts and liabilities as they fall due and they continue as going concerns.

vi. Also refer note 6(i).



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GMR Energy Limited
Corporate Identity Number (CIN): U85110MH1996PLC274875
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in Rs. millions unless otherwise stated)

32 Interest in significant investment in subsidiaries, joint ventures and associates as per Ind AS- 27

SL No.	Name of entity	Country of incorporation	Date of incorporation	Relationship as at 31 March 2023	Percentage of effective ownership interest held (directly and indirectly) as at	
					31 March 2023	31 March 2022

Subsidiaries
Indian

1	GMR Vemagiri Power Generation Limited (GVPGL)	India	8 January 1997	Subsidiary	100.00%	100.00%
2	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	India	17 February 2006	Subsidiary	100.00%	99.90%
3	GMR Consulting Services Limited (GCSPL)	India	28 February 2008	Subsidiary	100.00%	100.00%
4	GMR Maharashtra Energy Limited (GMEL)	India	26 May 2010	Subsidiary	100.00%	100.00%
5	GMR Bundelkhand Energy Private Limited (GBEL)	India	18 June 2010	Subsidiary	100.00%	100.00%
6	GMR Rajam Solar Power Private Limited (GRSPPL)	India	18 June 2010	Subsidiary	100.00%	100.00%
7	GMR Gujarat Solar Power Limited (GGSPPL)	India	26 March 2008	Subsidiary	100.00%	100.00%
8	GMR Indo-Nepal Energy Links Limited (GINELL)*	India	7 January 2011	Subsidiary	100.00%	100.00%
9	GMR Indo-Nepal Power Corridors Limited (GINPCL)	India	6 January 2011	Subsidiary	100.00%	100.00%
10	GMR Warora Energy Limited (GWEL)	India	4 August 2005	Subsidiary	92.07%	100.00%
11	GMR Kamalanga Energy Limited (GKEL) **	India	28 December 2007	Subsidiary	97.63%	93.24%

Foreign

1	GMR Upper Karnali Hydropower Limited (GUKPL)	Nepal	2 May 2008	Step down subsidiary	69.35%	69.35%
2	Karnali Transmission Company Private Limited (KTCPL)	Nepal	27 April 2010	Step down subsidiary	95.00%	95.00%
3	GMR Energy (Mauritius) Limited (GEML)	Mauritius	27 February 2008	Subsidiary	95.00%	95.00%
4	GMR Lion Energy Limited (GLEL)	Mauritius	29 February 2008	Step down subsidiary	95.00%	95.00%

Joint venture
Indian

1	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	India	1 October 2008	Joint Venture	79.86%	79.86%
2	GMR Tenaga Operations and Maintenance Private Limited (GTOM)	India	9 April 2018	Joint Venture	50.00%	50.00%

* The Registrar of Companies has struck off the name of the Company from the register of Companies on 23 February 2023.

**During the year ended 31 March 2022, the Company had acquired shares of GKEL from the erstwhile joint venture shareholder in accordance with the consent minutes of order as detailed in note 4(4)(c) below. Post the acquisition of such shares, the erstwhile joint venture shareholder ceased to have joint control over GKEL due to relinquishment of its right to be involved in the Affirmative Vote Items which had been agreed in the Share Subscription and Shareholders Agreement. Accordingly, GKEL is now a subsidiary of the Company.



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33. Fair value measurement

i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the financial statements are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

ii) Financial assets and financial liabilities measured at fair value – recurring fair value measurements

Particulars	As at 31 March 2023			As at 31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit and loss						
Investments (other than investments in subsidiaries and joint venture) (refer note i below)	-	-	140.60	-	-	140.60
Total	-	-	140.60	-	-	140.60

(i) Unquoted equity instruments for which cost has been considered as an appropriate estimate of fair value as cost represents the best estimate of fair value within that range.

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

(iii) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2023 and 31 March 2022.

(iv) As regards the carrying value and fair value of investments in subsidiaries and joint ventures, refer note 4.

34. Financial risk management

i) Financial instruments by category

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets measured at amortized cost				
Trade receivables		113.59		96.60
Cash and cash equivalents		3.77		10.02
Other bank balance		56.90		25.41
Other financial assets		2,010.35		1,706.22
Investments - in subsidiaries and joint venture		32,585.71		30,770.09
Financial assets measured at fair value through profit and loss				
Investments (other than investments in subsidiaries and joint venture)		140.60		140.60
Total	34,910.92	34,910.92	32,748.94	32,748.94
Financial liabilities measured at amortized cost				
Borrowings		16,491.59		16,382.90
Trade payables		162.92		314.45
Other financial liabilities		3,920.45		2,770.72
Lease liabilities		109.61		108.06
Total	20,684.57	20,684.57	19,576.13	19,576.13

ii) Risk management

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

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

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

A Credit risk

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

a) Credit risk management

The carrying value of financial assets (including investment in subsidiaries, joint ventures and other equity investments) represents the maximum credit risk. The maximum exposure to credit risk was Rs 34,850.25 million, Rs 32,723.51 million, as at 31 March 2023 and 31 March 2022 respectively, being the total carrying value of trade receivables, loans, balances with bank, bank deposits, investments and other financial assets.

The carrying value of investments in subsidiaries and joint ventures is monitored based on the business plan and valuation assessment thereof as at every period end by the Company.

With respect to Trade receivables/unbilled revenue, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

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

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Asset group	Basis of categorisation	Provision for expected credit loss*
A. Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss or life time expected credit loss or fully provided for
C. High credit risk	Investments, certain loans and other financial assets	Life time expected credit loss or fully provided for

* Life time expected credit loss is provided for trade receivables



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Assets under credit risk –			31 March 2023	31 March 2022
	Credit rating	Particulars		
A: Low credit risk		Trade receivables, cash and cash equivalents, other bank balances and other financial assets	1,153.04	1,223.41
C: High credit risk		Investments and loans	56,851.82	57,102.49

(ii) *Concentration of financial assets*

The Company's entire trade receivables pertains to its operation and maintenance business.

b) *Credit risk exposure*

Provision for expected credit losses

The Company provides for 12 month or lifetime expected credit losses for following financial assets –
As at 31 March 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	3.77	-	3.77
Trade receivables	113.59	-	113.59
Other bank balances	56.90	-	56.90
Investments - in subsidiaries and joint venture	55,654.64	(23,068.93)	32,585.71
Investments (other than investments in subsidiaries and joint venture)	140.60	-	140.60
Other financial assets	2,405.24	344.85	2,010.35

As at 31 March 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	10.02	-	10.02
Trade receivables	96.60	-	96.60
Other bank balances	25.41	-	25.41
Investments - in subsidiaries and joint venture	56,019.81	(25,249.73)	30,770.07
Investments (other than investments in subsidiaries and joint venture)	140.60	-	140.60
Other financial assets	2,033.44	257.22	1,706.22

B *Liquidity risk*

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital loans from various banks and inter-corporate loans. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

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

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

Maturities of financial liabilities

31 March 2023	Less than 1 year	1 to 5 Years	Above 5 Years	Total
Non-derivatives				
Borrowings (including interest accrued)	15,569.04	4,626.88	-	20,195.92
Trade payable	162.92	-	-	162.92
Other financial liabilities	165.86	-	-	165.86
Leases liabilities	11.19	51.83	172.03	235.05
Total	15,909.01	4,678.71	172.03	20,759.75
31 March 2022	Less than 1 year	1 to 5 Years	Above 5 Years	Total
Non-derivatives				
Borrowings (including interest accrued)	10,593.75	7,848.87	-	18,442.62
Trade payable	314.45	-	-	314.45
Other financial liabilities	651.95	-	-	651.95
Leases liabilities	10.77	48.76	186.59	246.12
Total	11,570.92	7,897.63	186.59	19,655.14

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

C *Market risk*

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

a) *Interest rate risk*

Liabilities

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

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

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	31 March 2023	31 March 2022
Variable rate borrowing	-	3,330.46
Fixed rate borrowing	16,491.59	13,052.44
Total borrowings	16,491.59	16,382.90

Sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates.

Particulars	31 March 2023	31 March 2022
Interest rates – increase by 50 basis points (31 March 2022: 50 basis points)	-	(16.65)
Interest rates – decrease by 50 basis points (31 March 2022: 50 basis points)	-	16.65

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

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b) 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 demonstrate the unhedged exposure in USD exchange rate as at 31 March 2023 and 31 March 2022. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	31 March 2023	31 March 2022
Other financial assets*	-	0.93
Trade payables**	(0.07)	(1.35)
Total in USD	(0.07)	(0.42)
Total in INR	(5.96)	(31.83)

*During the year ended 31 March 2020, the Company entered into a service agreement and Sale and Purchase Agreement to sell Barge Mounted Plant for USD 20.00 Million (including USD 4.50 million for service agreement) out of which the Company has received entire consideration except USD 0.93 Million. The barge plant has been exported to Marshal Island on 21 June 2021. During the year ended 31 March 2023, the Company has made a

** With respect to GE - Outstanding payable of USD 1.26 millions has been paid on 21 April 2022 and provision has been made towards interest for USD 0.07 millions

Sensitivity

Profit or loss and equity is sensitive to higher/lower foreign currency changes from foreign balance as a result of changes in exchange rates.

Particulars	31 March 2023	31 March 2022
Exchange rate – increase by 5% (31 March 2022: 5%)	(0.30)	(1.59)
Exchange rate – decrease by 5% (31 March 2022: 5%)	0.30	1.59

c) Price risk

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through profit or loss. To manage the price risk arising from investments in equity securities, the Company diversifies its portfolio of assets.

Sensitivity

Profit or loss and equity is sensitive to higher/lower prices of instruments-

Particulars	31 March 2023	31 March 2022
Investments (other than investments in subsidiaries and joint venture)		
Price increase by (2%) - FVTPL instrument	2.81	2.81
Price decrease by (2%) - FVTPL instrument	(2.81)	(2.81)

35. Capital management

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

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity and other support from shareholders, cash generated from operations and sale of certain assets, long term and short term bank borrowings and issue of non-convertible / convertible debt securities and strategic partnership with investors.

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

Particulars	31 March 2023	31 March 2022
Borrowings (refer note 13)	16,491.59	16,382.90
Less: Cash and cash equivalents	(3.77)	(10.02)
Adjusted net debt	16,487.82	16,372.88
Equity share capital (refer note 11)	36,069.03	36,069.03
Other equity (refer note 12)	(22,149.79)	(22,733.30)
Total Capital (ii)	13,919.24	13,335.73
Capital and borrowing (iii = i + ii)	30,407.06	29,708.61
Gearing ratio % (i / iii)	54%	55%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants, attached to the interest - bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants and repayment terms would permit the bank to immediately call loans and borrowings. Also refer note 13 for details of borrowings of the Company.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

36 Segment reporting

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses including transactions with any of the Company's other components (b) whose operating results are regularly reviewed by the Company's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available. The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

The Company is engaged in generation of electrical energy and has commenced operational and maintenance services during the year ended 31 March 2018. These activities of the Company are incidental to the generation of energy and therefore subject to the same risk and reward and accordingly falls within single business segment. The company is operating in India which is considered as a single geographical segment.

Revenue from one customer amounted to 100% of the total revenue; amounting to Rs.219.63 Million (31 March 2022 : Rs.199.66 Million)



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37 Other disclosure

The Company is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the IT Act ('regulations') to determine whether the transactions entered during the year ended 31 March 2023, with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associate enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

38 The Company fulfilled the criteria as specified under Section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of Section 135 of the Act.

39 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

40 All loans, guarantees and securities as disclosed in respective notes are provided for business purposes.

41 In the opinion of the Board of Directors, current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the standalone balance sheet and provisions for all known/expected liabilities have been made.

42 The Company is engaged in the business of providing infrastructural facilities as per section 186(11) read with Schedule III of the Act, accordingly disclosures under section 186(4) of the Act is not applicable.

43 (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 charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(iv) 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).
(v) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
(vi) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
(vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
(viii) The Company does not have transaction with struck off Companies, other than disclosed in note 45.
(ix) The Company is not declared a wilful defaulter by a bank or financial institutions or government or any government authority.

44 a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The Company has not received any fund from any person(s) or entity(ies), (other than as disclosed below), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) 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,
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Funds received from entity (Funding Party)

Funding party	Date	Amount (in million)
GMR Power and Urban Infra Limited	22 September 2022	600

Funds lent to another entity (Ultimate Beneficiary)

Funding party	Date	Amount (in million)
GMR Warora Energy Limited (Refer note 6)	22 September 2022	600

45 Relationship with struck off companies

Name of Struck off company	Nature of transactions with struck off	Balance outstanding	Relationship with the struck off company
GMR Indo-Nepal Energy Links Limited (GINELL)	Investments written off during the year.	-	Subsidiary

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46 Financial ratios

Sl No	Ratio	Numerator	Denominator	As at 31 March 2023 Ratio	As at 31 March 2022 Ratio	% Change from 31 March 2022 to 31 March 2023	Remarks
1	Current ratio	Current assets	Current liabilities	0.03	0.08	(58%)	Note 1B below
2	Debt-equity ratio	Total debt [Non-current borrowings + Current borrowings]	Shareholder's equity	1.18	1.23	(4%)	Note 1A below
3	Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest	Debt service = Interest & Lease Payments + Principal Repayments	0.38	(0.10)	(490%)	Note 1C below
4	Return on equity ratio	Profit after tax	Average shareholder's equity	0.04	(0.09)	(148%)	Note 1C below
5	Inventory turnover ratio	Costs of materials consumed	Average inventories	NA	NA	NA	NA
6	Trade receivables turnover ratio	Revenue from operations	Average trade receivables	0.52	0.57	(8%)	Note 1A below
7	Trade payables turnover ratio	Sub contracting expenses + other expenses	Average trade payables	1.25	1.63	(23%)	Note 1A below
8	Net capital turnover ratio	Revenue from operations	Working capital [Current assets - Current liabilities]	(0.01)	(0.02)	(25%)	Note 1B below
9	Net profit ratio	Profit after tax	Revenue from operations	2.66	(6.97)	(138%)	Note 1C below
10	Return on capital employed	Earning before interest and taxes [Earnings = Profit after tax + Tax expense + Finance costs (excluding interest on lease liabilities)]	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	9%	(12%)	(177%)	Note 1C below
11	Return on investment	NA	NA	NA	NA	NA	NA

Note 1

- A The change in ratio is less than 25% as compared to previous period and hence, no explanation required.
B Current liabilities include interest accrued and borrowings from related parties which have increased during the current year. Refer note 13 and note 16 for more details.
C During the year ended 31 March 2023, the Company has profit after tax of 583.38 million as against net loss of 2,869.31 million in the comparative period.

47 Previous year's figures have been regrouped / reclassified, wherever necessary to confirm to current year's classification. Such reclassifications are not material to the standalone financial statements.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's registration number: 001076N/N500013

Manish Agrawal
Partner
Membership Number: 507000



Place: New Delhi
Date: 8 May 2023

For and on behalf of the board of directors
GMR Energy Limited

Srinivas Bommidala
Vice Chairman & Director
DIN: 00061464
Place: New Delhi
Date: 8 May 2023

Manoj Kumar Singh
Chief Financial Officer
Place: New Delhi
Date: 8 May 2023

Mr. Madhva Bhimacharya Terdal
Director
DIN: 05343139
Place: Bengaluru
Date: 8 May 2023

Sanjay Kumar Babu
Company Secretary - FCS 8649
Place: New Delhi
Date: 8 May 2023

Ashis Basu
Chief Executive Officer
Place: New Delhi
Date: 8 May 2023

