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Independent Auditor's Report

To the Members of GMR Kamalanga Energy Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of GMR Kamalanga Energy Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

4. Material Uncertainty Related to Going Concern

We draw attention to note 14(a) to the accompanying financial statements, which indicates that the Company has accumulated losses amounting to ₹ 10,911.45 million (31 March 2023: ₹ 13,868.47 million) which has resulted in substantial erosion of its net worth and its current liabilities exceed its current assets by ₹ 1,321.50 million (31 March 2023: ₹ 3,548.49 million). Further, there is an ongoing

Chartered Accountants

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Independent Auditor's Report of even date to the members of GMR Kamalanga Energy Limited on the financial statements for the year ended 31 March 2024 (cont'd)

dispute of the Company with SEPCO Electric Power Construction Corporation ("SEPCO") in respect of certain claims relating to construction and operation of a coal fired thermal power plant as described in note 14(a). These events and conditions together indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. However, basis the improvement in recovery of receivables from the Discoms, favourable legal assessment by the management of the Company on the aforesaid dispute of SEPCO, along with other factors as fully detailed in note 14(a), the management is of the view that the going concern assumption is appropriate for preparation of the accompanying financial statements. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Recoverability of customer receivables

5. We draw attention to Note 20(1)(e) and Note 20(4) to the accompanying financial statements for the year ended 31 March 2024 in connection with trade receivables and unbilled revenue of ₹ 10,936.07 million and ₹ 6,819.46 million respectively of the Company, which are pending settlement/ realisation and are substantially overdue as on 31 March 2024. The management of the Company based on its internal assessment, external legal opinions and certain interim favourable regulatory orders, is of the view that the aforesaid balances are fully recoverable as at 31 March 2024 and accordingly, management has not made any adjustments in the accompanying financial statements for the year ended 31 March 2024. Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

7. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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Independent Auditor's Report of even date to the members of GMR Kamalanga Energy Limited on the financial statements for the year ended 31 March 2024 (cont'd)

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

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

13. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.



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Independent Auditor's Report of even date to the members of GMR Kamalanga Energy Limited on the financial statements for the year ended 31 March 2024 (cont'd)

14. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. Further to our comments in Annexure A, as required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 15(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - c) The financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) The matters described in paragraph 4 under the Material uncertainty related to Going concern section and paragraph 5 under the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 15(b) above on reporting under section 143(3)(b) of the Act and paragraph 15(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended); and
 - h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion;
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 32(i) to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;



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Independent Auditor's Report of even date to the members of GMR Kamalanga Energy Limited on the financial statements for the year ended 31 March 2024 (cont'd)

- iv.
- a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 41(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 41(f) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2024.
- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except as described in note 42, the audit trail logs for direct changes in data at database level for accounting software is available only for 7 days. Further, during our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled and logs maintained.

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



Manish Agrawal
Partner
Membership No.: 507000

UDIN: 24507000BKDHNT7872

Place: Ghaziabad
Date: 30 April 2024

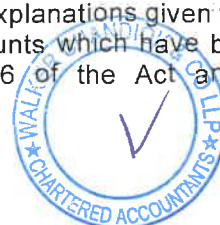


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Annexure A referred to in Paragraph 14 of the Independent Auditor's Report of even date to the members of GMR Kamalanga Energy Limited on the financial statements for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Kamalanga Village, Tamil Nadu and Maharashtra with gross carrying values aggregating ₹ 41.45 million as at 31 March 2024, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lender.
- (d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) As disclosed in note 15(d) to the financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crore by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods and no material discrepancies were observed.
- (iii) The Company has not made any investment in, 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 (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies



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Annexure A to the Independent Auditor's Report of even date to the members of GMR Kamalanga Energy Limited, on the financial statements for the year ended 31 March 2024 (cont'd)

(Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though electricity duty has not generally been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payables in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

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

Name of the statute	Nature of the dues	Amount (₹ million)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Odisha Electricity (Duty) Act, 1961	Electricity duty (excluding interest)	125.81	FY 2019-20	Various dates	Unpaid	None
		261.36	FY 2020-21	Various dates	Unpaid	None
		279.48	FY 2021-22	Various dates	Unpaid	None
		269.41	FY 2022-23	Various dates	Unpaid	None
		119.42	FY 2023-24	Various dates	Unpaid	None

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

Name of the statute	Nature of dues	Gross Amount (₹ in million)	Amount paid under Protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Odisha Entry Tax Act, 1999	Entry tax	1,687.83	281.31	FY 2008-17	Application with Hon'ble High Court of Odisha to revive the writ petition filed	None
Customs Act, 1962.	Custom duty	11.30	-	FY 2011-12	Customs Excise and Service Tax Appellate Tribunal	None

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



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Annexure A to the Independent Auditor's Report of even date to the members of GMR Kamalanga Energy Limited, on the financial statements for the year ended 31 March 2024 (cont'd)

- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.



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Annexure A to the Independent Auditor's Report of even date to the members of GMR Kamalanga Energy Limited, on the financial statements for the year ended 31 March 2024 (cont'd)

- (xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under Section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has 2 (two) CICs as part of the Group.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as 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 realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management, in our opinion, a material uncertainty exists as on the date of the audit report indicating that Company may not 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. The current assets majorly include trade receivables and unbilled revenue, which are pending settlement/ realization from its customers and are substantially overdue as at the reporting date as also disclosed in Note 20 (1) (e) and 20 (4) of the accompanying financial statements. (Refer 'Material uncertainty related to going concern' in our audit report).
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Manish Agrawal
Partner
Membership No.: 507000
UDIN: 24507000BKDHNT7872



Place: Ghaziabad
Date: 30 April 2024

Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of GMR Kamalanga Energy Limited on the financial statements for the year ended 31 March 2024

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

1. In conjunction with our audit of the financial statements of GMR Kamalanga Energy Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance 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.



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Annexure B to the Independent Auditor's Report of even date to the members of GMR Kamalanga Energy Limited on the financial statements for the year ended 31 March 2024 (cont'd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024 based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

MA

Manish Agrawal
Partner
Membership No.: 507000



UDIN: 24507000BKDHNT7872

Place: Ghaziabad
Date: 30 April 2024

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	41,830.99	44,285.78
Capital work in progress	4	1,661.80	1,486.30
Right to use assets	5	717.76	769.27
Intangible assets	6	0.48	0.67
Financial assets			
Other financial assets	7	212.82	196.58
Non-current tax assets (net)	27	46.86	96.87
Other non-current assets	8	381.91	389.92
Total non-current assets		44,852.62	47,225.39
Current assets			
Inventories	9	973.38	590.03
Financial assets			
(i) Trade receivables	10	12,483.12	13,316.26
(ii) Cash and cash equivalents	11	860.71	260.49
(iii) Bank balances other than (ii) above	12	967.55	747.88
(iv) Other financial assets	7	7,711.90	5,778.01
Other current assets	8	1,688.56	1,477.76
Total current assets		24,685.22	22,170.43
TOTAL ASSETS		69,537.84	69,395.82
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	21,487.34	21,487.34
Other equity	14	(8,344.07)	(11,301.09)
Total equity		13,143.27	10,186.25
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	15	27,913.83	30,818.79
Provisions	19	161.30	134.02
Other non-current liabilities	17	2,312.72	2,537.84
Total non-current liabilities		30,387.85	33,490.65
Current liabilities			
Financial Liabilities			
(i) Borrowings	15	6,584.00	7,126.37
(ii) Lease liabilities	16(a)	-	22.37
(iii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	18	140.80	100.30
-Total outstanding dues of creditors other than micro enterprises and small enterprises	18	2,490.68	2,970.31
(iv) Other current financial liabilities	16(b)	6,522.11	5,991.59
Other current liabilities	17	10,132.42	9,392.82
Provisions	19	136.71	115.16
Total current liabilities		26,006.72	25,718.92
TOTAL EQUITY AND LIABILITIES		69,537.84	69,395.82

The accompanying notes 1 to 43 form an integral part of these financial statements.

As per our report of even date attached

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

Manish Agrawal
Partner
Membership No.: 507000
Place: Ghaziabad
Date: 30 April 2024



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

Dhananjay Deshpande
Director
DIN: 07663196
Place: Kamalanga
Date: 30 April 2024

Piyusa Mohanty
Chief Financial Officer

Place: Kamalanga
Date: 30 April 2024



S. N. Barde
Director
DIN: 03140784
Place: New Delhi
Date: 30 April 2024

Subash Mittal
Company Secretary
Membership No.: FCS 865C

Place: New Delhi
Date: 30 April 2024

GMR Kamalanga Energy Limited
CIN: U40101KA2007PLC044809
Statement of Profit and Loss for the year ended 31 March 2024
(All amounts in ₹ million unless otherwise stated)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
INCOME			
Revenue from operations	20	27,518.90	30,220.72
Other income	21	2,026.78	1,713.33
Total income		29,545.68	31,934.05
EXPENSES			
Cost of fuel consumed	22	14,022.73	16,806.04
Transmission and distribution charges		294.39	449.29
Employee benefits expense	23	535.54	475.24
Other expenses	26	3,673.36	3,254.53
Total expenses		18,526.02	20,985.10
Earnings before finance cost, tax, depreciation and amortisation expenses (EBITDA)		11,019.66	10,948.95
Finance costs	24	4,814.96	4,850.66
Depreciation and amortisation expenses	25	3,243.26	3,239.13
Profit before tax		2,961.44	2,859.16
Tax expense			
Current tax	27	-	-
Deferred tax	27	-	-
Profit for the year		2,961.44	2,859.16
Other comprehensive income			
Items that will not be reclassified to profit or loss			
-Re-measurement loss on defined benefit plans		(4.42)	(2.68)
-Income tax relating to re-measurement benefit on defined benefit plans		-	-
Other comprehensive income, net of tax		(4.42)	(2.68)
Total comprehensive income for the year		2,957.02	2,856.48
Earnings per equity share: (face value of equity shares of ₹ 10 each)			
Basic (₹)	31	1.38	1.33
Diluted (₹)	31	1.38	1.33

The accompanying notes 1 to 43 form an integral part of these financial statements.

As per our report of even date attached

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

Manish Agrawal
Partner
Membership No.: 507000
Place: Ghaziabad
Date: 30 April 2024



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

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DIN: 07663196
Place: Kamalanga
Date: 30 April 2024

Piyusa Mohanty
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Date: 30 April 2024

S. N. Barde
Director
DIN: 03140784
Place: New Delhi
Date: 30 April 2024

Subash Mittal
Company Secretary
Membership No.: FCS
8650

Place: New Delhi
Date: 30 April 2024



GMR Kamalanga Energy Limited
CIN: U40101KA2007PLC044809
Statement of Cash Flow for the year ended 31 March 2024
(All amounts in ₹ million unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A) Cash flows from operating activities		
Profit before tax	2,961.44	2,859.16
Add/(less) :		
Depreciation and amortisation expenses	3,243.26	3,239.13
Finance cost	4,814.96	4,850.66
Interest income	(67.35)	(48.47)
Liability written back	-	(3.98)
Loss on assets discarded / written off	14.34	0.11
Unrealised foreign exchange gain (net)	5.56	16.48
Environment management fund expense	297.91	262.41
Provision for impairment of Capital work-in-progress	-	50.00
Provision for arbitration liability	329.76	227.70
Provision for rebate	16.78	0.68
Provision for employee benefits	22.96	13.18
Government grants income allocation	(225.12)	(225.12)
Cash flow before changes in operating assets and liabilities	11,414.50	11,241.94
Adjustments for changes in operating assets and liabilities:		
(Increase) / decrease in assets:		
Inventory	(383.35)	17.90
Trade receivables	833.14	(2,668.02)
Other financial assets	(1,957.43)	(606.39)
Other assets	(204.06)	(58.29)
Increase / (decrease) in liabilities:		
Trade payables	(438.88)	574.99
Other financial liabilities	0.79	(75.17)
Provisions	(4.42)	18.16
Other liabilities	300.85	238.95
Cash generated from operating activities	9,561.14	8,684.07
Less: Income tax refund received net of payment/(paid)	50.01	(30.71)
Net cash generated from operating activities (A)	9,611.15	8,653.36
B) Cash flows from investing activities		
Payment for acquisition of property, plant and equipment, including capital work in progress, capital creditors and capital advance	(932.20)	(561.53)
Net (redemptions)/ investment in bank deposit having original maturity of more than three months	(192.15)	84.83
Interest income received	47.14	48.82
Net cash used in investing activities (B)	(1,077.21)	(427.88)
C) Cash flows from financing activities		
Repayment of rupee term loan	(3,302.45)	(3,739.27)
(Repayment of)/proceeds from short term borrowing (net)	(311.55)	207.08
Repayment of lease liability		
-Principal repayment	(22.37)	(18.29)
-Interest repayment	(1.24)	(3.68)
Interest and finance charges paid	(4,296.11)	(4,674.50)
Net cash used in financing activities (C)	(7,933.72)	(8,228.66)
D) Net increase / (decrease) in cash and cash equivalents [A+B+C]	600.22	(3.18)
Cash and cash equivalents at beginning of the year	260.49	263.67
Cash and cash equivalents at end of the year	860.71	260.49
Break-up of cash and cash equivalents (refer note 11)		
Cash on hand	0.05	0.19
Balances with banks	521.06	260.30
Deposits with maturity less than three months	339.60	-
Cash and cash equivalents at end of the year	860.71	260.49



GMR Kamalanga Energy Limited
CIN: U40101KA2007PLC044809

Statement of Cash Flow for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Notes :

- The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cashflow".
- Changes in liabilities arising from financing activities


Particulars	As at	As at
	31 March 2024	31 March 2023
Long term borrowings (including current maturities)		
Opening balance	33,523.53	37,111.33
Repayment of borrowings from bank	(3,302.45)	(3,739.27)
Non-cash fair value/amortisation changes (net)	166.67	151.47
Closing balance	30,387.75	33,523.53
Short term borrowings		
Opening balance	4,421.63	4,214.55
(Repayment)/ proceeds from short term borrowings (net)	(311.55)	207.08
Closing balance	4,110.08	4,421.63
Lease liability movement		
Opening balance	22.37	40.66
Lease liability payments	(23.61)	(21.97)
Interest accrued	1.24	3.68
Closing balance	-	22.37
Interest accrued		
Opening balance	22.44	13.58
Interest cost	4,813.72	4,846.98
Non cash adjustments	(517.87)	(163.62)
Interest paid	(4,296.11)	(4,674.50)
Closing balance	22.18	22.44

The accompanying notes 1 to 43 form an integral part of these financial statements.

As per our report of even date attached

For Walker Chandiook & Co LLP
Chartered Accountants

Firm's Registration no.: 001076N/N500013


Manish Agrawal
Partner
Membership No.: 507000


Place: Ghaziabad
Date: 30 April 2024



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



Dhananjay Deshpande
Director
DIN: 07663196

Place: Kamalanga
Date: 30 April 2024


Piyusa Mohanty
Chief Financial Officer

Place: Kamalanga
Date: 30 April 2024




S. N. Barde
Director
DIN: 03140784

Place: New Delhi
Date: 30 April 2024


Subash Mittal
Company Secretary
Membership No.: FCS 8650

Place: New Delhi
Date: 30 April 2024

GMR Kamalanga Energy Limited
CIN: U40101KA2007PLC044809
Statement of Changes in Equity for the year ended 31 March 2024
(All amounts in ₹ million unless otherwise stated)

A. Equity share capital (Refer note 13)

Particulars	As at	
	31 March 2024	31 March 2023
Balance at the beginning of the year	21,487.34	21,487.34
Changes during the year	-	-
Balance at the end of the year	21,487.34	21,487.34

B. Other equity (Refer note 14)

Particulars	Retained earnings	Equity component of financial instruments	Total equity
Balance as at 01 April 2022	(16,724.95)	2,567.38	(14,157.57)
Profit for the year	2,859.16	-	2,859.16
Other comprehensive income			
Remeasurements loss on defined benefit plans, net of tax effect	(2.68)	-	(2.68)
Total comprehensive income	2,856.48	-	2,856.48
Balance as at 31 March 2023	(13,868.47)	2,567.38	(11,301.09)
Balance as at 01 April 2023	(13,868.47)	2,567.38	(11,301.09)
Profit for the year	2,961.44	-	2,961.44
Other comprehensive income			
Remeasurements loss on defined benefit plans, net of tax effect	(4.42)	-	(4.42)
Total comprehensive income	2,957.02	-	2,957.02
Balance as at 31 March 2024	(10,911.45)	2,567.38	(8,344.07)

The accompanying notes 1 to 43 form an integral part of these financial statements.

As per our report of even date attached

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

Manish Agrawal
Partner
Membership No.: 507000

Place: Ghaziabad
Date: 30 April 2024



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

Dhananjay Deshpande
Director
DIN: 07663196

Place: Kamalanga
Date: 30 April 2024

Piyusa Mohanty
Chief Financial Officer

Place: Kamalanga
Date: 30 April 2024

S. N. Barde
Director
DIN: 03140784

Place: New Delhi
Date: 30 April 2024

Subash Mittal
Company Secretary
Membership No.: FCS 8650

Place: New Delhi
Date: 30 April 2024



1 Company overview and Basis of preparation:

1.1 Company overview:

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

1.2 Basis of preparation and statement of compliance

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

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

The Company has presented earning before finance cost, taxes, depreciation, amortisation expenses and exceptional items as EBITDA.

The financial statements are approved for issue by the Board of Directors in its meeting held on 30 April 2024. The revision to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

2.1 Material accounting policies information:

i) Use of estimates

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

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

ii) Revenue recognition

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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

Revenue from energy units sold is recognised on accrual basis on delivery of the units at the delivery point as per the terms of the Power Purchase Agreement (PPA) and Letter of Intent (LOI) [collectively hereinafter referred to as 'the PPAs'] and tariff rates determined by Central Electricity Regulatory Commission (CERC). Revenue includes unbilled revenue accrued up to the end of the reporting period. Transmission services scheduled through the transmission provider is considered as a separate performance obligation if the same is in terms of the Contract and Transaction price is separately recoverable.

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

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

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

Revenue/charges from Unscheduled Interchange for the deviation in generation with respect to scheduled units are recognized/ charged at rate notified by CERC from time to time, are adjusted to revenue from sale of energy.

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

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

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

The performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as at end of the reporting year and an explanation as to when the Company expects to recognise these amounts in revenue. The Company during the period has applied the practical expedient given in Ind AS 115 for the disclosure of remaining performance obligations and based on its analysis of all the contracts outstanding as on 31 March 2024 has not identified any remaining performance obligations and accordingly there are no disclosures given in respect of power purchase agreements, as the revenue recognised corresponds directly with the value to the customer arising out of delivery of power in terms of the contract.



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

iii) **Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

iv) **Property, plant and equipment:**

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at historical cost including government grants and decommissioning costs less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties, levies. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Further, the Company recognises major inspection cost relating to Boiler, Turbine and Generator overhauls as separate component.

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

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

Recognition:

The cost of an item of Property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

The Company on transition to Ind AS, has elected to continue with the carrying value of all of its Property, plant and equipment recognised as at 01 April 2015 ('the transition date') measured as per the previous GAAP in terms of paragraphs D7AA & D13AA of Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' and use that carrying value as the deemed cost of the property, plant and equipment after making adjustments for finance lease (paragraph D9 of Ind AS 101) and transaction cost of long term borrowings as per Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 5 (Revised).

Depreciation and amortisation

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

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

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

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. Depreciation is provided pro rata from the date of addition or up to the date of disposal, as the case may be.

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

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

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

Capital work in progress

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



v) **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 if the statement of profit and loss in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

vi) **Government grants**

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

vii) **Leases**

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 recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Company as a lessee:

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 01 April, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

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

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

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously accounted for as operating leases

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

The Company has applied the available practical expedients wherein it:

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

viii) **Inventories**

Inventories are valued as follows:

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

ix) **Impairment of non-financial assets**

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

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

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



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

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

x) **Provisions and contingent liabilities**

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

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

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

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

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

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

xi) **Decommissioning liability**

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

xii) **Retirement and other employee benefits**

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

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

The Company recognizes contribution payable as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

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

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

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

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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



xiii) **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities are recognized initially at fair value, plus in the case of financial assets and financial liabilities not recorded at fair value through profit and loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset and financial liabilities are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Effective interest rate method :

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

a. **Financial assets**

Financial assets at amortised cost

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

Financial assets measured at fair value

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

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

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

Impairment of financial assets

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

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

De-recognition of financial assets

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

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

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

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

b. **Financial liabilities and equity instruments**

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

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

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



Financial liabilities at amortised cost

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

Loans and borrowings:

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

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

Derivative financial instruments

Reclassification of financial instruments

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

Subordinated debt

Subordinated debts are separated into liability and equity components based on the terms of the contract.

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

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

xiv) 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.

xv) Foreign currencies

The financial statements of the Company are presented in Indian Rupees ("₹"), which is the functional currency of the Company and the presentation currency for the financial statements.

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

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

xvi) 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.

xvii) Taxes on income

Tax expense comprises current and deferred tax.

Current income tax

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

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

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

Deferred tax

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

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

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

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

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

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

xviii) Sales Tax / Goods and service tax

Sales Tax/ goods and service taxes paid on acquisition of assets or on incurring expenses.

Expenses and assets are recognised net of the amount of sales/ GST paid, except:

- a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- b) When receivables and payables are stated with the amount of tax included.

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

xix) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the Financial Statements by the Board of Directors.

xx) Operating Segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Based on such assessment, the Company currently has only one operating segment.

xxi) Events after reporting date

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

xxii) Recent accounting pronouncement issued but not made effective

There are no standards that are issued but not yet effective as on 31 March 2024.

Recent 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Standards issued/amended and became effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 01 April 2023. The Company has applied for these amendments, first-time.



Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company has taken the impact of the same on these financial statements.

Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these financial statements.

2.2 Significant accounting judgements, estimates and assumptions

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

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

A Critical accounting estimates and assumptions

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

i. Revenue recognition

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

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

ii. Trade receivables and unbilled revenue

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

iii. Income taxes

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

iv. Contingencies

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

v. Fair value measurement of financial instruments

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

vi. Defined benefit plans (gratuity benefits)

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

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

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



vii. Provisions

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

viii. Recoverability of advances / receivables

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

ix. Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires; the management to make an assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

x. Going concern

The Company has accumulated losses, which has resulted in substantial erosion of the Company's net worth and its current liabilities exceed its current assets. For the reasons stated in note 14, the financial statements continue to be prepared on a going concern basis.

B Significant judgements

i Revenue recognition

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

ii Property plant and equipment and intangible assets

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

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3 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Gross block								
As at 01 April 2022	41.45	5,664.84	62,454.60	60.97	3.11	98.59	30.83	68,354.39
Additions made during the year	-	70.72	433.46	16.98	14.76	41.67	9.89	587.48
Disposals / adjustments	-	-	-	-	(0.22)	-	(0.12)	(0.34)
As at 31 March 2023	41.45	5,735.56	62,888.06	77.95	17.65	140.26	40.60	68,941.53
Additions made during the year	-	121.36	568.96	3.19	14.02	17.11	26.48	751.12
Disposals / adjustments	-	(22.01)	-	(0.62)	(0.38)	(0.11)	-	(23.12)
As at 31 March 2024	41.45	5,834.91	63,457.02	80.52	31.29	157.26	67.08	69,669.53
Accumulated depreciation								
As at 01 April 2022	-	1,392.01	20,005.28	18.66	2.50	30.46	19.73	21,468.64
Charge for the year	-	207.96	2,962.56	4.40	1.21	7.47	3.74	3,187.34
Disposals / adjustments	-	-	-	-	(0.11)	-	(0.12)	(0.23)
As at 31 March 2023	-	1,599.97	22,967.84	23.06	3.60	37.93	23.35	24,655.75
Charge for the year	-	209.52	2,957.86	5.25	2.11	9.99	6.83	3,191.56
Disposals / adjustments	-	(7.87)	-	(0.51)	(0.32)	(0.07)	-	(8.77)
As at 31 March 2024	-	1,801.62	25,925.70	27.80	5.39	47.85	30.18	27,838.54
Net block								
As at 31 March 2023	41.45	4,135.59	39,920.22	54.89	14.05	102.33	17.25	44,285.78
As at 31 March 2024	41.45	4,033.29	37,531.32	52.72	25.90	109.41	36.90	41,830.99

Notes:

- Assets are owned and are used for own use, unless otherwise mentioned.
- Entire property, plant and equipment has been offered as a security to term loan lenders with pari passu charge to working capital as referred to in note 15.
- The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- Up to FY 2014-15, the Company was charging depreciation on all assets as per CERC guidelines. During FY 2015-16, the Company has obtained expert legal opinion, which opined that the depreciation as per Companies Act, 2013 can be followed for boiler, turbine and generator (BTG) cost with respect to Unit I and Unit II and CTU Transmission Lines which are generating power for bidding based PPA and sale on merchant basis. The Company, during the FY 2016-17, has re-estimated the useful life of assets depreciated under Companies Act, 2013 to 40 years from 25 years.
- The Company has declared commercial operation of Phase 1 of the project constituting Unit 1, 2 and 3 of 350MW each on 29 April 2013, 11 November 2013 and 24 March 2014 respectively and accordingly the buildings, plant and equipment have been capitalised on that date based on the percentage of completion as certified by the technical team of the Company. Certain common items of Phase 2 which was put to use along with Phase 1 have also been capitalised. Claims/ counter claims arising out of the project related contracts including Engineering, Procurement and Construction (EPC) contract and Non EPC contracts, on account of delays in commissioning of the project or any other reason is pending settlement / negotiations with concerned parties. The Company has considered its best estimate of cost on the work completed based on the contract, work and purchase orders issued where the final bills are pending to be received / approved.



4 Capital work in progress (CWIP)

Particulars	As at	As at
	31 March 2024	31 March 2023
Balance at the beginning of the year	1,486.30	1,490.65
Additions made during the year	902.72	598.77
Impairment during the year	-	(50.00)
Capitalised during the year	(727.22)	(553.12)
Balance at the end of the year	1,661.80	1,486.30

Note:

(a) Capital work progress includes construction activities relating to Phase II of the power projects amounting to ₹ 1,265.41 million (31 March 2023 ₹ 1,265.41 million) which is under temporary suspension due to non-availability of mid-term or long-term PPA.

(b) In order to ensure an uninterrupted power supply for the nation's growth, Government of India has anticipated capacity addition of 469.60 GW between 2023-32. Considering this changing situation, during the year, the Company has engaged a consultant to conduct the feasibility study and the cost to complete the project. Further, the Company has floated expression of interest in various leading daily newspapers and also contacted with leading EPC contractors for development of project. The constructed part of Phase II is properly preserved and can be utilised for further development.

(a) Ageing schedule of capital work-in-progress:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	293.19	80.11	22.09	1.00	396.39
Projects temporarily suspended #	-	-	-	1,265.41	1,265.41
Total	293.19	80.11	22.09	1,266.41	1,661.80

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	177.64	42.25	-	1.00	220.89
Projects temporarily suspended #	-	-	-	1,265.41	1,265.41
Total	177.64	42.25	-	1,266.41	1,486.30

(b) Completion schedule of capital work-in-progress

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
As at 31 March 2024				
Projects temporarily suspended				
Unit-IV	-	-	-	1,265.41
Total	-	-	-	1,265.41
As at 31 March 2023				
Projects temporarily suspended				
Unit-IV	-	-	-	1,265.41
Total	-	-	-	1,265.41

(#) Net of Impairment

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5 Right to use assets

Particulars	Property, plant and equipment		Total
	Leasehold land	Other assets	
Gross block			
As at 01 April 2022	1,038.01	76.39	1,114.40
Additions made during the year	-	-	-
Disposals during the year	-	-	-
As at 31 March 2023	1,038.01	76.39	1,114.40
Additions made during the year	-	-	-
Disposals during the year	-	-	-
As at 31 March 2024	1,038.01	76.39	1,114.40
Accumulated mortisation			
As at 01 April 2022	247.83	45.83	293.66
Charge for the year	36.21	15.26	51.47
Reversal on disposals during the year	-	-	-
As at 31 March 2023	284.04	61.09	345.13
Charge for the year	36.21	15.30	51.51
Reversal on disposals during the year	-	-	-
As at 31 March 2024	320.25	76.39	396.64
Net block			
As at 31 March 2023	753.97	15.30	769.27
As at 31 March 2024	717.76	-	717.76

Note:

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

Lease liabilities

Particulars	As at	
	31 March 2024	31 March 2023
Opening balance	22.37	40.66
Add: Interest expense accrued on lease liabilities (Refer note 24)	1.24	3.68
Less: Lease liabilities paid	(23.61)	(21.97)
Closing balance	22.37	22.37
Current	-	-
Non current	-	-

Note:

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

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

- b) Lease deed for office space imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. The Company is prohibited from selling or pledging the underlying leased assets as security.
- c) Lease deed for leasehold land states that the lessee with the previous consent in writing of the lessor can assign or transfer his interest in the property in favor of any Schedule Bank/Financial Institution/ Life Insurance Corporation for securing loan subject to the condition that such mortgage shall not affect the rights, powers and interest of the Lessor/Government under this deed.
- d) Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

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GMR Kamalanga Energy Limited

CIN: U40101KA2007PLC044809

Notes to financial statements for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

e) Maturity profile of lease liability

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

Particulars	0 to 1 year	1 to 5 years	> 5 years	Total
Year ended 31 March 2024				
Lease liabilities	-	-	-	-
Year ended 31 March 2023				
Lease liabilities	23.61	-	-	23.61

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation/amortisation on right to use asset	51.51	51.47
Interest on lease liability	1.24	3.68
Expenses related to short term lease (included under other expenses)	11.96	8.24
Variable lease payments (included under other expenses)	10.60	10.72
Total amount recognised in statement of profit and loss account	75.31	74.11

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

6 Intangible assets

Particulars	Computer softwares	Total
Gross block		
As at 01 April 2022	12.83	12.83
Additions made during the year	0.34	0.34
Disposals during the year	-	-
As at 31 March 2023	13.17	13.17
Additions made during the period	-	-
Disposals during the period	-	-
As at 31 March 2024	13.17	13.17
Accumulated amortisation		
As at 01 April 2022	12.18	12.18
Charge for the year	0.32	0.32
Reversal on disposals during the year	-	-
As at 31 March 2023	12.50	12.50
Charge for the period	0.19	0.19
Reversal on disposals during the period	-	-
As at 31 March 2024	12.69	12.69
Net block		
As at 31 March 2023	0.67	0.67
As at 31 March 2024	0.48	0.48



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7 Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Carried at amortised cost		
Bank deposits with remaining maturity of more than 12 months [Refer note (a) & (b) below]	122.24	149.75
Interest accrued but not due	10.93	9.54
Security deposit		
Government authorities	32.43	36.93
Other deposits	47.22	0.35
Total non-current	212.82	196.58
Current		
Unsecured, considered good		
Carried at amortised cost		
Amount due from related parties [Refer note 37]	213.10	220.92
Interest accrued but not due on fixed deposits	33.46	14.64
Contract assets (Unbilled revenue) [Refer note (c) & (f) below and related party Refer note 37]	7,456.47	5,530.66
Other receivables [Refer note (d) below]	8.65	11.37
Security deposit		
Rental deposits	0.22	0.42
Total current	7,711.90	5,778.01
Total	7,924.72	5,974.59

Notes:

- a) Bank deposits includes margin money deposit against bank guarantee and letter of credit with various banks amounting ₹ 116.46 million (31 March 2023: ₹ 114.24 million).
b) For charges created on bank deposit Refer note 15.
c) Classified as financial asset as right to consideration is unconditional upon passage of time. It includes amount billed after the balance sheet date but till approval of the financial statements of ₹ 2,088.30 million (31 March 2023: ₹ 2,185.71 million).
d) Other receivables includes amount billed towards recovery of Point of Connection Charges (POC), Market Operating Charges (MOC) and System Operating Charges (SOC) to customers amounting to ₹ 2.48 million (31 March 2023: ₹ 1.75 million).
e) The fair value of the said financial asset is not materially different from the carrying value presented.

f) Contract assets (Unbilled revenue) ageing schedule

Particulars	Outstanding for following periods from due date of payments						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Undisputed unbilled revenue-considered good	2,813.01	-	-	-	-	-	2,813.01
Disputed unbilled revenue-considered good	4,643.46	-	-	-	-	-	4,643.46
Total	7,456.47	-	-	-	-	-	7,456.47
As at 31 March 2023							
Undisputed unbilled revenue-considered good	1,815.71	-	-	-	-	-	1,815.71
Disputed unbilled revenue-considered good	3,714.95	-	-	-	-	-	3,714.95
Total	5,530.66	-	-	-	-	-	5,530.66

8 Other assets

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Capital advances		
- to related party [Refer note 37]	92.13	92.13
- to others	0.82	0.82
Prepaid expenses	7.65	15.66
Indirect taxes deposited under protest	281.31	281.31
Total non-current	381.91	389.92
Current		
Unsecured, considered good		
Advances		
- to suppliers	1,634.98	1,431.61
- to employees	11.64	4.17
Prepaid expenses		
- Commission paid on letter of credit	0.34	1.62
- Others	41.40	40.36
Total current	1,688.56	1,477.76
Total	2,070.47	1,867.68

9 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials	410.10	103.79
Stores and spares	563.28	486.24
Total	973.38	590.03

Notes:

- a) Inventories are valued at lower of cost or net realizable value.
b) For charge created on inventories Refer note 15.
c) For details of fuel consumption refer note 22 and for stores and spares consumption refer note 26.



10 Trade receivables

Particulars	As at	As at
	31 March 2024	31 March 2023
Trade receivables – considered good - unsecured		
from related parties [Refer note 37]	1,547.05	1,995.73
from others	10,936.07	11,320.53
Trade receivables – credit impaired		
from others	19.56	19.56
	<u>12,502.68</u>	<u>13,335.82</u>
Impairment allowance (allowance for bad and doubtful debt)		
Less : Trade receivables- credit impaired	(19.56)	(19.56)
Total	<u>12,483.12</u>	<u>13,316.26</u>

Notes:

- a) For charges created on trade receivables Refer note 15.
b) Trade receivables are interest bearing and are generally on terms up to 60 days.
c) Trade receivable includes claim on Bihar Discom with regard to coal pass through of ₹ 445.31 million as on 31 March 2024 (31 March 2023: ₹ 2,109.73 million).
d) PTC India Limited (Haryana Discoms) has not paid Company's claim on coal pass through approximating to ₹ 4,789.10 million (31 March 2023 : ₹ 3,637.38 million).
e) GRIDCO Limited has withheld ₹ 3,231.38 million (31 March 2023: ₹ 2,865.06 million) billed as per CERC Tariff determination Order dated 29 June 2018 and balance is pending for reconciliation. Further debtors includes ₹ 788.02 million (31 March 2023: ₹ 788.02 million) towards late payment surcharge invoice raised based on CERC Order dated 04 February 2020 in case no-115/MP/2019. The management is pursuing for reconciliation with GRIDCO Limited and has completed quantitative reconciliation and is in the process of resolving the differences which are not material. In view of the above, the said amount is considered good and hence no provision has been created in the books by the Company.
f) Credit concentration:
As on balance sheet date trade receivables (excluding unbilled revenue) from State Electricity Distribution Companies (DISCOMS) under long term power purchase agreement constitutes 87.61% (31 March 2023 :84.87%).
g) Expected credit loss (ECL)
The Company is having majority of receivables from State Electricity Distribution Companies which are Government undertakings and group companies and hence are secured. The Company is generally receiving its normal power sale dues from its customers and in case of disputed amount not being received, the same is recognized on conservative basis which carries interest as per the terms of PPA. Hence they are secured from credit losses in the future. Allowances, if any, for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past deferment experience of the counterparty. The expected credit loss allowance is based on the ageing of the receivables that are due and company's past experiences. The Management does not foresee any expected credit loss in the near future on the same which requires provisioning currently.
h) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
i) The fair value of receivables are not materially different from the carrying value presented.
For explanations on the Company's credit risk management processes, Refer note 29
j) Movements in allowance for credit losses of receivables is as below:

Particulars	As at	As at
	31 March 2024	31 March 2023
Opening balance	19.56	19.56
Add: Allowance made during the year	-	-
Less: Write off during the year	-	-
Closing balance	<u>19.56</u>	<u>19.56</u>

k) Break up of security details:

Particulars	As at	As at
	31 March 2024	31 March 2023
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	12,483.12	13,316.26
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	19.56	19.56
Total	<u>12,502.68</u>	<u>13,335.82</u>
Loss allowance	(19.56)	(19.56)
Total	<u>12,483.12</u>	<u>13,316.26</u>

l) Trade receivable ageing schedule

Particulars	Outstanding for following periods from due date of payments						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Undisputed trade receivables-considered good	-	2,453.62	1,178.58	586.49	71.30	1,233.68	5,523.67
Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed trade receivables-considered good	-	590.75	705.99	2,569.59	135.42	2,957.70	6,959.45
Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables-credit impaired	-	-	-	-	-	19.56	19.56
Total	-	3,044.37	1,884.57	3,156.08	206.72	4,210.94	12,502.68
As at 31 March 2023							
Undisputed trade receivables-considered good	-	2,078.20	894.28	74.68	360.50	1,809.13	5,276.79
Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed trade receivables-considered good	-	2,796.99	1,540.69	1,675.62	351.30	1,674.87	8,039.47
Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables-credit impaired	-	-	-	-	-	19.56	19.56
Total	-	4,875.19	2,434.97	1,750.30	711.80	3,563.56	13,335.82



Particulars	As at	As at
	31 March 2024	31 March 2023
Balances with banks		
- On current accounts and other accounts	521.06	260.30
- Deposits with original maturity of less than three months	339.60	
Cash on hand	0.05	0.19
Total	860.71	260.49

Note:
For charge created on cash and cash equivalents refer note 15.

Particulars	As at	As at
	31 March 2024	31 March 2023
Deposits with original maturity of more than three months but less than twelve months	967.55	747.88
Total	967.55	747.88

Note
a) For charges created on other bank balances refer note 15.
b) Includes margin money deposit against letter of credit and bank guarantee ₹ 927.42 million (31 March 2023 : ₹ 727.56 million).
c) The fair value of other bank balances are not materially different from the carrying value presented.

Particulars	As at	As at
	31 March 2024	31 March 2023
Authorised share capital		
2,310,000,000 (31 March 2023: 2,310,000,000) equity shares of ₹ 10 each	23,100.00	23,100.00
Total	23,100.00	23,100.00
Issued share capital		
2,306,370,000 (31 March 2023: 2,306,370,000) equity shares of ₹ 10 each	23,063.70	23,063.70
Total	23,063.70	23,063.70
Subscribed and fully paid up		
2,148,734,052 (31 March 2023: 2,148,734,052) equity shares of ₹ 10 each	21,487.34	21,487.34
Total	21,487.34	21,487.34

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

Particulars	Numbers	Amount
As at 01 April 2023	2,148,734,052	21,487.34
Shares issued during the period		
As at 31 March 2024	2,148,734,052	21,487.34
As at 01 April 2022	2,148,734,052	21,487.34
Shares issued during the year		
As at 31 March 2023	2,148,734,052	21,487.34

b) **Terms/rights attached to equity shares**

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

The equity shares to the extent of 87.42% held by GMR Energy Limited (GEL) in the Company have been pledged with IDBI Trusteeship Services Limited

c) **Restrictions on the distribution of dividends**

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

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

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

Name of Shareholder	Numbers	Amount
As at 31 March 2024		
Equity Shares at par value of ₹ 10 each		
GMR Energy Limited	2,097,752,783	20,977.53
As at 31 March 2023		
Equity Shares at par value of ₹ 10 each		
GMR Energy Limited	2,097,752,783	20,977.53

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

Name of Shareholder	Numbers	% Holding
As at 31 March 2024		
GMR Energy Limited	2,097,752,783	97.63%
As at 31 March 2023		
GMR Energy Limited	2,097,752,783	97.63%

f) **Details of promoter shareholding**

Promoter name	No. of shares at the beginning of the year	Change during the period/year	No of shares at the end of the year	% of total shares	% change during the year
As at 31 March 2024					
Equity shares of ₹ 10 each fully paid					
GMR Energy Limited	2,097,752,783	-	2,097,752,783	97.63%	-
Mr. G.M. Rao	100	-	100	0.00%	-
Mr. Srinivas Bommidala	100	-	100	0.00%	-
Mr. G.B.S. Raju	100	-	100	0.00%	-
Mr. G. Kiran Kumar	100	-	100	0.00%	-
Mr. B. V. Nageswara Rao	100	-	100	0.00%	-



Promoter Name	No. of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of total shares	% change during the year
As at 31 March 2023					
Equity shares of ₹ 10 each fully paid					
GMR Energy Limited	2,003,440,283	94,312,500	2,097,752,783	97.63%	4.39%
Mr. G.M. Rao	100	-	100	0.00%	-
Mr. Srinivas Bommidala	100	-	100	0.00%	-
Mr. G.B.S. Raju	100	-	100	0.00%	-
Mr. G. Kiran Kumar	100	-	100	0.00%	-
Mr. B. V. Nagaswara Rao	100	-	100	0.00%	-

- g) As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.
- h) The Company has not issued shares for consideration other than cash, during the period of five years immediately preceding the reporting date.
- i) 157,635,948 (31 March 2023 : 157,635,948) number of equity shares were issued but were uncalled and not subscribed by GMR Energy Limited (Holding Company).
- j) Refer note 37 for related party disclosures.

14 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Retained earnings		
Balance at the beginning	(13,868.47)	(16,724.95)
Profit for the year	2,961.44	2,859.16
Other comprehensive income		
Re-measurement gain / (loss) on defined benefit plans	(4.42)	(2.68)
Balance at the end	(10,911.45)	(13,868.47)
Equity component of other financial Instruments (net of taxes)		
Equity component of subordinated debt of related party [Refer note 37]		
Balance at the beginning	2,567.38	2,567.38
Transactions during the year	-	-
Balance at the end	2,567.38	2,567.38
Total	(8,344.07)	(11,301.09)

Notes:

- (a) The Company's net profit after tax for the year ended 31 March 2024 is ₹ 2,961.44 million and accumulated loss has reduced to ₹ 10,911.45 million as at 31 March 2024 (as compared to ₹ 13,868.47 million as at 31 March 2023). The accumulated loss has led to significant erosion of its net worth and the net current assets position is negative ₹ 1,321.50 million (as at 31 March 2023: ₹ 3,548.49 million). This was due to operational difficulties faced during the initial years of operation and liability towards SEPCO Electric Power Construction Corporation (SEPCO) amounting to ₹ 12,123.76 million included in current liability. However, in view of the management, there are no material uncertainties relating to the project in the long run. Further the management has evaluated the following mitigating factors and future actions in relation to its going concern assessment

The Company's petitions for 'Tariff Determination' in case of Power Purchase Agreement (PPA) with GRIDCO Limited have been disposed in favour of Company by Central Regulatory Electricity Commission and 'Tariff Revision' in case of PPAs with PTC India Limited and Bihar State Power (Holding) Company Limited have been disposed in favour of the Company by the Hon'ble Supreme Court. The Company is selling its untied capacity in exchange market, wherein rates in exchange markets are governed by demand and supply factors. Company expects that gap between demand and supply will increase which will result in increase in exchange rates for short term. Further, the Company has signed PPA for supply of 102 MW round the clock to TANGEDCO for a period of five years through the aggregator M/s PTC India Limited. Also, the Company is actively pursuing its customers for realization of claims. These initiatives will support the Company's ability to continue the business without impact on its operation.

The Company had entered into agreement with SEPCO in 2008 for the construction and operation of a coal fired thermal power plant. Disputes arose between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the power plant. SEPCO served a notice of dispute to the Company in March 2015 and initiated arbitration proceedings. An Arbitral Tribunal was constituted to adjudicate upon the disputes between the parties. SEPCO filed its claim and GKEL filed its counter claim before the Arbitral Tribunal. The Arbitral Tribunal passed an Award on 07 September 2020 on the issues before it except the issues of interest and cost, which was separately decided. Since there were computation/ clerical / typographical errors in the Award, both parties (GKEL and SEPCO) applied for correction of the Award under Section 33 of the Arbitration & Conciliation Act, 1996 (Arbitration Act). The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on 17 November 2020 (the "Award"). The Company has received a final award on the issues of interest and cost (the "Final Award") in the previous year on 24 June 2021 which was later corrected and re-issued on 1 September 2021. The net impact of the Award and the Final Award on the Company could be approximately ₹ 12,123.76 million, payable by the Company to SEPCO (including bank guarantee invoked by GKEL). The Company in its books of accounts as on balance sheet date shows an amount of ₹ 12,123.76 million payable towards any such liability and thus there is no additional impact in books of accounts due to the Award and the Final Award.

The Company had challenged the Award and the Final Award, by way of separate petitions under Section 34 of the Arbitration Act before the Hon'ble High Court of Orissa on 15 February 2021 and 31 December 2021 respectively. The High Court vide its judgement and order dated 17 June 2022 dismissed the petition filed by GKEL on 15 February 2021 to set aside the Award on the basis that impugned award does not fall under the category which warrants interference under Section 34 of the Arbitration Act. The Company had challenged said judgement by filing special leave petition before the Hon'ble Supreme Court of India which was registered as SLP (C) No.12194 of 2022 on grounds of a). Violation of Principles of Natural Justice, b). Judgement is in violation of the guidelines laid by Supreme Court for timely pronouncing of judgements and c). Violation of due process of law and others. The Hon'ble Supreme Court in the hearing held on 25 July 2022 had issued notice and stayed the operation of the Section 34 judgement. Vide its order date 15 May 2023, the Hon'ble Supreme Court disposed of SLP by allowing Company to approach the Orissa High Court by way of an appeal under Section 37 of the Arbitration Act with liberty to raise all grounds and contentions. It was further directed that the stay shall continue till 30 June 2023. In furtherance of the order of the Hon'ble Supreme Court, GKEL had filed an appeal under Section 37 of the Arbitration Act before the Orissa High Court on 9 June 2023, challenging Section 34 judgement, and the Award. The matter was listed for hearing on 3 July 2023 on which date the Hon'ble Orissa High Court fixed detailed schedule for final hearing in the matter from 19 July 2023 to 2 August 2023. The Orissa High Court heard the appeal as per the said schedule and pronounced its judgement on 27 September 2023 wherein it has allowed the Section 37 of the Arbitration Act appeal and set aside Section 34 judgement and the Award. Further, during the current year, SEPCO has filed a special leave petition (SLP) with Supreme Court on 20 December 2023 which was registered on 30 January 2024 by Supreme Court and will be listed for hearing in due course. The Company has also raised and filed its preliminary objections to the very maintainability of the SLP filed by SEPCO.

Based on legal advice, the Company has a good arguable case to defend Section 37 of the Arbitration Act judgement before the Supreme Court. The Company in its books has made provisions in view of the disputes between SEPCO and GKEL based on generally accepted accounting practices. Irrespective of the heads under which they appear or their nomenclature/heading/title/narration, etc., such provisions do not make the Company liable for payment since liability is disputed.

The Company expects to have a favourable outcome in the aforesaid litigations, hence resulting in reduction of liabilities towards SEPCO. Basis the discussions and management initiatives as discussed; these accounts have been prepared on a going concern basis.



15 Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Secured		
Rupee term loans		
From banks (net of current maturity) [Refer notes (a) & (b) below](*)	26,743.92	29,789.81
Unsecured		
Promoters subordinated debt - from Holding Company [Refer note 37 & note (c) below]	1,169.91	1,028.98
Total non-current	27,913.83	30,818.79
Current		
Secured		
Short term borrowings		
Current maturities of long-term borrowings (*)	2,473.92	2,704.74
Cash credit [Refer note (d) below]	1,577.11	1,888.66
Unsecured		
Loan from group company - repayable on or before 31 March 2025 [Refer note 37 & note (e) below]	2,532.97	2,532.97
Total current	6,584.00	7,126.37
Total	34,497.83	37,945.16

(*) Basis the confirmation received from the bank, there has been no delays or defaults in repayment of interest and principal amount during the current year.

Notes:

a) Nature of security

Rupee term loan from banks

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

All the security set out above shall rank pari passu amongst the lenders of the project for an aggregate term loans amounting to ₹ 29,369.58 million (31 March 2023 : ₹ 32,672.03 million) along with working capital lenders for further amount acceptable to the lenders.

The total amount outstanding as at 31 March 2024 is ₹ 29,217.84 million (31 March 2023 : ₹ 32,494.55 million)

b) Terms of repayment

Rupee term loan from banks

As per the Rupee Term Loan (RTL) agreement entered into by the Company on 27 May 2009 with the consortium of banks, the amount to be borrowed by the Company from the lenders shall not exceed ₹ 34,050.00 million. Further, considering the project cost overrun, additional corporate loan and conversion of ECB into Rupee term loan, the RTL limit has been increased to ₹ 46,430.00 million.

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

The Company has a floating rate of interest ranging from 10.00% p.a. to 13.40% p.a. (31 March 2023: 10.00% p.a. to 13.05% p.a.).

c) Promoters subordinated debt

As per the Promoter Subordinated Debt Agreement between the Company and GMR Energy Limited ('Promoter') dated 25 June 2012 and subsequent revision, the promoter has infused ₹ 4,109.16 million (31 March 2023: ₹ 4,109.16 million) into the Company as subordinated debt. The Company has fair valued the interest free subordinated debt issued to promoters and accordingly an amount of ₹ 2,567.38 million (31 March 2023: ₹ 2,567.38 million) net of taxes, have been transferred to Other Components of Equity under Other Equity.

	As at 31 March 2024	As at 31 March 2023
Reconciliation of subordinated debt		
Opening balance of subordinated debt	4,109.16	4,109.16
Add: Subordinated debt Issued during the period/ year	-	-
Closing balance of subordinated debt	4,109.16	4,109.16
Less: Equity component of subordinated debt transferred to other equity, net of tax	(2,567.38)	(2,567.38)
Less: Deferred tax impact on equity	(1,286.62)	(1,286.62)
	255.16	255.16
Add: Notional interest recognised upto date (Refer note 24)	914.75	773.82
Fair valued subordinated debt grouped under borrowings	1,169.91	1,028.98

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

d) Cash credit facilities

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

The Company has a floating rate of interest ranging from 11.15% p.a. to 13.31% p.a. (31 March 2023: 11.15% p.a. to 12.35% p.a.).

e) Loan from related party (unsecured)

The carrying value of loan amount including interest accrued shall be repayable on or before 31 March 2025. The interest rate is Nil (31 March 2023: Nil)



16(a) Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Lease liabilities	-	22.37
Total	-	22.37

16(b) Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Secured		
Interest accrued but not due on		
Term loan	9.05	9.29
Cash credit	-	0.69
Acceptances	13.13	12.46
Security deposits	120.61	122.00
Other payables		
Payables towards capital goods / services	2,678.10	2,015.14
Retention money towards capital goods / services	3,691.47	3,824.44
Payable to employees	5.26	7.57
Other liabilities	4.49	-
Total	6,522.11	5,991.59

Note:

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

17 Other liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Government grant [Refer note (c) below]	2,312.72	2,537.84
Total non-current	2,312.72	2,537.84
Current		
Government grant [Refer note (c) below]	225.12	225.12
Proceeds from invocation of bank guarantee [Refer note (a) below]	5,792.63	5,792.63
Environment management fund [Refer note (b) below]	2,500.17	2,202.26
Statutory dues	1,601.71	1,167.03
Other payable	12.79	5.78
Total current	10,132.42	9,392.82
Total	12,445.14	11,930.66

Notes:

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

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

- b) In terms of the Power Purchase Agreement between the Company and GRID Corporation of Orissa Limited (GRIDCO Limited), it had deducted ₹ 50.00 million towards Orissa Environment Management Fund (OEMF) during December 2016 from the power purchase bill payable to the Company. As per the Memorandum of understanding (MOU) entered between the Company and the State of Odisha, an annual contribution of 6 paise per unit of the energy sent out from the Thermal Power Plant to outside the State is to be contributed by the Company towards the Environment Management Fund (OEMF). In this regard, the Company has filed a writ petition WP(C) No-21550/17 against the State of Odisha and 3 Others before the Hon'ble High Court of Orissa, Cuttack to direct GRIDCO not to collect deduct any amount towards OEMF from the monthly bill payable to the Company and refund the amount already deducted. Hon'ble High Court has granted stay vide its Order on 10 October 2017.

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
Movement of Government Grants:		
Balance at the beginning of the year	2,762.96	2,988.08
Add : Grant received during the year	-	-
Less: Transferred to profit or loss	225.12	225.12
Balance at the end of the year	2,537.84	2,762.96

18 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises [Refer note (b) below]		
- Due to related party [Refer note 37]	-	9.60
- Due to other micro enterprises and small enterprises	140.80	90.70
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Due to related party [Refer note 37]	174.02	55.53
- Due to other [Refer note (a) below]	630.04	974.76
- Retention money	82.64	58.50
- Acceptances against fuel supplies [Refer note (c) below]	1,603.98	1,881.52
Total	2,631.48	3,070.61



Notes:

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

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

Particulars	As at	
	31 March 2024	31 March 2023
a) Principal amount due to the enterprises defined under MSMED	140.80	100.30
b) Interest due thereon to the enterprises defined under MSMED	2.24	1.40
c) Amount of Interest paid to the enterprises under Section 16 of MSMED	-	-
d) Payment made to the enterprises beyond appointed date under Section 16 of MSMED	779.41	467.39
e) Amount of Interest due and payable for the period of delay in making payment, which has been paid beyond the appointed day during the year, but without adding the interest specified under MSMED	17.39	13.63
f) The amount of interest accrued (not accounted in the books) and remaining unpaid at the end of each accounting year, and	19.63	15.03
g) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	59.30	39.67

c) Represents Letter of Credit accepted and discounted by the Company. Letter of Credit facility are part of the working capital facility sanctioned by the banks and are secured as given in note 15(d). Acceptances denote letter of credit discounted with other banks.

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

e) Terms and conditions of the above financial liabilities:

For explanations on the Company's credit risk management processes, refer note 29.

f) Ageing schedule of trade payables

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Undisputed dues- MSME	-	-	140.55	0.09	0.01	0.15	140.80
Undisputed dues- Others	-	-	591.21	5.75	2.12	30.96	630.04
- Creditors other than MSME	-	-	142.44	17.88	10.48	3.22	174.02
- Payable to group company	-	66.28	-	7.76	5.56	3.04	82.64
- Trade retention	-	1,603.98	-	-	-	-	1,603.98
- Acceptances against fuel supplies	-	-	-	-	-	-	-
Disputed dues-MSME	-	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-	-
Total	-	1,670.26	874.20	31.48	18.17	37.37	2,631.48
As at 31 March 2023							
Undisputed dues- MSME	-	-	100.14	0.01	0.15	-	100.30
Undisputed dues- Others	-	-	938.24	2.82	4.13	29.57	974.76
- Creditors other than MSME	-	-	35.76	16.09	-	3.68	55.53
- Payable to group Company	-	31.74	-	17.15	6.89	2.72	58.50
- Trade Retention	-	1,881.52	-	-	-	-	1,881.52
- Acceptances against fuel supplies	-	-	-	-	-	-	-
Disputed dues-MSME	-	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-	-
Total	-	1,913.26	1,074.14	36.07	11.17	35.97	3,070.61

19 Provisions

Particulars	As at	
	31 March 2024	31 March 2023
Non-current		
Provision for gratuity [Refer note 35]	35.95	17.76
Other provisions		
Provision for decommissioning liability [Refer note (a) below]	125.35	116.26
Total non-current	161.30	134.02
Current		
Provision for employee benefits		
Provision for compensated absences	64.17	54.93
Provision for other employee benefits	42.39	42.84
Provision for gratuity	-	4.02
Other provisions		
Provision for rebate [Refer note (b) below]	30.15	13.37
Total current	136.71	115.16
Total	298.01	249.18

Note:

a) Movement of provision for decommissioning liability

Balance at the beginning of the year	116.26	107.84
Add: Notional interest for the year	9.09	8.42
Less: Reversal due to change in useful life of plant	-	-
Balance at the end of the year	125.35	116.26

b) Movement of provision for rebate *

Balance at the beginning of the year	13.37	12.69
Add: Provision made during the year	30.15	13.37
Less: Provision utilised / reversed during the year	(13.37)	(12.69)
Balance at the end of the year	30.15	13.37

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



20 Revenue from operations

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Sale of electrical energy (Gross)	27,851.80	30,573.14
Less: Rebate allowed	332.90	352.42
Sale of electrical energy (Net)	27,518.90	30,220.72

Notes:

1 Bihar PPA

- The Company, under long term Power Purchase Agreement (the PPA), has committed to sell up to 260 MW with Bihar State Power (Holding) Company Limited [erstwhile Bihar State Electricity Board] ("Bihar Discoms") under Section 63 of the Electricity Act, 2003 (i.e. competitive bidding). The Company claimed compensation for various change-in-law (CIL) events, including compensation for additional fuel cost on account of shortage of linkage coal, in accordance with the power purchase agreement and filed petitions with Central Electricity Regulatory Commission (CERC) regarding the same.
- The CERC in its order dated 07 April 2017 disallowed the Company's claim on coal cost pass through stating that changes in fuel supply agreement and deviation in New Coal Distribution Policy (NCDP) was not a change in law event. The Company had filed an appeal with Appellate Tribunal for Electricity (APTEL) against the CERC order.
- Hon'ble Supreme court on 11 April 2017 in Energy Watchdog vs CERC and others concluded in its order that deviation in NCDP policy would constitute to change in law event.
- Subsequent to the same on 20 March 2018, CERC in the Company's case against PTC India Limited (Haryana Discoms) in petition no. 105/MP/2017 read along with IA No. 42 /2017, respectively following the Supreme Court judgement, held that deviation in NCDP is a change in law event and upheld the Company's claim of coal cost pass through along with the method for computation of coal cost pass through.
- The Company has received a favourable order on 16 September 2019 whereby the CERC had allowed the coal cost pass through to be charged to the Bihar Discoms, based on a certain methodology. However, the Company has filed a review petition with The Hon'ble Appellate Tribunal for Electricity dated 14 November 2019 against this methodology. The Hon'ble Appellate Tribunal passed an Order in Appeal no - 423 on 06 August 2021 allowing the Company to recover expenditure incurred in procurement of alternate coal due to short fall in domestic coal supply corresponding to schedule generation pertaining to Bihar PPA and further allowed the Company to recover the carrying cost from the date of Change in Law events till the dues are paid. Accordingly, the Company had reversed excess revenue recognized on coal cost pass through claims and carrying cost thereon for the period from 01 September 2014 to 31 July 2021 amounting to ₹ 609.18 million (including net impact of carrying cost recognised amounting to ₹ 397.12 million) during the financial year 2021-22. The total outstanding receivable (including unbilled revenue amounting to ₹ 1,378.37 million) from Bihar Discoms amounts to ₹ 2,257.06 million as at 31 March 2024. Based on the favourable order received from Hon'ble Supreme Court dated 20 April 2023, the Company expects to recover the receivables shortly.

2 Haryana PPA

- The Company, under long term Power Purchase Agreement (the PPA), has committed to sell up to 300 MW with Uttar Haryana Bijli Vidyut Nigam Limited and Dakshin Haryana Bijli Vidyut Nigam Limited ("Haryana Discoms") through PTC India Limited (PTC) under Section 63 of the Electricity Act, 2003 (i.e. competitive bidding).
- The Company had filed petitions before CERC claiming additional tariffs considering various change in law events for variable cost components and has recognized the revenues based on the CERC orders received. In respect of these orders, the Appellate Tribunal for Electricity (APTEL), New Delhi has concluded that CERC has jurisdiction to determine the tariff and has dismissed the appeals filed by the GRIDCO and PTC India Limited (Haryana Discoms) thereby upholding the Tariff determined by CERC. The Company had also filed petition for recovery of dues with CERC wherein the CERC in its order dated 20 March 2018 has directed PTC India Limited to pay the above dues with late payment interest and reaffirmed the CERC order dated 03 February 2016 on change in law claims including Coal Cost Pass Through. The management is of the view that it would not be unreasonable to expect ultimate collection of the amount involved, accordingly the Company has recognized the same as revenue from operations.
- The CERC vide Order no - 79/MP/2013 dated 03 February 2016 had prescribed a formula and methodology to calculate compensation towards shortfall of linkage coal. The Company raised invoices towards coal pass through based on the said Order. However, Haryana Discoms disputed the Order and challenged the matter before APTEL and did not pay for the bills raised. APTEL in its judgement dated 20 December 2019 upheld the CERC Judgement and directed Haryana Discoms to pay the amount along with the late payment surcharge (LPS). The Order dated 20 December 2019 was again challenged by Haryana Discoms before Supreme Court. However, an agreement was signed on 02 September 2020 between the Company and Haryana Discoms without prejudice to case pending before Supreme Court and agreed to a separate formula of change in law, coal pass through and LPS. Haryana Discoms agreed to pay 50% of revised value as per the agreed formula, remaining 50% amount will be paid by Haryana Discoms post receipt of favourable Supreme Court Order.

3 GRIDCO PPA (Orissa)

- The Company, under long term Power Purchase Agreement (the PPA), has committed to sell up to 262.5 MW for twenty-five years to GRIDCO Limited for tariff to be determined by the CERC. The Company has considered the impact of Central Electricity Regulatory Commission (Terms and conditions of Tariff) Regulations, 2019 ("2019-24 Regulation") at the time of billing to GRIDCO from 01 April 2019 onwards on prudent basis and keeping certain parameters in line with the 61/GT/2016 Order pertaining to the period 2014-2019 by CERC. The Company has raised the invoices considering the 2019-24 Regulation except for annual fixed cost component in respect of which a reversal of ₹ 337.38 million was made for the year ended 31 March 2024. Total cumulative reversal till 31 March 2024 is ₹ 1,110.23 million. The Company has filed the tariff petition before the CERC in respect of 2019-24 Regulations.

- As per the PPA, the Company shall raise a combined invoice for capacity charge and energy charge to GRIDCO. The capacity charges shall be calculated based on declared availability i.e., as per Clause 2.2(a) of the PPA and the energy charges shall be calculated on ex-bus energy scheduled/ sent out from the Company. The tariff for capacity charges and energy charges shall be determined by CERC in every five years. Pursuant to provisions of Clause 2.2(a) of the PPA, GRIDCO vide letter dated 26 February 2013 exercised its right to off-take 25% of the installed capacity of the project and agreed to pay capacity charges.

The Company started supplying power to GRIDCO from April 2013. However, CERC passed the Tariff Order on 12 November 2015 in Case no 77/GT for the Regulation period FY 2009-14 and approved the annual fixed cost and energy charges and till such time the Company was billing on provisional basis. Further CERC had passed the tariff order on 29 June 2018 in case No 61/GT and approved the capacity and energy charges for the period FY 2014-19. Based on above two orders the Company had raised invoices and claimed capacity charges based on availability declared to State Load Despatch Center (SLDC). However, GRIDCO disputed the declared availability and revised on its own and calculated the capacity charges and paid the partial amount, which the Company has objected to the method of calculation and filed a petition before CERC in case no 115/MP/2019 due to non-receipt of capacity charges along with late payment surcharge. CERC has passed an Order on 4 February 2020 and directed GRIDCO to pay the outstanding amount along with late payment surcharge (LPS) as per CERC Tariff Regulation 2014. Further directed SLDC to revise the availability for the said period as available by the Company. Further, GKEL has filed a petition before CERC seeking implementation of Order dated 4 February 2020 to pay the old Plant Availability Factor achieved during the Month ("PAFM") dues along with LPS. On 4 April 2022, CERC passed an Order and directed GRIDCO to pay capacity charges along with LPS based on corrected PAFM computed by SLDC within 2 months from the date of the Order.



4 Regulatory Receivable from Haryana and GRIDCO Discoms

The Company, subsequent to favourable Orders from CERC has started claiming and accounting revenue towards tariff determination petition in case of GRIDCO Limited and Change in Law events (CIL Claims) in case of power purchase agreement (the PPA) with Haryana Discoms. In respect of the aforesaid claims, GRIDCO and Haryana Discoms have preferred appeals against the CERC Orders in various forums and have not released payments except for some partial payments pursuant to interim orders of the regulators though not fully complied. Haryana's and GRIDCO's petition had been dismissed by the Appellate Tribunal vide Order dated 20 December 2019. The total outstanding receivable (including unbilled revenue amounting to ₹ 5,441.09 million) from GRIDCO and Haryana Discoms (customers) towards these claims are ₹ 15,498.47 million as at 31 March 2024. The management is of the opinion that the CERC Orders are binding on the customers for tariff fixation and disputes from the customers are not tenable under fact and law and is confident of winning the cases which are pending before different legal forums considering favourable interim Orders received from the regulators and external legal opinions obtained by the management and is hopeful of recovering the entire receivables in the due course.

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

The Company has accounted for transportation cost of fly ash as change in law event as the same was agreed in principle by CERC vide Order 131/MP/2016 dated 21 February 2018 and on 22 March 2021 in Case No – 405/MP/2019, CERC allowed to recover the Ash Transportation Cost including GST from Haryana and Bihar Discoms. Similarly, CERC in its Order dated 08 April 2019 had allowed Maithan Power Ltd in Case No – 331/MP/2018 to recover the actual ash disposal expenses from its beneficiaries (DVC). Further, on 05 November 2018, CERC passed an Order in Petition No. 172/MP/2016 for NTPC Ltd. where GRIDCO was also one of the Respondents and recognised MOEFCC Notification dated 25 January 2016 and allowed fly-ash transportation as 'Change in Law' event and allowed recovery as additional Operation and Maintenance expenses. Based on the above Orders of CERC, the Company has recognised revenue amounting to ₹ 168.44 million for GRIDCO during year ended 31 March 2024 post complying with the conditions mandated in this regard. Revenue recognised since inception till 31 March 2024 is ₹ 968.31 million. The Company has filed petition 407/GT/2020 with CERC for determination of compensation of transportation charges of fly ash as per Order 131/MP/2016 and is awaiting the final order.

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

Trade receivables

Particulars	As at	As at
	31 March 2024	31 March 2023
Balance at the beginning of the year	13,316.26	10,648.24
Add: Amount billed during the year	27,245.37	31,922.03
Less: Amount realised during the year	28,078.51	29,254.01
Balance at the end of the year	12,483.12	13,316.26

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

Contract asset - Unbilled revenue

Particulars	As at	As at
	31 March 2024	31 March 2023
Balance at the beginning of the year	5,530.66	4,910.28
Add: Revenue recognised during the year but not billed	4,004.53	3,142.89
Less: Amount billed during the year from opening balance	2,078.72	2,522.51
Balance at the end of the year	7,456.47	5,530.66

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

Contract liability - Advance received from customers

Particulars	As at	As at
	31 March 2024	31 March 2023
Balance at the beginning of the year	-	166.67
Add: Advance received during the year	-	-
Less: Advance adjusted from revenue during the year	-	166.67
Balance at the end of the year	-	-

9 Movement in allowance for credit losses of receivables is as below:

Particulars	As at	As at
	31 March 2024	31 March 2023
Balance at the beginning of the year	19.56	19.56
Charge/(release) during the year	-	-
Balance at the end of the year	19.56	19.56

21 Other income

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Interest income		
Bank deposits	61.75	48.47
Other deposits	5.60	-
Liability written back	-	3.98
Income from government grants	225.12	225.12
Income from late payment surcharge	1,701.99	1,402.09
Scrap sales	21.48	19.10
Lease rentals	2.89	1.82
Miscellaneous income	7.95	12.75
Total	2,026.78	1,713.33

22 Cost of fuel consumed

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Cost of fuel consumed		
Inventory at the beginning of the year	103.79	196.35
Add: Purchases made during the year	14,329.04	16,713.48
	14,432.83	16,909.83
Less: Inventory at the end of the year	(410.10)	(103.79)
Total	14,022.73	16,806.04
Details of cost materials consumed		
Coal	13,958.75	16,756.60
Light Diesel Oil	63.98	49.44
Total	14,022.73	16,806.04



23 Employee benefits expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	476.33	422.65
Contribution to provident fund and others [Refer Note 35].	30.01	26.72
Gratuity expenses	7.01	5.61
Staff welfare expenses	22.19	20.26
Total	535.54	475.24

Note:

Employee benefits expenses includes managerial remuneration paid ₹14.76 million (31 March 2023 ₹20.30 million).

24 Finance costs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses on		
Rupee term loan	3,762.15	3,940.59
Working capital loan	204.65	194.46
Unwinding of financial liabilities [Refer note 16 (c)]	140.92	123.62
Unwinding of decommissioning liabilities [Refer note 20 (a)]	9.09	8.42
Unwinding of right of use asset (net of reversal) [Refer note 5]	1.24	3.68
Acceptances on fuels and others	128.57	137.09
Other interest	0.48	0.78
Interest on delayed payment of electricity duty	140.84	202.39
Other borrowing cost	427.02	239.63
Total	4,814.96	4,850.66

Note :

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss:

Unwinding of financial liabilities	140.92	123.62
Amortisation of upfront cost paid on rupee term loans	25.74	27.85
Total	166.66	151.47

25 Depreciation and amortisation expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property plant and equipment (Refer note 3)	3,191.56	3,187.34
Depreciation of right of use assets (Refer note 5)	51.51	51.47
Amortisation of other intangible assets (Refer note 6)	0.19	0.32
Total	3,243.26	3,239.13

26 Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spares	332.10	398.68
Rent and hire charges [Refer note 5 (f)]	696.84	808.43
Rates and taxes	2.75	10.82
Repairs and maintenance		
Plant and equipment	303.00	206.70
Building	2.42	0.23
Others	204.05	150.69
Communication costs	3.91	3.65
Printing and stationery	2.43	1.56
Advertising and business promotion	9.28	5.46
Director's sitting fees (Refer note 37)	0.42	0.39
Payment to auditors (Refer note (a) below)	4.04	4.04
Legal and professional fees	667.18	296.06
Insurance	88.19	87.94
Environment management fund (Refer note 17)	297.91	262.41
Electricity, fuel and water charges	422.22	420.69
Security charges	101.16	101.18
Manpower cost	45.51	45.73
Vehicle running and maintenance	5.85	6.79
Travelling and conveyance	53.02	11.92
Exchange fluctuation loss	4.43	32.75
Donation	0.53	0.90
Loss on assets discarded / written off	14.34	0.11
Corporate social responsibility expenses (Refer note (b) bellow)	31.14	32.70
Provision for arbitration liability	329.76	227.70
Provision for impairment of Capital work-in-progress		50.00
Miscellaneous expenses	50.88	87.00
Total	3,673.36	3,254.53

Note:

(a) Break-up of payment to auditors (including taxes)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
As auditor:		
Statutory audit fee (including fees for internal controls over financial reporting)	1.30	2.01
Limited review fees	2.48	1.77
Certification fees		0.06
Reimbursement of expenses	0.26	0.20
Total	4.04	4.04



(b) Corporate social responsibility expenses ('CSR'):

As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised on the activities which are specified in Schedule VII of the Act.

(a) Gross amount required to be spent as per the limits of Section 135 of the Act: ₹ 26.21 Millions (Year ended 31 March 2023: ₹ 4.64 Millions)

(b) Details of amount spent:

Particulars	Amount paid	Amount accrued / deposited in specified fund
Year ended 31 March 2024:		
Construction/acquisition of any asset	-	-
On purposes other than above	31.14	-
	31.14	-
Year ended 31 March 2023:		
Construction/acquisition of any asset	-	-
On purposes other than above	32.70	-
	32.70	-

(c) The Company intends to carry forward the excess amount spent during the year. Refer details below:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening Balance [Unspent / (Excess spent)]	(64.99)	(36.93)
Amount required to be spent during the year	26.21	4.64
Less: Amount spent during the year	(31.14)	(32.70)
Less: Amount deposited in Specified Funds of Schedule VII, within 6 months	-	-
Closing Balance [Unspent / (Excess spent)]	(69.92)	(64.99)

(d) Movement in provision:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening provision	-	-
Additions during the year	31.14	32.70
Paid during the year	(31.14)	(32.70)
Closing provision	-	-

(e) The nature of CSR activities undertaken by the Company is as follows:

- (i) Ensuring environmental sustainability
- (ii) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other disease
- (iii) Promoting of education

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27 Income tax

The major components of income tax expense for the period ended 31 March 2024 and 31 March 2023 are:

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current tax (including tax pertaining to earlier years)	-	-
Deferred tax	-	-
Tax expense to statement of profit and loss	-	-
Other comprehensive income section (OCI)		
Deferred tax related to items recognised in OCI during the year	-	-
Re-measurement gain / (loss) on defined benefit plans	-	-
Tax expense to other comprehensive income	-	-
Tax expense to total comprehensive income	-	-

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit/(loss) before tax	2,961.44	2,859.16
Applicable tax rate	25.17%	25.17%
Tax effect on profit / (loss) (a)	745.34	719.59
Adjustments:		
Tax effect on non-taxable income	(63.72)	(62.86)
Tax effect on non-deductible expenses	239.71	239.35
(b)	175.99	176.49
(c)=(a+b)	921.33	896.08
Unused tax losses adjusted / (not created) (d)	(921.33)	(896.08)
(e)=(c+d)	-	-
Tax expense to Statement of Profit and Loss	-	-
Tax expense on Other Comprehensive Income	-	-

27.3 Non-current tax assets (net):

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	96.87	66.16
Less: Current tax payable for the year	-	-
Less: Refund received during the year	(75.23)	-
Add: Earlier year tax reversed and expensed out	-	-
Add: Current taxes paid	25.22	30.71
Closing balance of non-current tax assets (net)	46.86	96.87



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

Deferred tax: Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liability		
Property, plant and equipments and intangible assets	4,735.33	4,865.44
Borrowings	38.19	44.67
Subordinated debt	739.75	775.22
Total	5,513.27	5,685.33
Deferred tax asset		
Provision for decommissioning liability	17.26	14.97
Provision for compensated absence	16.15	13.83
Provision for rebate	7.59	3.36
Provision for gratuity	5.66	2.53
Lease liability	-	5.63
Statutory dues	1,022.15	840.79
Re-measurement gains on defined benefit plans	3.39	2.95
Unused tax losses	-	255.91
Unabsorbed tax depreciation	5,745.03	6,798.90
Total	6,817.23	7,938.87
Net deferred tax (assets) / liability	(1,303.96)	(2,253.54)
Unused depreciation allowances not recognised #	1,303.96	2,253.54
Net deferred tax (assets) / liability		

#The Company has unused tax allowances and tax losses which arose in India of ₹ 22,826.72 million [31 March 2023: ₹ 28,030.85 million]. The unused tax losses are available for offsetting for eight years against future taxable profits and the unused depreciation allowances is available in future period against taxable profits without any time limit. Out of above the Company has not created deferred tax asset on depreciation amounting to ₹ 5,181.02 million (31 March 2023: ₹ 8,953.97 million).

The deferred tax assets has been recognised to the extent of deferred tax liability.

27.5 Movement of temporary differences for the year ended 31 March 2024

Particulars	As at 1 April 2023	Recognised in Statement of Profit and Loss and OCI	As at 31 March 2024
Deferred tax liability			
Property, plant and equipments and intangible assets	4,865.44	130.11	4,735.33
Borrowings	44.67	6.48	38.19
Subordinated debt	775.22	35.47	739.75
Deferred tax asset			
Provision for decommissioning liability	14.97	(2.29)	17.26
Provision for leave encashment	13.83	(2.32)	16.15
Provision for rebate	3.36	(4.23)	7.59
Provision for gratuity	2.53	(3.13)	5.66
Lease liability	5.63	5.63	-
Statutory dues	840.79	(181.36)	1,022.15
Re-measurement gains on defined benefit plans	2.95	(0.44)	3.39
Unused tax losses	255.91	255.91	-
Unabsorbed tax depreciation	4,545.36	104.29	4,441.07
Total (net)			



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GMR Kamalanga Energy Limited

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Notes to financial statements for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

27.6 Movement of temporary differences for the year ended 31 March 2023

Particulars	As at 1 April 2022	Recognised in Statement of Profit and Loss and OCI	As at 31 March 2023
Deferred tax liability			
Property, plant and equipments and intangible assets	4,906.06	40.62	4,865.44
Borrowings	51.68	7.01	44.67
Subordinated debt	806.33	31.11	775.22
Deferred tax asset			
Provision for decommissioning liability	12.85	(2.12)	14.97
Provision for leave encashment	13.12	(0.71)	13.83
Provision for rebate	3.19	(0.17)	3.36
Provision for gratuity	(0.34)	(2.87)	2.53
Lease liability	10.23	4.60	5.63
Statutory dues	668.59	(172.20)	840.79
Re-measurement gains on defined benefit plans	3.80	0.85	2.95
Unused tax losses	1,168.53	912.62	255.91
Unabsorbed tax depreciation	3,884.10	(661.26)	4,545.36
Total (net)	-	-	-

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28 Financial Instruments

(a) Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

i) The carrying value and fair value of financial instruments by categories as at 31 March 2024 were as follows

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets						
Cash and cash equivalents	11	860.71	-	-	860.71	860.71
Other bank balances	12	967.55	-	-	967.55	967.55
Trade receivables	10	12,483.12	-	-	12,483.12	12,483.12
Contract assets (Unbilled revenue)	7	7,456.47	-	-	7,456.47	7,456.47
Other financial assets	7	468.25	-	-	468.25	468.25
Total		22,236.10	-	-	22,236.10	22,236.10
Financial liabilities						
Borrowings	15	34,497.83	-	-	34,497.83	34,497.83
Trade payables	18	2,631.48	-	-	2,631.48	2,631.48
Other financial liabilities	16(b)	6,522.11	-	-	6,522.11	6,522.11
Total		43,651.42	-	-	43,651.42	43,651.42

ii) The carrying value and fair value of financial instruments by categories as at 31 March 2023 were as follows

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets						
Cash and cash equivalents	11	260.49	-	-	260.49	260.49
Other bank balances	12	747.88	-	-	747.88	747.88
Trade receivables	10	13,316.26	-	-	13,316.26	13,316.26
Contract assets (Unbilled revenue)	7	5,530.66	-	-	5,530.66	5,530.66
Other financial assets	7	443.93	-	-	443.93	443.93
Total		20,299.22	-	-	20,299.22	20,299.22
Financial liabilities						
Borrowings	15	37,945.16	-	-	37,945.16	37,945.16
Trade payables	18	3,070.61	-	-	3,070.61	3,070.61
Lease liabilities	16(a)	22.37	-	-	22.37	22.37
Other financial liabilities	16(b)	5,991.59	-	-	5,991.59	5,991.59
Total		47,029.73	-	-	47,029.73	47,029.73

(b) Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

During the year ended 31 March 2024 and year ended 31 March 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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

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



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(All amounts in ₹ million unless otherwise stated)

29 Financial risk management

Financial Risk Factors

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

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

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

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings and deposits. The sensitivity analysis in the following sections relate to the position as at 31 March 2024 and 31 March 2023.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions. The following assumptions have been made in calculating the sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024 and 31 March 2023.

(i) Foreign currency risk

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

Foreign currency sensitivity

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

Particulars	Type of major currency	Change in currency rates	As at	
			31 March 2024	31 March 2023
Effect on loss before tax / equity - Increase of loss	USD	(+)5%	(260.53)	(269.96)
Effect on loss before tax / equity - Decrease of loss	USD	(-)5%	260.53	269.96

(ii) Interest rate risk

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

The Company analysis its interest rate exposure on a dynamic basis. The Company has only variable rate of borrowings.

Interest rate sensitivity

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

Particulars	Type of currency	Increase/ decrease in basis points	As at	
			31 March 2024	31 March 2023
Effect on loss before tax / equity - Increase of loss	INR	(+)50	(172.48)	(190.28)
Effect on loss before tax / equity - Decrease of loss	INR	(-)50	172.48	190.28

(b) Commodity price risk

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



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(c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

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

Particulars	As at	
	31 March 2024	31 March 2023
Upto 3 months	2,046.48	2,643.79
3 to 6 months	997.89	2,231.40
More than 6 months (net of doubtful debt)	9,438.75	8,441.07
Total	12,483.12	13,316.26

With respect to trade receivables / unbilled revenue, the Company has constituted the terms to review the receivables on a periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss. The expected credit loss allowance is based on the ageing of the receivables that are due and the past experience.

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

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

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

Movement in the impairment allowance in respect of trade receivables:

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	19.56	19.56
Impairment allowance recognised	-	-
Amount written off out of above during the year	-	-
Balance at the end of the year	19.56	19.56

(This space is intentionally left blank)



(All amounts in ₹ million unless otherwise stated)

(d) Liquidity risk

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

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

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

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

Particulars	Total	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at 31 March 2024					
Non-derivative financial liabilities					
Borrowings from banks and others	29,369.58	-	2,473.92	11,340.85	15,554.81
Promoter sub-ordinated debt from holding company	4,109.16	-	-	-	4,109.16
Cash credit	1,577.11	-	1,577.11	-	-
Security deposits	120.61	-	120.61	-	-
Loan from related party	2,532.97	-	2,532.97	-	-
Trade payable	1,027.50	944.86	82.64	-	-
Acceptances and buyers credit	1,603.98	-	1,603.98	-	-
Other financial liabilities	6,401.50	6,379.32	22.18	-	-
Total	46,742.41	7,324.18	8,413.41	11,340.85	19,663.97

Particulars	Total	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at 31 March 2023					
Non-derivative financial liabilities					
Borrowings from banks and others	32,672.03	-	2,704.74	11,690.36	18,276.93
Promoter sub-ordinated debt from holding company	4,109.16	-	-	-	4,109.16
Cash credit	1,888.66	-	1,888.66	-	-
Security deposits	122.00	-	122.00	-	-
Loan from related party	2,532.97	2,532.97	-	-	-
Trade payable	1,189.09	1,130.59	58.50	-	-
Acceptances and buyers credit	1,881.52	-	1,881.52	-	-
Lease liabilities	22.37	-	22.37	-	-
Other financial liabilities	5,869.59	5,847.15	22.44	-	-
Total	50,287.39	9,510.71	6,700.23	11,690.36	22,386.09

(e) Capital management

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

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total capital plus debt.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Total Debt / borrowings (a)	34,497.83	37,945.16
Capital Components		
Equity Share Capital	21,487.34	21,487.34
Reserves and Surplus	(8,344.07)	(11,301.09)
Total Capital (b)	13,143.27	10,186.25
Capital and debt (c = a+b)	47,641.10	48,131.41
Gearing ratio (%) (d = a/c)	72.41%	78.84%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2024 and year ended 31 March 2023.



30 Financial ratios

SI No.	Ratio	Formula for computation	Measure (In times/percentage)	As at and for the year ended 31 March 2024	As at and for the year ended 31 March 2023	% Variance	Remarks
1	Current ratio	Current assets / Current liabilities	Times	0.95	0.86	10.11%	Refer note 2 (a)
2	Debt-equity ratio	Debt / Net worth	Times	2.62	3.73	-29.54%	Refer note 2 (b)
3	Debt service coverage ratio	EBITDA / Debt service	Times	1.39	1.33	4.39%	Refer note 2 (a)
4	Return on equity ratio	Profit after tax / Net worth	Percentage	25.39%	32.65%	-22.23%	Refer note 2 (a)
5	Inventory turnover ratio	Cost of goods sold / Average inventory	Times	17.94	28.06	-36.07%	Refer note 2 (c)
6	Trade receivables turnover ratio	Revenue from sales / Average trade receivables	Times	2.13	2.52	-15.42%	Refer note 2 (a)
7	Trade payables turnover ratio	Purchases / Average Trade Payables	Times	5.03	6.00	-16.26%	Refer note 2 (a)
8	Net capital turnover ratio	Revenue from operations / Working capital	Times	(20.82)	(8.52)	144.51%	Refer note 2 (d)
9	Net profit ratio	Profit after tax / Revenue from operations	Percentage	10.76%	9.46%	13.75%	Refer note 2 (a)
10	Return on capital employed	EBIT / Capital employed	Percentage	16.32%	16.02%	1.90%	Refer note 2 (a)
11	Return on investment	Not applicable	Percentage	N.A.	N.A.	N.A.	N.A.

Note 1:

- (a) Debt = Non-current borrowings + current borrowings
- (b) Net worth = Paid-up share capital + reserves created out of profit - accumulated losses + Equity component of other financial instruments (net of taxes)
- (c) EBITDA = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest.
- (d) Debt service = Interest and lease payments + principal repayments
- (e) Cost of goods sold = Cost of fuel consumed
- (f) Purchase = cost of materials consumed + closing inventory of raw materials - opening inventory of raw materials
- (g) Working Capital = current assets - current liabilities
- (h) EBIT = Earnings before interest and tax and exceptional items
- (i) Capital employed = tangible net worth (total assets - total liabilities - intangible assets) + total debt

Note 2:

- (a) The change in ratio is less than 25%, hence no explanation is required to be disclosed.
- (b) During the year the debt is reduced by ₹ 3,447.33 million for repayment of loan and networth increased by ₹ 2,957.02 million due to profit during the year, hence the variance.
- (c) During the year the stock of coal was higher and hence the variance.
- (d) During the year the revenue from operation is reduced by ₹ 2,701.82 million and net working capital increased by ₹ 2,226.99 million, hence the variance.



31 Earning per share (EPS)

Basic EPS amount is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period. There is no dilutive potential ordinary shares as at 31 March 2024 and 31 March 2023. Thus, diluted EPS equals basic EPS.

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Nominal value of equity shares (in ₹ per share)	10	10
b) Weighted average number of equity shares at the year end (in Nos)	2,148,734,052	2,148,734,052
c) Profit attributable to equity holders of the Company	2,961.44	2,859.16
d) Basic/Diluted Earning per share of ₹ 10 each (in ₹) [(c)/(b)]	1.38	1.33

32 Contingent liabilities, capital and other commitments

I. Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
1 Letter of credit	945.77	633.50
2 Claims against the Company not acknowledged as debt	1.56	1.56
3 Disputed entry tax liabilities [Refer note (a) below]	1,687.83	1,687.83
4 Disputed custom duty refund [Refer note (d) below]	11.30	11.30
5 Disputed Income tax liabilities from AYs 2010-11 & 2011-12 [Refer note (b) below]	1.69	1.69
6 Disputed demand for deposit of fund set up by Water Resource Department, Government of Odisha [Refer note (e) below]	600.00	600.00
7 Dispute on relinquishment charges for modification of transmission lines granted under long term access [Refer note (c) below]	30.50	30.50

Notes:

a) Entry tax and penalty demand of ₹ 1,687.83 million [31 March 2023 : ₹ 1,687.83 million] was raised by the Additional Commissioner Cuttack, for non payment of entry tax on imported plant and machineries from outside India as per Orissa Entry Tax Act, 1999. The Company has already deposited ₹ 281.31 million [31 March 2023 : ₹ 281.31 million] under protest and had filed appeal before the Appellate Authorities and special leave petition before Hon'ble Supreme Court. On 07 April 2017 the Hon'ble Supreme Court has passed an Order in favour of the Commercial Tax Department by giving liberty to the petitioner to review their writ petition and making proper application to the High Court. The Company accordingly has filed writ petition with the Hon'ble High Court, Odisha for grounds of discrimination and review on 06 November 2017. Hearing in the High Court has not yet scheduled.

The full bench of Hon'ble Odisha Sales Tax Tribunal has passed an Order dated 22 March 2024 and set aside the demand order for the period August 2012 to June 2013, August 2013 to August 2014 and September 2014 to August 2015 amounting to ₹ 215.48 Million (including penalty).

As this case is already pending in High court and hence it has been considered as contingent liability. The Management of the Company is hopeful of getting favourable order and does not foresee any financial implication on the financial statements and no provision is considered necessary.

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

The Company in order to buy peace and close the litigation, has filed a declaration u/s 4 of the Direct Tax Vivad-Se-Vishwas Act, 2020 (Act) for AY 2012-13 2013-14 and 2014-15. The relevant declaration in Form-1 and 2 has been filed electronically by the company on 27 February 2021. Subsequently, as per Section 4(2) of the Act upon filing the declaration u/s 4 of the Act, the appeal pending before the CIT(A) shall be deemed to be withdrawn from the date of issuance of the certificate u/s 5(1) of the Act, the said certificate was issued on 12 March 2021. Therefore, tax paid by the Company under protest for AY-2012-13 and 2013-14 of ₹ 7.96 million and ₹ 10.63 million were expensed off during the financial year 2020-21. Tax paid under the Scheme for AY 2012-13 of ₹ 1.98 million was expensed off during the financial year 2021-22.

The Management of the Company is hopeful of getting favourable order and does not foresee any financial implication on the financial statements and no provision is considered necessary.

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

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

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

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

d) The Company has got the refund of custom duty of ₹ 11.30 million for the goods imported under the project import after submission of final mega status certificate. However, the Vizag Customs Review Cell has filed an appeal before Commissioner Appeal challenging the refund order issued by Additional Commissioner claiming that the assessment was wrongly done in entry no 400 instead of entry no 399 of the project import. Cross objection filed on 18 July 2014. Last hearing was scheduled on 22 August 2016 and favourable order passed by the Commissioner Appeal on 17 February 2017. Department had filed an appeal with CESTAT Hyderabad against the order of the Commissioner Appeal vide Appeal no 30642/2017 dated 11 May 2017. The Management of the Company is hopeful of getting favourable order and does not foresee any financial implication on the financial statements and no provision is considered necessary.



- e) The Company has entered into a revise arrangement with Water Resource Department, Government of Odisha for 20 cusec of water for industrial use. The said department has laid a one time charge of ₹ 25 million/cusec of water as contribution to water conservation fund. The Company contends that the Water Conservation Fund and Water Resource Department have no authority of law for levying such taxes and have filed a Writ Petition Bearing No 14747/17 in the Odisha High Court. The Company has got interim Order from Honourable High Court on 31 July 2017 on the said Deposit Demand. The Company's contention is that the taxes and other charges required to be paid by the Company for consumption of water are being duly paid. The Management of the Company is hopeful of getting favourable order and does not foresee any financial implication on the financial statements and no provision is considered necessary.
- f) The Supreme Court had passed an order dated 28 February 2019 stating that for the purpose of contribution to be made under the Employees Provident Fund and Miscellaneous Provisions Act, 1956 ('EPF Act'), the definition of basic wages includes all emoluments paid in cash to the employees in accordance with the terms of their contract of employment. In view of the same, the Company is liable to make further contribution towards Provident Fund on the entire salary paid by it to its employees other than certain emoluments based on performance and variable. However there is no clarity on effective date from when the liability is required to be paid by the Company. The Company is not able to estimate the provident fund liability arising in view of the order. The Company further is of the view that the liability payable on account of retrospective effect if any will be accounted and paid on clarification if any provided by the Provident Fund Authorities and the impact of the same, if any, will not be material.
- g) Various writ petitions was filed before the Hon'ble High Court and the District Court by the sub-contractors against the EPC contractor (SEPCO) for settlement of their dues and the Company was made a party to the said petitions. These cases were dismissed except one on account of non-prosecution by the Court. The Management of the Company is hopeful of getting favourable order and does not foresee any financial implication on the financial statements and no provision is considered necessary.

ii. Capital and other commitments

Particulars	As at	As at
	31 March 2024	31 March 2023
Capital commitment	180.04	139.59
Other commitments	190.00	200.00

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

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

35 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	As at	As at
	31 March 2024	31 March 2023
Provident and pension fund	24.64	21.11
Superannuation fund	5.37	5.61
Total	30.01	26.72

b) Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at 31 March 2024 and 31 March 2023:

Particulars	As at	As at
	31 March 2024	31 March 2023
i) Change in defined benefit obligation		
Defined benefit at the beginning	50.48	44.50
Current Service Cost	5.24	4.58
Past Service Cost	-	-
Interest expenses	3.57	3.00
Acquisition cost/(credit)	2.97	(2.02)
Remeasurements - Actuarial loss	4.42	4.85
Benefits paid	(6.17)	(4.43)
Defined benefit at the end	60.51	50.48

Particulars	As at	As at
	31 March 2024	31 March 2023
ii) Change in fair value of plan assets		
Fair value of plan assets at the beginning	28.70	30.79
Interest income on plan assets	1.80	1.97
Acquisition Adjustment	-	(2.02)
Actuarial gains/ (losses)	(0.01)	2.17
Contributions by employer	0.24	0.22
Benefits paid	(6.17)	(4.43)
Fair value of plan assets at the end	24.56	28.70

Particulars	As at	As at
	31 March 2024	31 March 2023
iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	60.51	50.48
Fair Value of plan assets at year end	(24.56)	(28.70)
Net liability recognised	35.95	21.78
Non-current	35.95	17.76
Current		4.02
	35.95	21.78



iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses

Particulars	As at	
	31 March 2024	31 March 2023
Current Service Cost	5.24	4.58
Past Service Cost	-	-
Net interest on net defined benefit asset	1.77	1.03
Total expense	7.01	5.61

v) Recognised in other comprehensive income for the year

Remeasurement of actuarial gain/(loss) arising from		
- changes in experience adjustments	3.09	5.63
- changes in financial assumption	1.32	(0.79)
- changes in demographic assumptions	-	-
- return on plan assets excluding interest income	-	(2.16)
Recognised in other comprehensive income	4.41	2.68

vi) Quantitative sensitivity analysis for significant assumptions is as below:

Increase / decrease on present value of defined benefit obligation as at year end

(i) one percentage point increase in discount rate	(4.21)	(3.62)
(ii) one percentage point decrease in discount rate	4.84	4.16
(iii) one percentage point increase in salary escalation rate	4.21	3.70
(iv) one percentage point decrease in salary escalation rate	(3.82)	(3.34)
(v) one percentage point increase in employee turnover rate	0.35	0.41
(vi) one percentage point decrease in employee turnover rate	(0.40)	(0.45)

vii) Expected benefit payments:

Particulars	As at 31 March 2024					
	31 March 2025	31 March 2026	31 March 2027	31 March 2028	31 March 2029	31 Mar 2030 to 31 March 2034
Expected benefit payments for the year ending	4.83	6.79	7.11	5.98	3.28	31.39

Particulars	As at 31 March 2023					
	31 March 2024	31 March 2025	31 March 2026	31 March 2027	31 March 2028	31 Mar 2029 to 31 March 2033
Expected benefit payments for the year ending	4.02	4.36	6.83	6.15	7.32	40.93

Sensitivity Analysis Method

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

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

	As at 31 March 2024	As at 31 March 2023
Investment with Insurer managed funds - conventional products	100%	100%

ix) The weighted average assumptions used to determine net periodic benefit cost for the year ended 31 March 2024 and 31 March 2023 are set out below:

Particulars	As at	
	31 March 2024	31 March 2023
Discount rate (p.a.)	7.00%	7.30%
Weighted average rate of increase in compensation levels	6.00%	6.00%
Weighted average duration of defined benefit obligation	10 Years	10 Years

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of 31 March 2024 and 31 March 2023, the plan assets have been invested in insurer managed funds.

The Company expects to contribute ₹ 0.24 million to the gratuity fund during FY 2024-25 [31 March 2023: ₹ 0.22 million to the gratuity fund during FY 2023-24].

Particulars	As at	
	31 March 2024	31 March 2023
Expected rate of return on plan assets (p.a.)	7.00%	7.30%
Attrition Rate	5.00%	5.00%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Retirement Age	60 Years	60 Years

Notes:

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

Liability towards compensated absences based on actuarial valuation amounts to ₹ 64.17 million [31 March 2023: ₹ 54.93 million].

36 Operating lease

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

Particulars	Year ended	
	31 March 2024	31 March 2023
Lease rentals under cancellable lease	11.96	7.97

- The lease payments received under cancellable leases amounting to ₹ 2.89 million [31 March 2023: ₹ 1.82 million], are recognised as other income in the statement of profit and loss.



37 Related party disclosures

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the period ended 31 March 2024.

Names of related parties and description of relationship with the Company (where transactions have taken place during the year, except for control relationships where parties are disclosed irrespective of transactions)

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

a) Ultimate Holding Company	GMR Enterprises Private Limited [GEPL]
b) Holding Company	GMR Energy Limited [GEL]
c) Enterprises having control over the Company	GMR Power Urban Infra Limited [GPUIL]
d) Fellow Subsidiary / Associates	GMR Generation Assets Limited [GGAL] GMR Consulting Services Limited [GCSL] GMR Generation Assets Limited [GGAL] GMR Warora Energy Limited [GWEL] GMR Aviation Private Limited [GAPL] GMR Corporate Affairs Private Limited [GCAPL] GMR Airport Developers Limited [GADL] RAXA Security Services Limited [RSSL] GMR Energy Trading Limited [GETL] GMR (Badrinath) Hydro Power Generation Private Limited [GBHPL] GMR Coal Resource PTE Limited [GCRPL] GMR Vemagiri Power Generation Limited [VPGL] Delhi International Airport Limited [DIAL] GMR Bajoli Holi Hydropower Private Limited [GBHHPL] GMR Infrastructure (Singapore) Pte Limited [GISPL] GMR Smart Electricity Distribution Private Limited [GSEDPL] GMR Krishnagiri SEZ Limited [GKSL] GMR Gujarat Solar Power Private Limited [GGSPPL] GMR Hyderabad International Airport Limited [GHIAL] GMR Goa International Airport Limited [GGIAL] GMR Infrastructure (Singapore) Pte Limited [GISPL]
e) Other entities	GMR Varalakshmi Foundation [GVF] GMR Varalakshmi DAV Public School [GVDPS] GMR Family Fund Trust [GFFT]
f) Key Management Personnel	Mr. Ramesh R Pai (Whole-time Director) [resigned w.e.f. 31 May 2022] Mr. Dhananjay Deshpande (Director) Mr. Piyusa Mohanty (Chief Financial Officer) Mr. Subash Mittal (Company Secretary) Mr. Manoj Mishra (Manager)
g) Non-executive directors	Dr. M Ramachandran Mr. S Rajagopal Mr. Subodh Kumar Goel [resigned w.e.f. 28 July 2023] Ms. Kavitha Gudapati Ms. Suman Naresh Sabnani [appointed w.e.f. 09 October 2023]

Details of the transactions are as follows

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a. Sale of energy		
GMR Energy Trading Limited [GETL]	1,719.43	3,482.17
b. Miscellaneous income		
RAXA Security Services Limited [RSSL]		0.12
c. Remuneration paid to key management personnel		
Ramesh Pai	-	9.49
Manoj Mishra	9.87	6.77
Subhas Mittal	2.11	1.76
Piyusa Mohanty	2.78	2.28
d. Sitting fee paid to non-executive directors		
Dr. M Ramachandran	0.17	0.15
S Rajagopal	0.07	0.07
Subodh Kumar Goel	0.08	0.15
Kavitha Gudapati	0.02	0.02
Ms. Suman Naresh Sabnani	0.09	-
e. Rent and hire charges		
Delhi International Airport Limited [DIAL]	9.99	9.36
f. Technical consultancy services:		
GMR Power and Urban Infra Limited [GPUIL]	372.64	113.51
g. Security charges paid to:		
RAXA Security Services Limited [RSSL]	95.56	88.38
h. Other miscellaneous expenses:		
RAXA Security Services Limited [RSSL]	0.83	-
i. Purchase of property, plant and equipment		
RAXA Security Services Limited [RSSL]	0.68	-
j. Purchase of COVID Concentrators		
GMR Infrastructure (Singapore) Pte Limited [GISPL]		2.27



Particulars	Year ended 31 March 2024	Year ended 31 March 2023
k. Reimbursement of expenses incurred on behalf of Company:		
GMR Energy Trading Limited [GETL] Transmission charges	58.81	118.01
GMR Varalakshmi Foundation [GVF] Community development expenses	10.46	9.04
Delhi International Airport Limited [DIAL] Vehicle running and maintenance expenses	-	0.03
Delhi International Airport Limited [DIAL] Other Expenses	-	0.02
GMR Energy Trading Limited [GETL] Vehicle running and maintenance expenses	-	1.72
GMR Energy Trading Limited [GETL] Repair and maintenance expenses hardware and software	12.46	-
GMR Green Energy Limited [GGEL] Consultancy and Professional Charges	1.40	-
GMR Energy Trading Limited [GETL] Employee cost transferred	14.98	-
Detail of balances are as follows		
Particulars	As at 31 March 2024	As at 31 March 2023
a. Equity share capital held by		
GMR Energy Limited [GEL] Opening balance	20,977.53	20,034.40
Add: Acquired by GMR Energy Limited during the year (Refer note 13)	-	943.13
Closing balance	20,977.53	20,977.53
b. Unsecured Subordinated debt / equity component from		
GMR Energy Limited [GEL] Opening balance before fair value	4,109.16	4,109.16
Add: Received during the year	-	-
Closing balance before fair value	4,109.16	4,109.16
Less: Amount transferred to equity components, net of taxes	(3,854.01)	(3,854.01)
Add: Notional interest on debt component since beginning	914.76	773.83
Fair valued Subordinated debt closing balance	1,169.91	1,028.98
Equity components of Subordinated debt, net of taxes	2,567.38	2,567.38
c. Unsecured Inter-Corporate Loan and interest payable thereon from		
GMR Generation Assets Limited [GGAL] GMR Consulting Services Limited [GCSSL]	2,532.97	2,532.97
d. Lease liability		
Delhi International Airport Limited [DIAL] Opening balance/initial recognition of ROU asset by creating ROU liability	22.37	40.66
Add: Notional interest	1.24	3.68
Less: Liability transferred for payment	(23.61)	(21.97)
Closing balance	-	22.37
e. Capital advance paid towards civil works		
GMR Power and Urban Infra Limited [GPUIL]	92.13	92.13
f. Trade receivable (including unbilled revenue) from		
GMR Energy Trading Limited [GETL]	1,822.09	2,147.49
g. Amount due from		
GMR Generation Assets Limited [GGAL] GMR Goa International Airport Limited [GGIAL] RAXA Security Services Limited [RSSL] GMR Power and Urban Infra Limited [GPUIL]	212.55 - 0.55 -	212.55 7.82 0.55 1.52
h. Trade payables		
Delhi International Airport Limited [DIAL] GMR Varalakshmi Foundation [GVF] GMR Coal Resource PTE Ltd [GCRPL] GMR Corporate Affairs Private Limited [GCAPL] RAXA Security Services Limited [RSSL] GMR Vemagiri Power Generation Limited [VPGL] GMR Power and Urban Infra Limited [GPUIL] GMR Airport Developers Limited [GADL] GMR Energy Trading Limited [GETL] GMR Infrastructure (Singapore) Pte Limited [GISPL]	47.22 - 3.94 - 6.91 0.35 42.37 0.12 70.83 2.27	45.12 1.61 3.88 0.47 9.60 0.35 0.03 0.12 1.68 2.27

Note:

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



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

Particulars	Type of currency	Amount in Foreign currency	Rupees in million
31 March 2024			
Retention Money Payable for capital goods	USD*	43,935,398	3,664.43
Payables towards capital goods #	USD*	18,408,014	1,535.32
Payables towards fuel supplies and others	USD	103,864	8.50
Payables towards fuel supplies and others	SGD	36,811	2.27
31 March 2023			
Acceptances for fuel supplies	USD		
Retention Money Payable for capital goods	USD*	46,171,839	3,793.94
Payables towards capital goods #	USD*	19,345,036	1,589.58
Payables towards fuel supplies and others	USD	93,945	7.83
Payables towards fuel supplies and others	GBP	55,000	5.59
Payables towards fuel supplies and others	SGD	36,811	2.27

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

- represents advance of USD 15,655,689 (31 March 2023 : USD 16,452,610) netted off with liability.

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

The Company's only segment being generation and sale of power comprises of four customers (31 March 2023 : four customers) which have contributed more than 10% of the revenue during the period amounting to ₹ 25,799.35 million (31 March 2023 : ₹ 29,173.70 million).

40 **Details related to borrowings secured against current assets**

The Company has given current assets as security for borrowings obtained from banks. The Company has duly submitted the required information with the banks on regular basis and no material discrepancies were noted between books of accounts and amount as reported in quarterly return / statement.



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- 41 **Other Statutory Information**
- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
 - The Company does not have any transactions or any balances with struck off companies during the current year or previous year and hence no separate disclosure has been made.
 - The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
 - The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 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 to or on behalf of the Ultimate Beneficiaries.
 - The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
 - The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - The Company has complied with the number of layers prescribed under the Companies Act, 2013.
 - The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- 42 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company is using an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, except that the audit trail logs for direct changes in data at database level for accounting software is available only for 7 days. The retention of edit logs for more than 7 days will require huge data space and accordingly, the Company has implemented additional control, wherein alerts generated through these logs are monitored at the Security operation Centre.
- 43 Previous year figures which are not material have been re-grouped / re-classified wherever necessary, to conform to current year's classification. The impact of such reclassification/ regrouping is not material to the financial statement.

The accompanying notes 1 to 43 form an integral part of these financial statements.

As per our report of even date attached

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

MA

Manish Agrawal
Partner
Membership No.: 507000

Place: Ghaziabad
Date: 30 April 2024



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

Deshpande
Dhananjay Deshpande
Director
DIN: 07663196

Place: Kamalanga
Date: 30 April 2024

Piyusa Mohanty
Piyusa Mohanty
Chief Financial Officer

Place: Kamalanga
Date: 30 April 2024



S. N. Barde
S. N. Barde
Director
DIN: 03140784

Place: New Delhi
Date: 30 April 2024

Subash Mittal
Subash Mittal
Company Secretary
Membership No.: FCS 8650

Place: New Delhi
Date: 30 April 2024