INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GMR RAJAHMUNDRY ENERGYLIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **GMR Rajahmundry Energy Limited** (the **"Company"**), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including other Comprehensive income) the Statement of Changes in Equity and the Statement of cash flows and for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31st2023, its loss including other comprehensive income, its cash flow and the change in equity for the year ended on that date.

Emphasis of Matter

1. We draw the attention that, the plant has not been operated during the past six years and huge losses including cash losses have been incurred. However, in view of the approved Resolution Plan the lenders have waived the accrued interest till 31.07.2018 and reduced the rate of interest for the subsequent period. Based on the said Resolution Plan and projected cash flow the company believes that the carrying value of its assets as at March 31, 2023 is appropriate. As such the appropriateness of the going concern assumption of the entity is dependent on the ability to establish consistent profitable operations as well as raising adequate finance to meet short term and long-term obligations.

   Accordingly, the financial statements continue to be prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in an orderly manner.

2. We draw the attention regarding the uncertainties in tying up of power supplies at profitable rates, achieving profitability in operations, fuel linkage tie ups, re-financing of existing loans at lower interest rates and other key assumptions made in the assessment of company's assets value in use, in the valuation report obtained from an independent valuer during the year ended March 31, 2023. The assessment of the asset value is critically dependent upon the achievement of these parameters.

3. The Company, considering the enterprise valuation report received from the valuer during the year ended March 31, 2018, had provided for an impairment loss of Rs 2,084.39 crores which includes an amount of Rs.1,161.59 incurred on the plant under construction where active construction work has been put on hold pending securing supply of requisite natural gas and has approached the Ministry of Corporate Affairs for clarification on the applicability of / relaxation from the provisions of Accounting standard ('AS') 10 and AS-16 to the capitalization. Ministry of Corporate Affairs has not given any relaxation from applicability of AS 10 and AS-16, and the Company has filed a petition before High Court of Delhi against the order of Ministry of Company Affairs against which the High Court has dismissed the petition as matter has become infructuous.

Our report in respect of the above matters is not qualified.

Basis of opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report but does not include the standalone Ind AS financial statements and our auditor's report thereon. The board report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibility of Management for Ind AS Financial Statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

(e) On the basis of written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its managerial personnel during the year and accordingly reporting in accordance with the requirements of Section 197(16) of the Act is not required;

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

i. The Company has disclosed the details and impact of pending litigations on the financial position of the company in its financial statements. – Refer Note 30 to the financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. A. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium
or any other sources or kind of funds) by the company to or in any other person(s) or entity (ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:

B. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding whether recorded in writing or otherwise, that the company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Paty (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

C. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. During the year, the Company, neither declared nor paid any dividend. Hence reporting on compliance with provisions of section 123 of the Act does not arise.

b. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For **PHANIBHUSHAN & CO**
Chartered Accountants
Firm’s registration number: 012481S
PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2023.04.17 19:21:26 +05'30'
M.PHANI BHUSHAN KUMAR
Partner
Membership number:

Date: 17th April 2023
Place: Hyderabad
UDIN: 23223397BGXZIF4061

" Annexure A" to the Independent Auditors' Report referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements" of our report of even date to the financial statements of the Company for the year ended March 31, 2023:

Re: **GMR Rajahmundry Energy Limited**

I. In respect of the Company's Tangible assets & Intangible assets:

i. The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, plant & equipment and there are no intangible assets held by the company during the year.

ii. The Company has a program of verification to cover all the items of Property, plant & equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the Company has carried out physical verification of assets during March 2020 and no discrepancies have been noticed on such verification.

iii. In our opinion and according to the information and explanations given to us, the Company is not holding any immovable properties (including investment properties) (other than properties where the Company is a lessee). Hence reporting regarding Title deeds of the property is not applicable.

iv. There is no revaluation done by the company of its property, plant and equipment (including the right of use assets) or intangible assets or both during the year.

v. There are no proceedings that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

II. In respect of details of Company's Inventory & Working capital:

i. The nature of the company's operation does not warrant holding of any stocks except small amount of spares, which have been physically verified by the company. Accordingly, paragraph 3(ii) of the order is not applicable to the company.

ii. The company, during any point of time of the year, has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

III. a. According to the information and explanations given to us, the Company has not made investment in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence reporting under sub clauses to this clause are not applicable to the company.

b. During the year, the Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

IV. In our opinion and according to the information and explanation given to us the company has not granted any loan, made any investments, gave any guarantee or provided security in connection with a loan to any other body corporate or person in contravention of section 185 and 186 of the Companies Act,2013.

V. According to the information and explanation given to us the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

VI. According to the information and explanation given to us the Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013 for the activities carried out by the Company, is not applicable as the plant is not operational for the entire year.

VII. In respect of Deposit of Statutory liabilities:

a. In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues[1] 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.

b. According to the information and explanations given to us, there are no statutory dues referred to in sub clause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

VIII. According to the information and explanations given to us and the records of the company examined by us we have not come across any instances of any transactions which are not recorded in the accounts that have been disclosed or surrendered before the tax authorities as income during the year in the tax assessments under the income tax act, 1961.

IX. a. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that, the company has delayed in the repayment of loans taken from lender & interest thereof during the year to the extent of 31.78 Crs. The details of the same are given here below:

Nature of Borrowing	*Name of the Lender*	*Amount not paid*	*Whether Principal / interest*	*No of days delay/unpaid till the date of financial statements*	Remarks if any
Term Loan	*IDBI Bank*	*4.98*	*Principal*	1034 Days	
	Indian Bank (Allahabad Bank)	*2.45*	*Principal*		
	Union Bank of India				
	Edelweiss (IDFC share)	*2.51*	*Principal*		
	Indian Overseas Bank	*6.19*	*Principal*		
	J & K Bank	*2.51*	*Principal*		
	Punjab & Sind Bank	*2.49*	*Principal*		
	Punjab National Bank	*1.22*	*Principal*		
	State Bank of India	*3.27*	*Principal*		
	Edelweiss (UBI share)	*2.44*	*Principal*		
	Canara Bank (Syndicate	*2.47*	*Principal*		
	Bank)	*1.26*	*Principal*		
Term Loan					
	IDBI Bank	*12.62*	*Interest*	912 days	
	Indian Bank (Allahabad Bank)	*14.03*	*Interest*		
	Union Bank of India				
	Edelweiss (IDFC share)	*6.18*	*Interest*		
	Indian Overseas Bank	*19.06*	*Interest*		
	J & K Bank	*9.14*	*Interest*		
	Punjab & Sind Bank	*14.83*	*Interest*		
	Punjab National Bank	*3.88*	*Interest*		
	State Bank of India	*11.12*	*Interest*		
	Edelweiss (UBI share)	*6.92*	*Interest*		
	Canara Bank (Syndicate	*7.59*	*Interest*		
	Bank)	*3.48*	*Interest*		

a) The company has not taken any loan from the Government and the company has not issued any debentures during the year.

b) According to the information and explanations given to us, and on the basis of our audit procedures, we report that the company has not been declared as willful defaulter by any bank or financial institution or any other lender.

c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have been utilized for long term purposes.

~~e)~~ In our opinion and according to the information and explanations given to us and on an overall examination of the 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, associates.

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, joint ventures or associate companies.

X. a. According to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer 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 the records of the Company examined by us, 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. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud by the company or on the company by its officers or employees of the company during the year. Further there were no whistle blower complaints received during the year.

b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

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

XIII. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

XIV. The company has an adequate internal audit system to commensurate with the size and nature of its business and the reports of the Internal Auditors for the period under audit were considered.

XV. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 of the order is not applicable.

XVI. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

XVII. The company has incurred any cash losses of Rs. 103.02 Crs in the financial year and of Rs. 84.32 Cr in the immediately preceding financial year.

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 realization 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 the group company support letter, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, 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 does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company.

XXI. The reporting under clause (xxi) 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 **PHANIBHUSHAN & CO**
Chartered Accountants
Firm's registration number: 012481S
PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2023.04.17 19:21:48 +05'30'
M.PHANI BHUSHAN KUMAR
Partner
Membership number:

Date: 17th April 2023
Place: Hyderabad
UDIN: 23223397BGXZIF4061

Annexure B to Auditors' Report of even date

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

We have audited the internal financial controls over financial reporting of **GMR Rajahmundry Energy Limited** ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PHANIBHUSHAN & CO**
Chartered Accountants
Firm's registration number: 012481S
PHANI BHUSHAN KUMAR M
Digitally signed by PHANI BHUSHAN KUMAR M
Date: 2023.04.17 19:22:02 +05'30'
M.PHANI BHUSHAN KUMAR
Partner
Membership number:

Date: 17th April 2023
Place: Hyderabad
UDIN: 23223397BGXZIF4061

GMR Rajahmundry Energy Limited
CIN : U40107KA2009PLC051643
Standalone Balance sheet as at March 31 2023

	Notes	March 31, 2023 Amount in Crs	March 31, 2022 Amount in Crs
Assets			
Non-current assets			
Property, plant and equipment	3	1,732.79	1,841.49
Right to use asset	4	2.73	2.94
Financial assets			
Other financial assets	6	0.23	0.23
Income tax asset	7	0.02	0.14
		1,735.76	**1,844.79**
Current assets			
Inventories	9	0.09	0.16
Financial assets			
Cash and cash equivalents	10	0.21	1.70
Balance other than cash and cash equivalents	10	1.09	1.05
Loan	5	1.59	1.59
Other Financial Asset	6	0.02	0.02
Other current assets	8	11.60	14.35
		14.60	**18.86**
Total Assets		**1,750.36**	**1,863.65**
Equity and liabilities			
Equity			
Equity share capital	11	2,570.99	2,570.99
Other equity	12	(2,696.35)	(2,521.22)
Total equity		**(125.36)**	**49.76**
Non-current liabilities			
Financial Liabilities			
Borrowings	13	1,492.12	1,455.39
Lease Liabilities		3.11	3.20
Other financial liabilities	15	9.23	8.11
Provisions	16	16.33	15.91
Deferred tax liability (net)	17	0.45	0.45
		1,521.23	**1,483.05**
Current liabilities			
Financial Liabilities			
Borrowings	13	72.54	35.32
Lease Liabilities		0.22	0.22
Trade payable			
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues of other then micro and small enterprises	14	41.50	41.21
Other financial liabilities	15	237.98	251.87
Provisions	16	2.14	2.21
Other current liabilities	18	0.10	0.00
		354.48	**330.83**
Total liabilities		**1,875.72**	**1,813.88**
Total equity and liabilities		**1,750.36**	**1,863.65**

Summary of Significant accounting policies
The accompaying notes are an integral part of the financial statements
As per our report of even date

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

M PHANI BHUSHAN KUMAR
PARTNER
M.No : 223397

Date: April 17, 2023
Place: Hyderabad

For and on behalf of Board of Directors of
GMR RAJAHMUNDRY ENERGY LIMITED

NIKHIL DHINGRA
DIRECTOR
DIN: 07684905

SUBODH KUMAR GOEL
DIRECTOR
DIN: 00492659

ATUL AGGARWAL
CHIEF FINANCIAL OFFICER
PAN:AGCPA6154H

HITESH KUMAR
COMPANY SECRETARY
PAN: CYUPK1396P

Date: April 17, 2023
Place: Delhi

GMR Rajahmundry Energy Limited
CIN : U40107KA2009PLC051643
Standalone statement of Profit and Loss for the year ended March 31, 2023

	Notes	March 31, 2023 Amount in Crs	March 31, 2022 Amount in Crs
Revenue			
Revenue from operations	19	-	-
Other income	20	1.62	0.18
Total Revenue		**1.62**	**0.18**
Expenses			
Employee benefit expenses	21	0.79	1.26
Finance Costs	22	149.63	137.45
Depreciation and amortisation expenses	23	108.91	108.93
Other expenses	24	6.58	5.46
Total Expenses		**265.91**	**253.10**
Loss before exceptional items and tax		**(264.29)**	**(252.92)**
Exceptional item			-
Loss before tax		**(264.29)**	**(252.92)**
Current tax		-	-
Deferred tax		-	
Adjustment of tax relating to earlier periods		0.08	0.61
Loss for the year		**(264.36)**	**(253.53)**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (losses) on defined benefit plans		0.12	0.01
Income tax effect		0.04	0.00
Other comprehensive income for the period (net of tax)		**0.16**	**0.02**
Total comprehensive income for the period		**(264.20)**	**(253.51)**
Weighted average number of equity shares for baisc EPS		257.10	257.10
Weighted average number of equity shares adjusted for the effect of dilution		257.10	257.10
Earning per Equity Share from continuing operations, Basic and diluted, Computed on the basis of Profit from continuing operations attributable to equity holders(per equity share of Rs 10 each)			
(1) Basic (INR)	28	(1.03)	(0.99)
(2) Diluted (INR)		(1.03)	(0.99)

Summary of Significant accounting policies
The accompanying notes are an integral part of the financial statements
As per our report of even date

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

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

M PHANI BHUSHAN KUMAR
PARTNER
M.No : 223397

Date: April 17, 2023
Place: Hyderabad

For and on behalf of Board of Directors of
GMR RAJAHMUNDRY ENERGY LIMITED

NIKHIL DUJARI
DIRECTOR
DIN: 07684905

SUBODH KUMAR GOEL
DIRECTOR
DIN: 00492659

ATUL AGGARWAL
CHIEF FINANCIAL OFFICER
PAN:AGCPA6154H

GMR RAJAHMUNDRY ENERGY LTD.

HITESH KUMAR
COMPANY SECRETARY
PAN: CYUPK1396P

Date: April 17, 2023
Place: Delhi

GMR Rajahmundry Energy Limited
CIN : U40107KA2009PLC051643
Cash flow statement for the year ended March 31, 2023

(Amount in Crores)

	Particulars	March 31, 2023	March 31, 2022
A	**Cash Flow from Operating Activities**		
	Profit / (loss) before tax	(264.29)	(252.91)
	Adjustment to reconcile profit before tax to net cash flows		
	Depreciation and amortisation	108.91	108.93
	Interest expenses	149.63	137.45
	Interest income	(0.06)	(0.05)
	Unrealised foreign exchange Gain /loss	2.46	1.00
	Others	(1.56)	
		259.38	247.33
	Operating Profit before Working Capital changes	**(4.91)**	**(5.58)**
	Movements in working capital :		
	Increase/(Decrease) in trade payables	1.85	(0.86)
	Increase/(Decrease) in Other financial Liabilities	(38.91)	(7.88)
	Increase/(Decrease) in Provisions - current	1.91	0.52
	Increase/(Decrease) in Other current liabilities	0.10	(0.12)
	(Increase)/Decrease in trade receivables	-	-
	(Increase)/Decrease in Inventories	0.06	(0.08)
	Decrease / (increase) in other Financial assets	(2.46)	(1.00)
	Decrease / (increase) in other current assets	2.74	(0.17)
		(34.69)	(9.60)
	Cash Generated From Operations	**(39.60)**	**(15.18)**
	Less : Direct Tax paid (net of refunds)	0.12	-
	Net Cash Flow from Operating Activities (A)	**(39.48)**	**(15.18)**
B	**Cash Flow from Investing Activities:**		
	Sale or Purchase of fixed assets, including intangible assets, CWIP and capital advances/ Impairment	-	0.36
	Interest income	0.06	0.05
	Loans (given to) / repaid by others		0.03
	Redemption/maturity of fixed deposits (not forming part of cash and cash equivalents)	(0.04)	(0.03)
	Net cash flow from investing activities (B)	**0.02**	**0.40**
C	**Cash Flow From Financing Activities:**		
	Proceeds from equity shares/ Equity componenet from ICD		-
	Proceeds from preference shares *	-	-
	Lease Liabilities	(0.09)	(0.07)
	Interest paid	38.06	14.96
	Net cash flow from financing activities (C)	**37.97**	**14.89**
D	**Net (decrease) / Increase in cash and cash equivalents (A + B + C)**	**(1.49)**	**0.12**
	Cash and cash equivalents as at April 1, 2022	**1.70**	**1.59**
	Cash and cash equivalents as at March 31, 2023	**0.21**	**1.70**

	COMPONENTS OF CASH AND CASH EQUIVALENTS	March 31, 2023	March 31, 2022
	Cash on hand	0.01	0.00
	Balances with banks	-	-
	- on current accounts	0.20	1.70
	Total cash and cash equivalents	0.21	1.70

Summary of significant accounting policies

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

As per our report of even date

PHANIBHUSHAN &CO
Chartered Accountants
ICAI Firm registration number: 012481S

M.PHANI BHUSHAN KUMAR
PARTNER
Membership No: 223397

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

Date: April 17, 2023
Place: Hyderabad

For and on behalf of Board of Directors of
GMR RAJAHMUNDRY ENERGY LIMITED

NIKHIL DUJARI
DIRECTOR
DIN No: '07684905

SUBODH KUMAR GOEL
DIRECTOR
DIN: 00492659

ATUL AGGARWAL
CHIEF FINANCIAL OFFICER
PAN : AGCPA6154H

HITESH KUMAR
COMPANY SECRETARY
PAN: CYUPK1396P

Date: April 17, 2023
Place: Delhi

GMR Rajahmundry Energy Limited
CIN No.- U40107KA2009PLC051643
Statement of Changes in Equity for the year ended March 31, 2023

	Attributable to the equity holders				
			Reserves and surplus	Items of OCI	
	Equity share capital	Equity component of compound financial instruments	Retained earnings	Remeasurement gain/(loss) on defined benefit plans (OCI)	Total Equity
Balance as at April 1, 2021	2,570.99	449.66	(2,745.25)	(1.45)	273.95
Loss during the year	-	-	(253.53)	-	(253.53)
Other comprehensive income	-	-	-	0.02	0.02
Total comprehensive income for the year	-	-	(253.53)	0.02	(253.51)
Equity component of compound financial instruments	-	29.29	-	-	29.29
Adjustment in retained earnings	-	-	0.02	-	0.02
Balance as at March 31,2022	**2,570.99**	**478.96**	**(2,998.76)**	**(1.43)**	**49.76**
Opening balance	2,570.99	478.96	(2,998.76)	(1.43)	49.76
Loss during the year			(264.36)		(264.36)
Other comprehensive income				0.12	0.12
Total comprehensive income for the year	-	-	**(264.36)**	**0.12**	**(264.24)**
Equity component of compound financial instruments		87.60			87.60
Adjustment in retained earnings			0.05	1.47	1.52
Non controlling interest on acquisition of subsidiary					-
Balance as at March 31, 2023	**2,570.99**	**566.56**	**(3,263.07)**	**0.16**	**(125.36)**

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

As per our report of even date

PHANIBHUSHAN &CO
Chartered Accountants
ICAI Firm registration number: 0124815

M.PHANI BHUSHAN KUMAR
PARTNER
Membership No: 223397

Date: April 17, 2023
Place: Hyderabad

For and on behalf of Board of Directors of
GMR RAJAHMUNDRY ENERGY LIMITED

NIKHIL DUJARI
DIRECTOR
DIN No: '07684905

SUBODH KUMAR GOEL
DIRECTOR
DIN: 00492659

ATUL AGGARWAL
CHIEF FINANCIAL OFFICER
PAN : AGCPA6154H

HITESH KUMAR
COMPANY SECRETARY
PAN: CYUPK1396P

Date: April 17, 2023
Place: Delhi

1 Company Overview

GMR Rajahmundry Energy Ltd was incorporated as a Special Purpose Vehicle (SPV) by GMR Energy Ltd. to develop and operate 768 MW Gas Based Power Project in Rajahmundry, Andhra Pradesh.The registered office of the company is located at 25/1 .Skip house,Museum Road,Bangalore -560025.
The audited yearly financial statements were authorised for issue in accordance with a resolution of the directors passed in the Board Meeting held on 17th April 2023

2 Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), and applicable Indian accounting standards issued by the Institute of Chartered Accountants in India (ICAI) and other recognized accounting practices and policies in India. The financial statements have been prepared under the historical cost convention on an accrual basis.

These audited financial statements comprises of the audited balance sheet as at March 31, 2023, the audited of profit and loss (including other comprehensive income), cash flow statement, statement of changes in equity and a summary of significant accounting policies and other explanatory notes (collectively the " audited financial statements").

Management is taking various strategic initiatives including support from holding company to address the repayment of borrowings and debt servicing in the next twelve months to create sustainable cash flows. Accordingly, these financial statements continue to be prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilites in an orderly manner.

The financial statements are presented in INR and all values are rounded to the nearest Crores (INR 00,00,000), except when otherwise indicated.

Previous year figures re-classified/re-grouped wherever necessary

b) Summary of significant accounting policies

i) Use of estimates

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

ii) Current versus non-current classification

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

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

All other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

iii) Property , Plant & Equipments:

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment as at 31 March 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipmentas on 1 April 2015.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 seperate 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.

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GMR RAJAHMUNDRY ENERGY LTD.

Fixed Assets are stated at acquisition cost less accumulated depreciation and cumulative impairment. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:
Depreciation on tangible fixed assets is calculated on straight -line basis using the rate arrived at, based on useful lives estimated by the management, which coincides with lives prescribed under Schedule II of act except in case of plant and machinery for which useful life is considered as 25 years as prescribed by Central Electricity Regulatory Commission being the regulatory authority in the energy sector. In case the significant component has different useful life, Depreciation has been calculated separately for each component as per the requirement of Schedule II" . .The company has used the following useful lives to provide depreciation on its tangible assets:

Asset Type	Estimated useful Life (In Years)
Factory Building	30
Non Carpeted roads, included in factory Building Road	03
Office equipment	05
Vechicle	08
Furniture & Fixture	10
Lab Equipment	05
Computer equipment	03
Plant & Machinery - Component	03
Plant & Machinery - Component	10
Plant & Machinery - Component	15
Plant & Machinery - General	25

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

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

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

Spare parts are capitalized when they meet the definition of PPE and , i.e., when the company intends to use these during more than a period of 12 months and having a value of more than 5 lakhs.

iv) Intangible assets

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

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

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

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

A summary of the policies applied to the company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Software licences	Definite (6 years)	Straight-line basis over the license period	Acquired

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v) **Borrowing cost**

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

vi. **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.

Company as a lessee :

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs .

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

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:
a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Company as a lessor :

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease, unless either:

a. another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or

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

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lands obtained on leases, where there is no reasonable certainity that the Company will obtain ownership by the end of the lease term shall generally be classified as finance leases. The minimum lease payments include upfront premium paid plus any annual recurring lease rental which is amortized over the lease term.

vii) Inventories

Inventories are valued as follows:

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

viii) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cashgenerating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD. GMR

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.
Intangible assets with indefinite useful lives (if available) are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

ix) Provisions

Provisions are recognised when the Comapny 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.

x) Decommissioning liability

The Company records a provision for decommissioning cots on power plant projects, where decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset.The cash flows are discounted at a current pre-tax risk free rate.The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost.The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate.Changes in the estimated future costs or in the discounted rate applied are added to or deducted from the cost of the asset.

xi) Retirement and other Employee Benefits

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

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

The Company recognizes contribution payable as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short—term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

PHANI BHUSHAN & CO., HYDERABAD ★ Chartered Accountants ★

GMR RAJAHMUNDRY ENERGY LTD. ★

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

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

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

Past service costs are recognised in profit or loss on the earlier of:
a. The date of the plan amendment or curtailment, and
b. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

Financial Instruments

xii) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Debt instruments at amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

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

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

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Debt instrument at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

e) Loan commitments which are not measured as at FVTPL

f) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on;

a) Trade receivables or contract revenue receivables; and

b) All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

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

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

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

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

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

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

xiii) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

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

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

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

Derecognition

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

Embedded derivatives

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

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

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Reclassification of financial assets

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

Offsetting of financial instruments

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

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss

Convertible preference shares

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

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

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised

xiv) Revenue Recognition

(i) Revenue from sale of energy is recognized as per the terms of the Power Purchase Agreements (PPAs) on an accrual basis in accordance with the provisios of PPA with AP DISCOMS..

(ii) Claim for delayed payment charges,liquidated damages,penal interest and any other claims,which the compnay is entitled to under the PPA,are acoounted for in the year of acceptance.

iii) Interest is recognised on a time proportion basis taking into account the amount outstnding and the appilcable interest rate. Interest income is included under the Other income in the statement of profit & Loss.

iv) Interest on investment and bank deposit are booked on time proportionate basis taking into the account the amounts invested and the rate of interest as applicable.

xv) Cash and cash equivalents

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

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

xvi) Foreign currencies

a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c) Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of (c)(1) and (c)(2) above, the Company treats a foreign monetary item as 'Long-term foreign currency monetary item', if it has a term of twelve months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

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

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

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

xvii) Fair value measurement

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

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

a) In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the 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.

The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

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

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

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

On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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

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

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

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xviii Taxes on income

Current income tax

Tax expense comprises current and deferred tax.

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

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

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

he extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

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

xix) Sales Tax

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

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

▶ When receivables and payables are stated with the amount of tax included

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

xx) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

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xy) **Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and include corresponding amendments to IND AS 107 and IND AS 34. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. Also there is corresponding amendment to IND AS 101. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

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3 **Property, plant and equipment**

(Rs. in crore)

Particulars	Freehold Land	Building	Office Equipments	Plant and Equipments	Furniture and Fixtures	Vehicles	Computer equipment	Electric Equipment	Total
Gross block									
At Cost/deemed cost									
As at April 1, 2021	1.25	340.43	0.52	2,403.70	0.16	0.33	1.40	0.00	2,747.78
As at March 31, 2022	1.25	340.43	0.52	2,403.70	0.16	0.33	1.40	0.00	2,747.78
As at March 31, 2023	1.25	340.43	0.52	2,403.70	0.16	0.33	1.40	0.00	2,747.78
Depreciation									-
As at April 1, 2021	-	97.60	0.52	697.63	0.16	0.31	1.36	0.00	797.58
Charge for the year		12.42	0.00	96.28	0.00	0.00	0.02	0.00	108.72
As at March 31, 2022	-	110.01	0.52	793.92	0.16	0.31	1.38	0.00	906.30
Charge for the year		12.42	0.00	96.28	0.00	-	-	-	108.69
As at March 31, 2023	-	122.43	0.52	890.19	0.16	0.31	1.38	0.00	1,014.99
									-
Net block									-
As at 31.03.2022	1.25	230.42	0.00	1,609.78	0.00	0.02	0.02	0.00	1,841.49
As at March 31, 2023	1.25	218.00	-0.00	1,513.50	0.00	0.02	0.02	0.00	1,732.79

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GMR Rajahmundry Energy Limited
CIN No.- U40107KA2009PLC051643
Notes to Standalone financial statements for the year ended March 31, 2023

4. Right of use asset

(Rs. in crore)

Particulars	Right of use Land	Total
Gross block		
At cost/deemed cost		
As at April 1, 2021	**3.16**	**3.16**
As at , March 31, 2022	3.16	**3.16**
Opening	3.16	3.16
Additions/ Renewal of lease	-	-
As at , March 31, 2023	**3.16**	**3.16**
Accumulated depreciation		
At cost/deemed cost		
As at April 1, 2021	**0.22**	**0.22**
As at , March 31, 2022	**0.22**	**0.22**
As at , March 31, 2023	**0.22**	**0.22**
Net block		
As at , March 31, 2022	**2.94**	**2.94**
As at , March 31, 2023	**2.73**	**2.73**

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Notes to Standalone financial statements for the year ended March 31, 2023

(Rs. in crore)

5	Loans	Current	
		March 31, 2023	March 31, 2022
	Other Loans		
	Non-Current		
	Unsecured, considered good		
	Loan to related party	1.59	1.59
	Total	**1.59**	**1.59**

(Rs. in crore)

6	Other financial assets	Non-Current		Current	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Unsecured, considered good unless stated otherwise				
	Interest accrued on fixed deposits	-	-	0.02	0.02
		-	-	0.02	0.02
	Security deposit				
	Security deposit with others	0.23	0.23	-	-
		0.23	0.23	-	-
	Total	**0.23**	**0.23**	**0.02**	**0.02**

7	Income tax Asset	(Rs. in crore)	
		March 31, 2023	March 31, 2022
	Income tax Refund - Receivable	0.01	0.01
	TDS Certificates Receivable	0.00	0.13
		0.02	**0.14**

(Rs. in crore)

8	Other assets	Current	
		March 31, 2023	March 31, 2022
	Advances other than capital advances		
	Unsecured, considered good		
	Advance to suppliers	10.59	12.98
	Advance to employees	-	0.00
		10.59	**12.98**
	Provision for doubtful advances	-	-
	Total(A)	**10.59**	**12.98**
	Other advances		
	Prepaid expenses	0.10	1.37
	Prepaid gratuity premium	0.91	-
		1.01	**1.37**
	Provision for doubtful advances	-	-
	Total (B)	**1.01**	**1.37**
	Total (A+B)	**11.60**	**14.35**

9	Inventories	(Rs. in crore)	
		March 31, 2023	March 31, 2022
	Stores and spares	0.09	0.16
	Total	**0.09**	**0.16**

(Rs. in crore)

10	Cash and short-term deposits	Current	
		March 31, 2023	March 31, 2022
	Cash and cash equivalents		
	Balances with banks:		
	– On current accounts	0.20	1.70
	Cash on hand	0.01	0.00
	Total	**0.21**	**1.70**
	Other bank balances		
	-Restricted balances with banks	1.09	1.05
		1.09	**1.05**
	Total	**1.29**	**2.75**

PHANI BHUSHAN & CO. ★ Chartered Accountants ★ HYDERABAD

GMR RAJAHMUNDRY ENERGY LTD. ★

GMR Rajahmundry Energy Limited
CIN No U40107KA2009PLC051643
Notes to Standalone financial statements for the year ended March 31, 2023

11 Share capital

Authorised share capital	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
Equity shares	Number in Crs	Amt in Crs	Number in Crs	Amt in Crs
As at March 31, 2022	300.00	3,000.00	300.00	3,000.00
As at March 31, 2023	300.00	3,000.00	300.00	3,000.00

Movement in Share capital	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
Equity shares	Number in Crs	Amount in Crs	Number in Crs	Amount in Crs
As at March 31, 2022	257.10	2,570.99	257.10	2,570.99
As at March 31, 2023	257.10	2,570.99	257.10	2,570.99

b. Terms/Rights Attached to equity Shares

The Company has issued , subscribed and paid up share only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pay dividend in indian rupees. The dividend proposed by the Board of director is subject to the approval of the shareholder in ensuing Annual General meeting.

c. Pledge of Shares

Out of above the company has pledged 115,69,99,400 nos. of equity shares in favour of lenders for securing Term Loan and Working Capital Facilities.

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

Name of Shareholder	March 31, 2023		March 31, 2022	
	Number in Crs	Amount in Crs	Number in Crs	Amount in Crs
Equity shares of Rs. 10 each fully paid				
Consortium of Banks lead by IDBI :				
IDBI	22.04	220.42	22.04	220.42
Allahabad Bank	11.07	110.66	11.07	110.66
Andhra Bank	11.13	111.30	11.13	111.30
Edelweiss Assets Reconstruction Company Limited (Share of IDFC & UBI)	38.52	385.16	38.52	385.16
Indian Overseas Bank	11.11	111.06	11.11	111.06
J & K Bank	10.98	109.81	10.98	109.81
Punjab & Sind Bank	5.38	53.79	5.38	53.79
Punjab National Bank	14.47	144.70	14.47	144.70
State Bank of Patiala	11.12	111.20	11.12	111.20
Syndicate Bank	5.59	55.90	5.59	55.90
Total	**141.40**	**1,414.00**	**141.40**	**1,414.00**

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

Name of Shareholder	March 31, 2023		March 31, 2022	
	Number in Crs	% Holding in Class	Number in Crs	% Holding in Class
Equity shares of Rs. 10 each fully paid				
GMR Generation Assets Limited (Formerly GMR	115.70	45.00%	115.70	45.00%
Edelweiss Assets Reconstruction Company Limited (Share	38.52	14.98%	38.52	14.98%
IDFC			-	
IDBI Bank Ltd	22.04	8.57%	22.04	8.57%
Punjab National Bank	14.47	5.63%	14.47	5.63%

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD. GMR

(Rs. in crore)

12 Other equity	March 31, 2023	March 31, 2022
a) Equity component of other financial instruments		
Opening Balance	478.96	449.66
Movement during the year	87.60	29.29
Amount transferred to retained earnings		-
Closing balance	**566.56**	**478.96**
b) Equity component of preference shares	-	
c) Surplus in the statement of profit and loss		
Balance as per last financial statement	(2,998.75)	(2,745.25)
(Loss)/Profit for the year	(264.36)	(253.53)
Adjustments	0.04	0.03
Net Surplus	**(3,263.07)**	**(2,998.75)**
OCI	**0.16**	**(1.43)**
Net Surplus	**(3,262.91)**	**(3,000.18)**
Total of other equity (a+b+c)	**(2,696.35)**	**(2,521.22)**

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD. GMR

(Rs. in crore)

13 Borrowings	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Bonds/Debentures				
Debentures(Secured)	384.94	365.24	10.60	3.53
Term loans				
Indian rupee term loan from banks (Secured)	763.82	807.46	61.94	31.78
Other Borrowings				
Cash credit and overdraft from banks(Secured)	-	-	0.01	0.01
Other loans and advances				
Loan from a Holidng Company- Subordinate debt	138.27	99.57	-	-
Liability portion of preference shares	205.09	183.11	-	-
	1,492.12	**1,455.39**	**72.54**	**35.32**
The above amount includes				
Secured borrowings	1,148.76	1,172.70	72.54	35.32
Unsecured borrowings	343.36	282.68	-	-
Net amount	**1,492.12**	**1,455.39**	**72.54**	**35.32**

* Secured by first charge on all movable, immovable properties and including stock of raw material and consumables, all book debts, cash flows receivables, Trust and Retention Account, Debt Service Reserve Account and other reserves and any other bank accounts of the company both present and future. Further secured by way of assignments/hypothecation of security interest of all the rights, title, interest, benefits, claims and demands of the Company in the Project Documents including all insurance contracts and clearances and all benefits incidental thereto. Further secured by way of Book Debt, Commissions, Revenues of whatsoever nature and where ever arising , present and future, intangibles, goodwill and uncalled capital, present and future. Further secured by way of pledge of 1,15,69,99,400 shares held by the sponsor company (GMR Generation Assets Limited) and corporate guarantee given by GMR Infrastructure Limited.

Due to the operations at sub optimal PLF level based on e-RLNG gas, the operational income was not sufficient for servicing the entire debt obligations. In view of the same, the lenders' consortium had decided to invoke Strategic Debt Restructuring (SDR) to convert part of the debt outstanding into equity and to undertake Flexible structuring of balance debt post conversion as a Corrective Action Plan for improving viability and revival of the project. As per the approval by the consortium Lenders, Company had converted Rs.1,413.99 crore of outstanding debt (including overdue interest) into equity in order to acquire 55% shareholding in the company under the SDR scheme.

The lenders of the company had further implemented resolution plan W.E.F. 1st August 2018 , proposing conversion of Debt in to sustainable debt & un-sustainable debt. Non-convertible debentures to the extent of Rs 353.22 crs and Cumulative redeemable preference shares of Rs 940.59 Crs were issued out of RTL of Rs 2352.40 Crs.

As per the resolution plan

1)the principal amount of loan was proposed to be paid on quarterly basis and interest to be paid based on the interest rates as on date of payment.

2)The debentures interest to be paid on quarterly basis based on the interest rates as on date of payment

The outstanding of the borrowings and securities as on 31st March'23 is :

Description of instrument	Amount as per resolution plan	Amount due as on 31st March 2023
1. RTL	1059.41	825.76
2. Preference Shares	940.59	940.59
3. Debentures	353.22	269.32
Total	**2353.22**	**2,035.67**

The company has delayed in the repayment of loans taken from lender & interest thereof during the year to the extent of Rs.31.79 Cr & Rs.108.84 Cr

Name of lender	Interest	Principle
IDBI Bank	12.62	4.98
Allahabad Bank (now Indian Bank)	14.03	2.45
Andhra Bank (now Union Bank of India)	6.18	2.51
Edelweiss (IDFC share	19.06	6.19
Indian Overseas Bank	9.14	2.51
J & K Bank	14.83	2.49
Punjab & Sind Bank	3.88	1.22
Punjab National Bank	11.12	3.27
State Bank of India	6.92	2.44
Edelweiss (UBI share)	7.59	2.47
Syndicate Bank (now Canara Bank)	3.48	1.26
Total	**108.84**	**31.79**

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD. GMR

(Rs. in crore)

14	Trade Payables	Non-Current		Current	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Due to micro small and medium enterprise (A)	-	-	-	-
	Other trade payables:				
	Due to Related parties:	-	-	-	-
	Due to others		-	41.50	41.21
	Total other trade payables (B)	-	-	41.50	**41.21**
	Total A+B	-	-	**41.50**	**41.21**

(Rs. in crore)

15	Other financial liabilities	Non-Current		Current	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Other financial liabilities at amortized cost				
	Non-trade payable (including retention money)	-	-	127.58	126.82
	Non trade payable- Related parties	-	-	1.56	4.02
	Interest accrued on debt and borrowings	-	-	108.84	121.04
	Interest accrued on Inter corporate loans and deposits	9.23	8.11	-	-
	Total (C)	9.23	8.11	237.98	251.87

(Rs. in crore)

16	Provisions	Non-Current		Current	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Provision for employees benefits				
	Provision for gratuity	0.13	0.88	-	-
	Provision for superannuation	-	-	0.00	0.00
	Provision for leave encashment	-		0.11	0.18
		0.13	**0.88**	**0.12**	**0.18**
	Other provisions				
	Provision for asset retirement obligation / decommissioning liability	16.20	15.03	-	-
	Contingent provision against standard assets	-	-	2.03	2.03
	Total current provisions	**16.20**	**15.03**	**2.03**	**2.03**
	Total	**16.33**	**15.91**	**2.14**	**2.21**

(Rs. in crore)

17	Deferred/Current tax liability	Deferred Tax liability		Current Tax liability	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Fixed assets: Impact of diff. between tax depreciation and depreciation	0.45	0.45	-	-
	Total	0.45	0.45	-	-

(Rs. in crore)

18	Other liabilities	Current	
		March 31, 2023	March 31, 2022
	Statutory dues payable	0.10	0.00
	Other liabilities	0.00	-
	Total	**0.10**	**0.00**

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD.

19 Revenue from operations (Rs. in crore)

	March 31, 2023	March 31, 2022
Sale of Products	-	-
Total	**-**	**-**

20 Other income (Rs. in crore)

	March 31, 2023	March 31, 2022
Interest income on:		
Bank deposits and others	0.05	0.05
Provisions no longer required written back	1.19	-
Credit balance written back	0.37	
Scrap sales	-	0.14
Miscellaneous income	0.00	-
Total	**1.62**	**0.18**

21 Employee Benefit Expenses (Rs. in crore)

	March 31, 2023	March 31, 2022
Salaries	0.64	1.17
Contribution to Provident Fund and other funds	0.07	0.08
Gratuity Exps.	0.07	0.00
Staff Welfare Expenses	0.01	(0.00)
Total	**0.79**	**1.26**

22 Finance Cost (Rs. in crore)

	March 31, 2023	March 31, 2022
Interest on Term loan	79.25	74.40
Interest on NCD's	33.01	30.80
Interest Others	37.37	32.25
Total	**149.63**	**137.45**

23 Depreciation and Amortisation (Rs. in crore)

	March 31, 2023	March 31, 2022
Deprecication of property plant & equipment	108.69	108.71
Amortization on right of use	0.22	0.22
Total	**108.91**	**108.93**

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD.

24 Other expenses

(Rs. in crore)

	March 31, 2023	March 31, 2022
Consumption of stores and Spare parts	0.10	0.03
Electricity and Water Charges	0.17	0.19
Rent and Lease Rentals	0.95	0.94
Rates and taxes	0.35	0.35
Insurance	2.23	1.77
Repairs and Maintenance-Plant & Machinery	0.09	0.08
Buildings	0.00	0.03
Others	0.06	0.03
Travelling and Conveyance	0.00	0.00
Vehicle running & maintenance	0.01	0.01
Other Bank Charges	0.00	0.00
Communication cost	0.01	0.01
Printing and stationery	0.00	-
Logo Charges		0.00
Legal and Professional charges	0.07	0.95
Directors' Sitting Fees	0.04	0.04
Auditors' Remuneration-		
Statutory Audit	0.05	0.02
Foreign Exchange Loss	2.46	1.00
Miscellaneous expenses	0.00	0.00
Bad debts Written off	0.00	
Total	**6.58**	**5.46**

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GMR RAJAHMUNDRY ENERGY LTD.

GMR RAJAHMUNDRY ENERGY LIMITED
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Notes to Standalone financial statements for the year ended March 31, 2023

Rs in Crore

25. Earnings Per Share (EPS)

Particulars	31-Mar-23	31-Mar-22
Profit attributable to equity holders of the company		
Continuing operations	(264.20)	(253.51)
Profit attributable to equity holders of the company for basic earnings	-	-
Weighted Average number of equity shares used for computing Earning Per Share (Basic)(No.in	257.10	257.10
Effect of dilution:	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	257.10	257.10
Earning Per Share (Basic) (Rs)	(1.03)	(0.99)
Earning Per Share (Diluted) (Rs)	(1.03)	(0.99)
Earnings per share for continuing and discontinued operations - Basic (Rs	(1.03)	(0.99)
Earnings per share for continuing and discontinued operations - Diluted (Rs	(1.03)	(0.99)

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GMR RAJAHMUNDRY ENERGY LTD.

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26. Fair values

Rs in Crore

Particulars	Carrying value			
	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22
Financial assets - at amortised cost				
Security deposits paid	0.23	0.23	0.23	0.23
Total	**0.23**	**0.23**	**0.23**	**0.23**
Financial liabilities				
Borrowings - at amortised cost	1,564.66	1,490.71	1,564.66	1,490.71
Finance lease obligation - at amortised cost	-	-	-	-
Other financial liabilities - at amortised cost				
Security Deposits received	-	-	-	-
Total	**1,564.66**	**1,490.71**	**1,564.66**	**1,490.71**

As per Ind AS 113.93(d) "for recurring and non-recurring fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) and the inputs used in the fair value measurement. If there has been a change in valuation technique (eg changing from a market approach to an income approach or the use of an additional valuation technique), the entity shall disclose that change and the reason(s) for making it. For fair value measurements categorised within Level 3 of the fair value hierarchy, an entity shall provide quantitative information about the significant unobservable inputs (eg a market multiple or future cash flows) used in the fair value measurement. An entity is not required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the entity when measuring fair value (eg when an entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure an entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity."

As per Ind AS 113.97 "For each class of assets and liabilities not measured at fair value in the balance sheet but for which the fair value is disclosed, an entity shall disclose the information required by paragraph 93(b), (d) and (i). However, an entity is not required to provide the quantitative disclosures about significant unobservable inputs used in fair value measurements categorised within Level 3 of the fair value hierarchy required by paragraph 93(d). For such assets and liabilities, an entity does not need to provide the other disclosures required by this Ind AS"

The management assessed that cash and cash equivalents, short-term borrowings, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/Borrowings are evaluated by the company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

- The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.

PHANI BHUSHAN & CO. ★ Chartered Accountants ★ HYDERABAD

GMR RAJAHMUNDRY ENERGY LTD. ★

27 Employee Benefits

a) Defined Contribution Plans :

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

Particulars	March 31, 2023
Provident and pension fund	0.06
Superannuation fund	0.02
Total	**0.07**

b) Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2023:

Particulars	March 31, 2023
i) Change in defined benefit obligation	
Defined benefit at the beginning	0.60
Current Service Cost *	(0.02)
Interest expenses	0.04
Acquisition Cost/(Credit)	-
Re-measurement - Actuarial loss / (gain)	0.16
Benefits paid	
Defined benefit at the end	**0.78**
ii) Change in fair value of plan assets:	
Fair value of Plan Assets at the beginning	0.91
Expected return on plan assets	0.02
Acquisition Adjustment	(0.02)
Actuarial gains/ (losses)	0.06
Contributions by employer	-
Benefits paid	(0.05)
Fair value of plan assets at the end	**0.91**

Particulars	March 31, 2023	
iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	0.78	
Fair Value of plan assets at year end	-	
Net (asset) / liability recognised	**0.78**	
iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses.		
Current Service Cost	(0.02)	
Net interest on net defined benefit liability / (asset)	0.04	
Total expense	**0.02**	
v) Recognised in other comprehensive income for the year		
Actuarial changes arising from changes in demographic assur	0.16	
Actuarial changes arising from changes in financial assumption		
Actuarial changes arising from changes in experience adjustments		
Return on plan assets excluding interest income	-	-
Recognised in other comprehensive income	**0.16**	-
vi) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	0.01	
Between 2 and 5 years	0.11	
Between 5 and 10 years	0.03	
vii) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / decrease on present value of defined benefit obligation as at year end		
(i) one percentage point increase in discount rate	(0.01)	
(ii) one percentage point decrease in discount rate	0.01	
(i) one percentage point increase in salary escalation rate	0.01	
(ii) one percentage point decrease in salary escalation rate	(0.01)	
(i) one percentage point increase in employee turnover rate	0.00	
(ii) one percentage point decrease in employee turnover rate	(0.00)	

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD.

Sensitivity Analysis Method

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

Particulars	March 31, 2023
viii) The major category of plan	
Investment with Insurer managed funds	100%
ix) Actuarial Assumptions	
Discount rate (p.a.)	7.30%
Salary escalation	6.00%
Weighted average duration of defined benefit obligation	10 Years
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult.
Rate of employee turnover	5.00%

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2023, the plan assets have been invested in insurer managed funds.

Notes:

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

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

c) **Leave Encashment**

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs.11,40,048 as at March 31, 2023

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Notes to Standalone financial statements for the year ended March 31, 2023

28 Related Party transactions

(A) Names of Related parties and nature of related party relationships

(a) Key management personnel

Mr. Srinivasachari Rajagopal	Independent Director
Mr. Subodh Kumar Goel	Independent Director
Mr. Peer Masood Ahmad Chesti	Director
Mr. Prasoon Sinha	Director
Mr. Nikhil Dujari	Director (from June 21, 2021)
Mr. Murali Kumar Devandla	Manager
Mr. Atul Aggarwal	CFO
Mr. Hitesh Kumar	Company Secretary

(b) Names of related parties and description of relationship

Name of the enterprises that jointly control the company	GMR GENERATION ASSETS PVT LIMITED Allahabad Bank Union Bank of India IDBI BANK Edelweiss Assets Reconstruction Co. Ltd (Share of IDFC & Indian Overseas Bank J & K Bank Punjab & Sind Bank State Bank Of India Canara Bank Punjab National Bank
Associate Companies	GMR Energy Trading Limited (GETL) GMR Londa Hydropower Private Limited (GLHPPL) GMR Generation Assets Limited (GGAL) GMR Highways Limited (GMRHL) GMR Highway Limited (GHL) GMR Ambala Chandigarh Expressways Private Limited GMR Pochanpalli Expressways Limited (GPEL) GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL) GMR Chennai Outer Ring Road Private Limited (GCORRPL) GMR Aerostructure Services Limited (GASL) GMR Aviation Private Limited (GAPL) GMR Krishnagiri SIR Limited (GKSIR) Advika Properties Private Limited (APPL) Aklima Properties Private Limited (AKPPL) Amartya Properties Private Limited (AMPPL) Baruni Properties Private Limited (BPPL) Bougainvillea Properties Private Limited (BOPPL) Camelia Properties Private Limited (CPPL) Deepesh Properties Private Limited (DPPL) Eila Properties Private Limited (EPPL) Gerbera Properties Private Limited (GPL) Lakshmi Priya Properties Private Limited (LPPPL) Idika Properties Private Limited (IPPL) Krishnapriya Properties Private Limited (KPPL) Larkspur Properties Private Limited (LAPPL) Nadira Properties Private Limited (NPPL) Padmapriya Properties Private Limited (PAPPL) Prakalpa Properties Private Limited (PPPL) Purnachandra Properties Private Limited (PUPPL) Shreyadita Properties Private Limited (SPPL) Pranesh Properties Private Limited (PRPPL) Sreepa Properties Private Limited (SRPPL) Radhapriya Properties Private Limited (RPPL) Asteria Real Estates Private Limited (AREPL) Lantana Properies Private Limited (LPPL) Namitha Real Estates Private Limited (NREPL) Honey Flower Estates Private Limited (HFEPL) GMR SEZ & Port Holdings Limited (GSPHL) Suzone Properties Private Limited (SUPPL) Lilliam Properties Private Limited (LPPL) Dhruvi Securities Private Limited (DSPL) GMR Energy (Netherlands) B.V. (GENBV) GMR Energy (Cyprus) Limited (GECL) GMR Energy Projects (Mauritius) Limited (GEPML)

PHANI BHUSHAN & CO. Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD.

GMR RAJAHMUNDRY ENERGY LIMITED

CIN: U40107KA2009PLC051643

Notes to Standalone financial statements for the year ended March 31, 2023

	GMR Infrastructure (Singapore) Pte Limited (GISPL) GMR Coal Resources Pte Limited (GCRPL) GADL International Limited (GADLIL) GMR Infrastructure (Mauritius) Limited (GIML) GMR Infrastructure (Cyprus) Limited (GICL) GMR Infrastructure Overseas Limited, Malta (GIOL) GMR Infrastructure (UK) Limited (GIUL) GMR Infrastructure (Global) Limited (GIGL) Indo Tausch Trading DMCC (ITTD) GMR Infrastructure (Overseas) Limited (GI(O)L) GMR Smart Electricity Distribution Private Limited (Formerly GMEL) PT GMR Infrastructure Indonesia

(c) **Enterprises where key management Personnel and their relative exercise significant influence** — GMR Family Fund Trust; GMR Varalakshmi Foundation

(B) Summary of transactions with the below related parties is as follows:

(Amount in Crores, unless otherwise stated)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Transactions during the year:		
Inter-corporate Loans and Deposits		
GMR Generation Assets Ltd	113.54	36.40
Lease Rent		
GMR Vemagiri Power Generation Limited	1.33	1.31

Note * Payment of interst/installment on Loan have been made to bankers in the capacity of lenders & not in the capacity of shareholders during the year.

Transactions with Key management personnel :

Rs in crs

Name	Designation	Short term employee benefit / Sitting fee
Mr. Peer Masood Ahmad Chesti	Director	0.01
Mr. S. Rajagopal	Independent Director	0.02
Mr. S.K Goel	Independent Director	0.02
IDBI Bank Ltd.	Nominee Director	0.01

Balances at the end of the period:

(Amount in Crs)

Particulars	As at March 31, 2023	As at March 31, 2022
Inter-corporate Loans and Deposits		
GMR Generation Assets Ltd	138.27	99.57
Interest accrued on Inter-corporate loans and deposits		
GMR Generation Assets Ltd (Notional interest)	9.23	8.11
Security Deposits		
GMR Corporate Affairs Private Limited	1.59	1.59
Advance to suppliers		
GMR Vemagiri Power Generation Limited	5.79	9.50
GMR Power Urban Infra Limited	1.12	1.12
GMR Warora Energy Limited	-	0.03
Non-trade payables (Other financial liabilities)		
GMR Enterprises Pvt Ltd - Logo fee	0.84	0.84
GMR Varalakshmi Foundation	-	0.31
GMR Corporate Affairs Private Limited	-	0.36
GMR Airport Developers Limited	0.00	
Raxa Security Services Ltd - Security Charges	0.52	0.52
GMR Krishnagiri SEZ Limited	0.09	0.09
GMR Vemagiri Power Generation Limited (GVPGL)	0.11	1.30

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD.

GMR RAJAHMUNDRY ENERGY LIMITED
CIN No U40107KA2009PLC051643
Notes to the standalone financial statements for the year ended March 31, 2023

29 Leases

a. Finance Lease

Finance lease commitments —Company as Lessee

(Rs. in crore)

Particulars	Minimum Lease Payments	Present Value of Minimum Lease Payments	Minimum Lease Payments	Present Value of Minimum Lease Payments
	As at March 31, 2023		As at March 31, 2022	
(i) Payable not later than 1 year	-	-	-	-
(ii) Payable later than 1 year and not later than 5 years	-	-	-	-
(iii) Payable later than 5 years	-	-	-	-
Total - (i)+(ii)+(iii) = (iv)	-	-	-	-
Less: Future finance charges (v)	-	-	-	-
Present Value of Minimum Lease Payments [(iv) - (v)]	-	-	-	-

Finance lease receivables — Company as Lessor

(Rs. in crore)

Particulars	Minimum Lease Payment	
	As at March 31, 2023	As at March 31, 2022
(i) Receivable not later than 1 year	-	-
(ii) Receivable later than 1 year and not later than 5 years	-	-
(iii) Receivable later than 5 years	-	-
Gross investment Lease – (i)+(ii)+(iii)=(iv)	-	-
Less: Unearned Finance income (v)	-	-
Present Value of Minimum Lease receivables [(iv)-(v)]	-	-

b. Operating Lease

Operating lease commitments — Company as Lessee

(Rs. in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Payment		
Lease rentals under cancellable and non-cancellable leases	1.33	1.31

(Rs. in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Obligations on non-cancellable leases:*		
Not later than one year		
Later than one year and not later than five years	-	-
Later than five years	-	-

Operating lease commitments — Company as Lessor

(Rs. in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables on non-cancellable leases:		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-

30 Commitment & Contingencies

a) Capital commitments

(Rs. in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated value of contracts remaining to be executed on capital account	-	-

b) Other commitments

(Rs. in crore)

Nature of relationship	As at March 31, 2023	As at March 31, 2022
Long term assured parts of supply agreements and amendments thereto	Not quantifiable	Not quantifiable

c) Contingent liabilities

(Rs. in crore)

Following liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Guarantees issued by the company's bankers on behalf of the Company	-	-

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD.

31 Disclosures on Financial Instruments

(a) Financial asset and liabilities
As at March 31, 2023

(Rs. in crore)

Particulars	Fair value through consolidated statement of profit or loss	Derivative instruments through consolidated statement of other comprehensive Income	Derivative Instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets						
(i) Investments (other than investments in associates and joint ventures)	-	-	-	-	-	-
(ii) Loans	-	-	-	-	1.59	1.59
(iii) Trade receivables	-	-	-	-	-	-
(iv) Cash and cash equivalents	-	-	-	-	0.21	0.21
(v) Bank balances other than cash and cash equivalents	-	-	-	-	1.09	1.09
(vi) Interest rate swap	-	-	-	-	-	-
(vii) Other financial assets	-	-	-	-	0.23	0.23
Total	-	-	-	-	**3.11**	**3.11**
Financial liabilities						
(i) Borrowings	-	-	-	-	1,564.66	1,564.66
(ii) Trade payables	-	-	-	-	41.50	41.50
(iii) Foreign exchange forward contracts	-	-	-	-	-	-
(iv) Principal and interest rate swap	-	-	-	-	-	-
(v) Other financial liabilities	-	-	-	-	247.21	247.21
(vi) Call spread option	-	-	-	-	-	-
(vii) Financial guarantee contracts	-	-	-	-	-	-
Total	-	-	-	-	**1,853.37**	**1,853.37**

(c) Financial risk management objectives and policies
Interest rate sensitivity

(Rs. in crore)

Particulars	Increase / decrease in basis points	Effects on profit before tax
As at March 31, 2023		
INR	+0.5	4.16
INR	(0.50)	(4.16)
As at March 31, 2023		
INR	+0.5	4.21
INR	(0.50)	(4.21)

Foreign currency exposure

(Rs. in crore)

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Cash and bank balances	USD	-	-
Trade receivables	USD	-	-
Property plant and equipment, capital work in progress, other intangibles, goodwill and intangible under development	USD	-	-
Investments	USD	-	-
Loans and Other assets	USD	-	-
Trade payables	USD	29.80	26.74
Trade payables	EURO	2.62	2.63
Other financial and other liabilities	USD	-	-
Net assets/(liabilities)	USD	-	-
Net assets/(liabilities)	INR	-	-

Foreign currency sensitivity

(Rs. in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
	Impact on profit before tax	
USD Sensitivity		
INR/USD- Increase by 5%	-	-
INR/USD- Decrease by 5%	-	-

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GMR RAJAHMUNDRY ENERGY LTD.

GMR RAJAHMUNDRY ENERGY LIMITED
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Notes to the standalone financial statements for the year ended March 31, 2023

32 Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of reporting period

Particulars	31-Mar-23	31-Mar-22
Rupee term loan borrowings	763.82	807.46
Debentures (secured)	384.94	365.24
Liability component of compound financial instruments	205.09	183.11
Inter corporate loans and deposits	138.27	99.57
	1,492.12	**1,455.39**

Interest rate sensitivity

Particulars	Increase/decrease in basis points	Effect on profit before tax
31-Mar-23	'+50	4.16
INR Term loan		
31-Mar-22	+50	4.21
INR Term loan		

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Credit risk

Financial instruments and cash deposits- Credit risk from balances with banks 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. Counterparty credit limits are reviewed by the company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.
The company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amount.

Liquidity risk

The table below summarises the maturity profile of the Companys financial liabilities based on contractual undiscounted payments

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31 2023						
(i) Borrowings	31.79	3.53	10.60	56.51	1,462.23	1,564.66
(ii) Other financial liabilities	108.84			129.14		237.98
	140.63	**3.53**	**10.60**	**185.65**	**1,462.23**	**1,802.64**
Year ended March 31 2022						
(i) Borrowings	31.79	10.19	30.56	242.87	1,175.30	1,490.71
(ii) Other financial liabilities	121.04			130.83		251.87
	152.83	**10.19**	**30.56**	**373.70**	**1,175.30**	**1,742.59**

Excessive risk concentration

Borrowings	Non current	Current	Total
Opening Balance	807.46	31.78	839.24
Closing Balance	763.82	61.94	825.76
Sum Total			**1,665.00**
Average			832.50
Sensitivity			4.16

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD.

GMR RAJAHMUNDRY ENERGY LIMITED
CIN No U40107KA2009PLC051643
Notes to the standalone financial statements for the year ended March 31, 2023

Note -
33 Financial ratios

Ratio	Numerator	Denominator	As at 31 March 2023 Ratio	As at 31 March 2022 Ratio	Variance	Remarks
Current ratio	Current assets	Current liabilities	0.04	0.06	-28.71%	Note 1 below
Debt-equity ratio	Total debt [Non-current borrowings + Current borrowings]	Total equity	(12.48)	29.96	-141.67%	Note 2 below
Debt service coverage ratio	Earnings before depreciation and amortisation and interest [Earnings = Profit after tax + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Interest expense (including capitalised) + Principal repayment (including prepayments)	(0.04)	(0.05)	-22.72%	Note 1 below
Return on equity ratio	Profit after tax	Average of total equity	(1.75)	(1.57)	11.63	Note 1 below
Inventory turnover ratio	Costs of materials consumed	Average inventories	0.20	0.07	179.33%	Note 3 below
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	NA	NA	NA	NA
Trade payables turnover ratio	Purchases	Average trade payables	-	-	-	NA
Net capital turnover ratio	Revenue from operations	Working capital [Current assets - Current liabilities	NA	NA	NA	NA
Net profit ratio	Profit after tax	Revenue from operations	NA	NA	NA	NA
Return on capital employed	Earnings before depreciation and amortisation, interest and tax [Earnings = Profit after tax + Tax expense + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Capital employed [Total assets - Current liabilities + Current borrowings]	(0.033)	(0.680)	-95.12%	Note 4 below
Return on investment	Profit after tax	Equity share capital + Instruments entirely equity in nature + Securities premium	(0.10)	(0.10)	4.27%	Note 1 below

Note
1 Reason for variation is applicable where it is more than 25%
2 The decrease in the ratio in previous year because of reduction of advances in current assets
3 The Increase in the ratio in previous year because of Spares consumed for maintenance
4 The company has incurred losses during previous year, hence the ROCE is not applicable

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD.

GMR RAJAHMUNDRY ENERGY LIMITED
Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Note -
New disclosures as per the requirements of Division II of Schedule III to the Act

A Ageing schedule of capital work-in-progress

(₹ in Crores)

As at 31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	Not Applicable				
Projects temporarily suspended	Not Applicable				

(₹ in lakhs)

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	Not Applicable				
Projects temporarily suspended	Not Applicable				

A1 Completion schedule of capital work-in-progress

(₹ in Crores)

As at 31 March 2023	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1 - Temporary Suspension	Not Applicable				
Project - 1 Others	Not Applicable				
Project 2 - Temporary Suspension	Not Applicable				
Project - 2 Others	Not Applicable				

(₹ in Crores)

As at 31 March 2022	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1 - Temporary Suspension	Not Applicable				
Project - 1 Others	Not Applicable				
Project 2 - Temporary Suspension	Not Applicable				
Project - 2 Others	Not Applicable				

A2 Ageing schedule of intangible assets under development

(₹ in Crores)

As at 31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	Not Applicable				
Projects temporarily suspended	Not Applicable				

(₹ in lakhs)

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	Not Applicable				
Projects temporarily suspended	Not Applicable				

A3 Completion schedule of intangible assets under development

(₹ in Crores)

As at 31 March 2023	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1 - Temporary Suspension	Not Applicable				
Project - 1 Others	Not Applicable				
Project 2 - Temporary Suspension	Not Applicable				
Project - 2 Others	Not Applicable				

(₹ in Crores)

As at 31 March 2022	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1 - Temporary Suspension	Not Applicable				
Project - 1 Others	Not Applicable				
Project 2 - Temporary Suspension	Not Applicable				
Project - 2 Others	Not Applicable				

B Ageing schedule of trade receivables

(₹ in Crores)

As at 31 March 2023	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	Not Applicable						
Undisputed trade receivables – which have significant increase in credit risk	Not Applicable						
Undisputed trade receivables – credit impaired	Not Applicable						
Disputed trade receivables – considered good	Not Applicable						
Disputed trade receivables – which have significant increase in credit risk	Not Applicable						
Disputed trade receivables – credit impaired	Not Applicable						

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD. GMR

As at 31 March 2022	Outstanding from the due date of payment					(₹ in Crores) Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	Not Applicable						
Undisputed trade receivables – which have significant increase in credit risk	Not Applicable						
Undisputed trade receivables – credit impaired	Not Applicable						
Disputed trade receivables – considered good	Not Applicable						
Disputed trade receivables – which have significant increase in credit risk	Not Applicable						
Disputed trade receivables – credit impaired	Not Applicable						

C Ageing schedule of trade payables

(₹ in Crores)

As at 31 March 2023	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises					
Others	(0.93)	(1.18)	1.52	(40.91)	(41.50)
Disputed dues — MSME					
Disputed dues — Others					

(₹ in Crores)

As at 31 March 2022	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises					
Others	(1.88)	1.22	(2.74)	(37.81)	(41.21)
Disputed dues — MSME					
Disputed dues — Others					
Similar Ageing for unbilled payable (as provided for trade payables)					

D Ageing Schedule of Inter-Corporate Loan

(₹ in Crores)

As at 31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
GMR Generation Assets Limited	38.70	24.43	11.74	63.41	138.27

(₹ in Crores)

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
GMR Generation Assets Limited		10.88	72.7	15.99	99.57

E Ageing Schedule of Security Deposit

(₹ in Crores)

As at 31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
				0.23	0.23

(₹ in Crores)

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
				0.23	0.23

F Details of promoter shareholding

Name of promoter*	As at 31 March 2023			As at 31 March 2022		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
GMR Generation Assets Limited (Formerly GMR Renewable Energy Limited)	1,156,999,400	45	-	1,156,999,400	45	-
Mr. G. M. Rao as nominee of GGAL	100	0.00	-	100	0.00	-
Mr. G. B. S. Raju as nominee of GGAL	100	0.00	-	100	0.00	-
Mr. Kiran Kumar Grandhi as nominee of GGAL	100	0.00	-	100	0.00	-
Mr. Srinivas Bommidala as nominee of GGAL	100	0.00	-	100	0.00	-
Mr. B. V. N Rao as nominee of GGAL	100	0.00	-	100	0.00	-
Mrs. G. Varalakshmi as nominee of GGAL	100	0.00	-	100	0.00	-
IDBI	220,419,842	8.57	-	220,419,842	8.57	-
Indian Bank (Formerly Allahabad Bank)	110,656,229	4.3	-	110,656,229	4.3	-
Union Bank (Formerly Andhra Bank)	111,290,000	4.33	-	111,290,000	4.33	-
IDFC Bank	274,020,000	10.66	-	274,020,000	10.66	-
Indian Overseas Bank	111,062,025	4.32	-	111,062,025	4.32	-
J & K Bank	109,810,000	4.27	-	109,810,000	4.27	-
Punjab & Sind Bank	53,790,000	2.09	-	53,790,000	2.09	-
Punjab National Bank (merged with united bank)	255,840,000	9.95	-	255,840,000	9.95	-
State bank of India	111,200,000	4.33	-	111,200,000	4.33	-
Canara Bank (Formerly Known Syndicate Bank)	55,900,000	2.17	-	55,900,000	2.17	-

* Promoters as defined under Companies Act

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR RAJAHMUNDRY ENERGY LTD.

G End use of borrowings (₹ in Crores)

Name of Bank / Financial Institution	As at 31 March 2023			As at 31 March 2022		
	Amount borrowed	Purpose of borrowing	Purpose for which amount has been used	Amount borrowed	Purpose of borrowing	Purpose for which amount has been used
	Not Applicable			Not Applicable		

H Title deeds of Immovable Properties not held in name of the Company

As at 31 March 2023 (₹ in Crores)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, direct or or relative# of promoter*/direct or or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
PPE -	Land Building	Not Applicable				**also indicate if in dispute
Investment property -	Land Building	Not Applicable				
PPE retired from active use and held for disposal -	Land Building	Not Applicable				
Others		Not Applicable				

As at 31 March 2022 (₹ in Crores)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, direct or or relative# of promoter*/direct or or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
PPE -	Land Building	Not Applicable				**also indicate if in dispute
Investment property -	Land Building	Not Applicable				
PPE retired from active use and held for disposal -	Land Building	Not Applicable				
Others		Not Applicable				

I Revaluation of Capital assets

Where the Company has revalued its Property, Plant and Equipment (including Right-of-Use Assets), the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
Where the company has revalued its intangible assets, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

The company has not done revaluation of property ,plant & equipment and intangible assets during the year.

J Loan or advances to Directors, Promoters, KMPs and related parties- either repayble on demand or without any terms of repayment (₹ in Crores)

Type of Borrower	As at 31 March 2023		As at 31 March 2022	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters				
Directors				
KMPs				
Related Parties	1.59	100.00	1.59	100.00

K Benami Property

(₹ in Crores)

Particulars	31-Mar-23	31-Mar-22
(a) Details of such property,	Not Applicable	Not Applicable
(b) Amount thereof,		
(c) Details of Beneficiaries,		
(d) If property is in the books, then reference to the item in the Balance Sheet,		
(e) If property is not in the books, then the fact shall be stated with reasons,		
(f) Where there are proceedings against the company under this law as an abetter of the transaction or as the transferor then the details shall be provided,		
(g) Nature of proceedings, status of same and company's view on same.		

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L Registration of charges or satisfaction with Registrar of Companies (ROC)

Secured by first charge on all movable, immovable propertiesand including stock of raw material and consumables, all book debts, cash flows receivables, Trust and Retention account, Debt Service Reserve Account andn other reserves and any other bank accounts of the company both present and future. Further secured by way of assignments/hypothecation of security interest of all the rights, tiitle, interest benefits, claims and demands of the company in th project documents including all insurance contracts and clearences and all benefits incidental thereto. Further secured by way of Book Debt, Commisiions, Revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill and uncalled capital present and future. Further secured by way of pledge of 1,15,69,99,400 shares held by the sponsor Company (GMR Generation Assets Limited)

Due to operationsat sub optimal PLF level based on e-RLNG gas, the current operational income was not sufficient for servicing th entire debt obiligations. In view of the same, the lender's consortium had decided to invoke strategic Debt Restructuring (SDR) to convert part of the debt outstanding into equity and to undertake Flexible structuring of balance debt post conversion as a corrective action plan for improving viability revival of the project. As per approval by the consortium lenders, Company had converted Rs. 1,413.99 Crore of outstanding debt (including overdue interest) into equity in order to acquire 55% shareholding in the company under the SDR scheme.

M Compliance with number of layers of companies

The clause is not applicable to the company

N Compliance with approved Scheme(s) of Arrangements

The clause is not applicable to the company

O Utilisation of Borrowed funds and share premium

(A) Where company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), 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; the company shall disclose the following:-
(I) date and amount of fund advanced or loaned or invested in Intermediaries with complete details of each Intermediary.
(II) date and amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries alongwith complete details of the ultimate beneficiaries.
(III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries
(IV) declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).;

The Company has not advanced or Loan or invested any fund during previous year as mentioned in Clauses in (A), Hence this clause is not applicable to the company

(B) Where a company has received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

(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, the company shall disclose the following:-
(I) date and amount of fund received from Funding parties with complete details of each Funding party.
(II) date and amount of fund further advanced or loaned or invested other intermediaries or Ultimate Beneficiaries alongwith complete details of the other intermediaries' or ultimate beneficiaries.
(III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries
(IV) declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).]

The Company has not advanced or Loan or invested any fund during previous year as mentioned in Clauses in (A), Hence this clause is not applicable to the company

P Corporate Social Responsibility

Since the company is in losses for the last three years, hence it is not mandatory to contribute to CSR

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