

## INDEPENDENT AUDITOR'S REPORT

**To the members of GMR Vemagiri Power Generation Limited**

**Report on the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS financial statements of **GMR Vemagiri Power Generation Limited** (the "**Company**"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements for the year ended 31<sup>st</sup> March, 2024 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March, 2024, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Material Uncertainty Relating to Going Concern:**

We draw attention to Note. 2.1 and 28 A (ii) to the accompanying Ind AS financial statements as at March 31, 2024, which indicate that the Company has accumulated losses of Rs.95,519.11 lakhs (March 2023 Rs.88,810.29lakhs) and its net worth has been substantially eroded, the Company has incurred cash losses during the current and previous years and the Company's current liabilities exceeded its current assets by Rs.21,734.43 lakhs ( March 2023 Rs.20,091.21lakhs) as at March 31, 2024. Further as detailed in Note 28 to the accompanying Ind AS financial statements, the Company has ceased operations

currently on account of unavailability of adequate supply of natural gas and is dependent on the parent company to provide support to meet its operational expenditure and repay its liabilities. These events or conditions, along with others as set forth in the aforesaid note indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in this regard.

**Emphasis of Matter :**

We draw attention to the following matters In the Notes to the accompanying Ind AS financial statements for the year ended March 31, 2024.

1. Note no.30(A)(c) relating to certain amounts due to suppliers towards procurement of goods and services, which are outstanding beyond permissible time period under the applicable regulations.

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

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

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

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

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

**Responsibility of Management for Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the

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

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of changes in equity dealt with by this Reports are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules, 2015 as amended,

- (e) On the basis of written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B” to this report
- (g) with respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the Company has paid remuneration to its managerial personnel during the year in accordance with the provisions of and limits laid down under section 197 of the Act read with Schedule V to the Act.

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the details and impact of pending litigations on the financial position of the Company in its financial statements - Refer note 30 A&36 to the financial statements.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. A. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity (ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
B. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding whether recorded in writing or otherwise, that the company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

**GIRISH  
MURTHY & KUMAR  
CHARTERED ACCOUNTANTS**

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- C. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- v. During the year, the Company, neither declared nor paid any dividend. Hence reporting on compliance with provisions of section 123 of the Act does not arise.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 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. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **GIRISH MURTHY&KUMAR**  
**Chartered Accountants**

Firm's registration number: 000934S

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**A.V. SATISH KUMAR**

**Partner**

Membership number: 026526

UDIN No: 24026526BKFECH9571

Place: Bangalore

Date: 06-05-2024

**” Annexure A” to the Independent Auditors’ Report referred to in clause 1 of paragraph on the ‘Report on Other Legal and Regulatory Requirements” of our report of even date to the financial statements of the Company for the year ended March 31, 2024:**

Re: **GMR Vemagiri Power Generation Limited**

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- I. In respect of the Company’s Tangible assets & Intangible assets:
- i. The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, plant & equipment and there are no intangible assets held by the company during the year.
  - ii. The Company has a program of verification to cover all the items of Property, plant & equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the Company has carried out physical verification of assets during the year and no discrepancies have been noticed on such verification.
  - iii. In our opinion and according to the information and explanations given to us, the title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is a lessee) disclosed in the financial statements are held in the name of the Company.
  - iv. There is no revaluation done by the company of its property, plant and equipment (including the right of use assets) or intangible assets or both during the year.
  - v. There are no proceedings that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- II. In respect of details of Company’s Inventory & Working capital:
- i. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such verification. There was no inventory lying with third parties.
  - ii. The company, during any point of time of the year, has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- III.
- a. According to the information and explanations given to us, the Company has not made investment in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties as mentioned in notes

to accounts note number 28 and 29 except the following. The details of the same are given below:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year Subsidiaries/Fellow Subsidiaries	Nil	Nil	Nil	Nil
Balance outstanding as at balance sheet date Subsidiaries/ fellow Subsidiaries	Nil	Land given as security against loans taken by GWEL	Nil	Nil

- b. The investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not, prima facie, prejudicial to the Company's interest.
- c. In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular wherever applicable.
- d. According to the information and explanations given to us, there is no amount which is overdue for more than 90 days in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
- e. The Company has not granted loan(s) or advance(s) in the nature of loan(s) which had fallen due during the year and such loans or advances in the nature of loans were renewed/extended during the year.
- f. During the year, the Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

IV. In our opinion and according to the information and explanation given to us the company has not granted any loan, made any investments, gave any guarantee or provided security in connection with a loan to any other body



corporate or person in contravention of section 185 and 186 of the Companies Act, 2013.

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

VI. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the generation of electricity and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

VII. In respect of Deposit of Statutory liabilities:

- a. In our opinion, and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, , duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- b. According to the records of the Company, the dues outstanding of income-tax, service tax, duty of customs, duty of excise, value added tax and cess have not been deposited on account of any dispute, are as follows;

<b>Name of the Statute</b>	<b>Nature of dues</b>	<b>Amount in Rs. Lakhs</b>	<b>Period for which it relates to</b>	<b>Forum where dispute is pending</b>
The Customs Act, 1962	Customs Duty	5,910.57	January 2004 to September 2006.	Supreme Court of India
Andhra Pradesh Electricity Duty Act and Rules, 1939.	Electricity Duty	6,310.61	September 2006 to March 2017	Chief Electrical Inspectorate, Government of Andhra Pradesh

VIII. According to the information and explanations given to us and the records of the company examined by us we have not come across any instances of

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any transactions which are not recorded in the accounts that have been disclosed or surrendered before the tax authorities as income during the year in the tax assessments under the income tax act, 1961.

IX.

- a. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that, the company has not defaulted in the repayment of loans taken from lender & interest thereof during the year.
- b. The company has not taken any loan from Government and the company has not issued any debentures.
- c. The company is not declared as willful defaulter by any bank or financial institution or any other lender.
- d. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- e. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- f. In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates
- g. According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

X.

- a. According to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company
- b. According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

XI.

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

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

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

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

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

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

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

XVII. The company has incurred cash losses of Rs. 22.10Crs in the financial year and of Rs. 18.55 Crs in the immediately preceding financial year.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of

financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

XX. According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company.

XXI. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **GIRISH MURTHY&KUMAR**  
**Chartered Accountants**

Firm's registration number: 000934S

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**A.V. SATISH KUMAR**

**Partner**

Membership number: 026526

UDIN No: 24026526BKFECH9571

Place: Bangalore

Date: 06-05-2024

**Annexure B to Auditors' Report of even date**

Report on the Internal Controls on Financial Controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GMR Vemagiri Power Generation Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **GIRISH MURTHY&KUMAR**  
**Chartered Accountants**

Firm's registration number: 000934S

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**A.V. SATISH KUMAR**

**Partner**

Membership number: 026526

UDIN: 24026526BKFECH9571

Place: Bangalore

Date: 06-05-2024

**GMR Vemagiri Power Generation Limited**  
**Corporate Identity Number (CIN): U23201KA1997PLC032964**  
**Balance sheet as at March 31, 2024**

	Notes	As at	As at
		March 31, 2024	March 31, 2023
		Audited	Audited
		(Rs. in Lakhs)	(Rs. in Lakhs)
<b>Assets</b>			
<b>(1) Non-current assets</b>			
Property, plant and equipment	3	269.18	259.89
Capital Work in Progress		-	-
Investment property	4	253.49	253.49
Intangible assets	5	24,120.12	28,615.09
Financial assets			
(i) Other financial assets	6	68.86	69.73
Other non current asset	10	-	-
Non-current tax assets (net)		6.00	-
		<b>24,717.65</b>	<b>29,198.20</b>
<b>(2) Current assets</b>			
Inventories	7	78.07	77.83
Financial assets			
(i) Cash and cash equivalents	8	29.13	12.06
(ii) Bank balances other than (ii) above	9	-	-
(iii) Other financial assets	6	35.34	22.87
Other current assets	10	207.85	202.18
		<b>350.39</b>	<b>314.94</b>
<b>Total assets (1) + (2)</b>		<b>25,068.04</b>	<b>29,513.14</b>
<b>Equity and liabilities</b>			
<b>(1) Equity</b>			
Equity share capital	11	27,450.01	27,450.01
Other equity	12	(25,692.42)	(19,815.11)
<b>Total equity</b>		<b>1,757.59</b>	<b>7,634.90</b>
<b>Liabilities</b>			
<b>(2) Non-current liabilities</b>			
<i>Financial liabilities</i>			
Net employee defined benefit liabilities	17(a)	78.52	66.79
Government grant	18	1,147.50	1,405.30
		<b>1,226.02</b>	<b>1,472.09</b>
<b>(3) Current liabilities</b>			
<i>Financial liabilities</i>			
(i) Borrowings	13	394.34	394.34
(ii) Trade payables	14		
Total outstanding due to micro enterprises and small enterprises		9.67	129.34
Total outstanding due to creditors other than micro enterprises and small enterprises		5,768.71	4,320.58
(iii) Others financial liabilities	15	8,911.47	9,132.26
Government grant	18	256.80	256.75
Other current liabilities	16	2,769.35	2,750.53
Net employee defined benefit liabilities	17(a)	-	-
Provisions	17(b)	3,974.48	3,361.87
Liabilities for current tax (net)		-	60.48
		<b>22,084.82</b>	<b>20,406.15</b>
<b>Total Liabilities</b>		<b>23,310.84</b>	<b>21,878.24</b>
<b>Total equity and liabilities (1) + (2) + (3)</b>		<b>25,068.43</b>	<b>29,513.14</b>
Summary of significant accounting policies	2.2		

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

As per our report of even date

**For Girish Murthy and Kumar**  
 ICAI firm registration number: 000934S  
 Chartered Accountants

**ACHYUTHA VENKATA SATISH KUMAR**  
 Digitally signed by ACHYUTHAVENKATA SATISH KUMAR  
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**A V Satish Kumar**  
 Partner  
 Membership number: 026526

Place: Bengaluru  
 Date: May 06, 2024

For and on behalf of the Board of Directors of  
**GMR Vemagiri Power Generation Limited**

**SANJAY NARAYAN BARDE**  
 Digitally signed by SANJAY NARAYAN BARDE  
 Date: 2024.05.06 18:36:26 +05'30'

**Sanjay Narayan Barde**  
 Director  
 DIN: 03140784

**RAMANA MURTY POLAKI**  
 Digitally signed by RAMANA MURTY POLAKI  
 Date: 2024.05.06 18:20:38 +05'30'

**Ramanamurthy P**  
 Chief Financial Officer

Place: New Delhi  
 Date: May 06, 2024

**NIKHIL DUJARI**  
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 Date: 2024.05.06 18:34:01 +05'30'

**Nikhil Dujari**  
 Director  
 DIN: 07684905

**NIDHI CHANDHOK**  
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 Date: 2024.05.06 18:28:39 +05'30'

**Nidhi Chandok**  
 Company Secretary

**GMR Vemagiri Power Generation Limited**  
**Corporate Identity Number (CIN): U23201KA1997PLC032964**  
**Profit and Loss Statement for the year ended March 31, 2024**

	Notes	March 31, 2024	March 31, 2023
		Audited (Rs. in Lakhs)	Audited (Rs. in Lakhs)
<b>Income</b>			
Revenue from operations	19	115.68	115.68
Other income	20	390.13	1,060.51
<b>Total Income (I)</b>		<b>505.81</b>	<b>1,176.19</b>
<b>Expenses</b>			
Sub-contracting expenses		601.77	574.91
Consumption of stores and spares		19.82	3.83
Employee benefit expenses	21	441.31	366.65
Finance costs	22	844.87	842.19
Depreciation and amortisation expenses	23	4,499.28	4,527.09
Other expenses	24	869.60	1,185.11
<b>Total expenses (II)</b>		<b>7,276.65</b>	<b>7,499.78</b>
<b>(Loss)/profit before tax (III=I-II)</b>		<b>(6,770.84)</b>	<b>(6,323.59)</b>
<b>Tax expenses (IV)</b>			
- Current tax		-	-
- Adjustment of tax relating to earlier periods		(65.75)	40.67
- Deferred tax		-	-
<b>(Loss)/ profit for the year (after tax) (V=III-IV)</b>		<b>(6,705.09)</b>	<b>(6,364.26)</b>
<b>Other comprehensive income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>			
- Re-measurement gains / losses on defined benefit plans		(3.73)	(18.12)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>B (i) Items that will be reclassified to profit or loss</b>			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income/(loss) for the year, net of tax (VI)</b>		<b>(3.73)</b>	<b>(18.12)</b>
<b>Total comprehensive (loss)/income for the year (VII=V+VI)</b>		<b>(6,708.82)</b>	<b>(6,382.38)</b>
Earnings per equity share (nominal value of share Rs.10 each):			
Basic and diluted (Rs.)	26	(2.44)	(2.32)
Summary of significant accounting policies	2.2		

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

As per our report of even date

**For Girish Murthy and Kumar**

ICAI firm registration number: 000934S

Chartered Accountants

**ACHYUTHA VENKATA SATISH KUMAR**  
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**A V Satish Kumar**

Partner

Membership number: 026526

Place: Bengaluru

Date: May 06, 2024

For and on behalf of the Board of Directors of  
**GMR Vemagiri Power Generation Limited**

**SANJAY NARAYAN BARDE**  
Digitally signed by SANJAY NARAYAN BARDE  
 Date: 2024.05.06 18:36:47 +05'30'

**Sanjay Narayan Barde**  
 Director  
 DIN: 03140784

**RAMANA MURTY POLAKI**  
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 Date: 2024.05.06 18:23:04 +05'30'

**Ramanamurthy P**  
 Chief Financial Officer

Place: New Delhi

Date: May 06, 2024

**NIKHIL DUJARI**  
Digitally signed by NIKHIL DUJARI  
 Date: 2024.05.06 18:34:23 +05'30'

**Nikhil Dujari**  
 Director  
 DIN: 07684905

**NIDHI CHANDHOK**  
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 Date: 2024.05.06 18:29:01 +05'30'

**Nidhi Chandok**  
 Company Secretary



**GMR Vemagiri Power Generation Limited**  
**Corporate Identity Number (CIN): U23201KA1997PLC032964**  
**Audited Statement of Changes in Equity for the year ended March 31, 2024**

**(A) Equity Share Capital:**

Equity shares of Rs. 10 each issued, subscribed and fully paid  
**As at March 31, 2023**  
**As at March 31, 2024**

Number	Rs. in lakhs
27,45,00,140	27,450.01
<b>27,45,00,140</b>	<b>27,450.01</b>

**(B) Other Equity\***

	<i>Rs. in lakhs</i>					
	Equity component of CRPS	Compulsorily Share (CCPS) Share	Convertible Preference Capital	Retained earnings	Securities premium	Total
<b>As at April 1, 2022</b>	9,845.94	50,000.00	8,211.69	199.99	(83,531.59)	(15,273.97)
(Loss) / profit for the year	-	-	-	-	(6,364.26)	(6,364.26)
Other comprehensive income for the year**	-	-	-	-	(18.12)	(18.12)
Interest free loan from Parent company	-	-	789.56	-	-	-
Adjustment (+/-)	-	-	(52.00)	-	-	-
<b>As at March 31, 2023</b>	<b>9,845.94</b>	<b>50,000.00</b>	<b>8,949.25</b>	<b>199.99</b>	<b>(88,810.29)</b>	<b>(19,815.11)</b>
(Loss) / profit for the year	-	-	-	-	(6,705.09)	(6,705.09)
Other comprehensive income for the year**	-	-	-	-	(3.73)	(3.73)
Interest free loan from Parent company	-	-	831.51	-	-	-
Adjustment (+/-)	-	-	-	-	-	-
<b>As at March 31, 2024</b>	<b>9,845.94</b>	<b>50,000.00</b>	<b>9,780.76</b>	<b>199.99</b>	<b>(95,519.11)</b>	<b>(25,692.42)</b>

**Summary of significant accounting policies**

The accompanying notes are integral part of the financial statements.

As per our report of even date

**For Girish Murthy and Kumar**  
 ICAI firm registration number: 000934S

**ACHYUTHA VENKATA SATISH KUMAR**  
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 Date: 2024.05.06 18:37:10 +05'30'

**A V Satish Kumar**  
 Partner  
 Membership number: 026526

Place: Bengaluru  
 Date: May 06, 2024

For and on behalf of the Board of Directors of  
**GMR Vemagiri Power Generation Limited**

**SANJAY NARAYAN BARDE**  
Digitally signed by SANJAY NARAYAN BARDE  
 DN: cn=Sanjay Narayan Barde, o=GMR Vemagiri Power Generation Limited, email=sanjay.narayan.barde@gmrpl.com, c=IN  
 Date: 2024.05.06 18:37:10 +05'30'

**Sanjay Narayan Barde**  
 Director  
 DIN: 03140784

**RAMANA MURTY POLAKI**  
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 Date: 2024.05.06 18:29:22 +05'30'

**Ramanamurthy P**  
 Chief Financial Officer

Place: New Delhi  
 Date: May 06, 2024

**NIKHIL DUJARI**  
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**Nikhil Dujari**  
 Director  
 DIN: 07684905

**NIDHI CHANDHOK**  
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 Date: 2024.05.06 18:29:43 +05'30'

**Nidhi Chandok**  
 Company Secretary

**GMR Vemagiri Power Generation Limited**  
**Corporate Identity Number (CIN): U23201KA1997PLC032964**  
**Cash flow statement for the year ended on March 31, 2024**

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
	Audited	Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before tax	(6,770.84)	(6,323.59)
Non-cash adjustments to reconcile (loss)/profit before tax to net cash flows:		
Add: Depreciation and amortisation expenses	4,499.28	4,533.97
Adjustment in retained earnings	-	1,103.68
Adjustment of tax relating to earlier periods	65.75	(40.67)
Income from government grants	(257.75)	(256.80)
Provision for doubtful advances / advances written off	-	(5.72)
Finance costs	844.87	842.19
Interest income	(2.52)	(3.25)
<b>Operating (loss) / profit before working capital changes</b>	<b>(1,621.21)</b>	<b>(150.19)</b>
Working capital adjustments:		
Increase in trade payables, provisions, other liabilities and other financial liabilities	508.43	(54.90)
Decrease / (Increase) in other assets and other financial assets	(17.43)	(161.44)
Decrease / (Increase) in inventories	(0.24)	(0.67)
<b>Cash generated from / (used in) operations</b>	<b>(1,130.45)</b>	<b>(367.20)</b>
Direct taxes paid (net of refunds)	(66.48)	30.05
<b>A. Net cash flow from / (used in) operating activities</b>	<b>(1,196.93)</b>	<b>(337.15)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including intangible assets	(13.60)	-
(Investments in) / Maturity of deposits for a period exceeding three months (net)	-	-
Interest received on bank deposit / others	2.68	3.11
<b>B. Net cash flow from / (used in) investing activities</b>	<b>(10.92)</b>	<b>3.11</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Capital contribution from parent (net)	831.51	737.56
Repayment/Receipt of short term borrowings	-	52.01
Finance costs paid	393.41	(515.86)
<b>C. Net cash flow from / (used in) financing activities</b>	<b>1,224.92</b>	<b>273.71</b>
Net (decrease) / increase in cash and cash equivalents	<b>17.07</b>	<b>(60.33)</b>
Cash and cash equivalents at the beginning of the year	12.06	72.39
Cash and cash equivalents at the end of the year	<b>29.13</b>	<b>12.06</b>

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

As per our report of even date

**For Girish Murthy & Kumar**

ICAI Firm Registration no : 000934S

Chartered Accountants

**ACHYUTHA  
VENKATA  
SATISH  
KUMAR P**

Digitally signed by ACHYUTHAVENKATA SATISH KUMAR  
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**A V Satish Kumar**

Partner

Membership number: 026526

Place: Bengaluru

Date: May 06, 2024

For and on behalf of the Board of Directors of  
**GMR Vemagiri Power Generation Limited**

**SANJAY  
NARAYAN  
BARDE**

Digitally signed by  
 SANJAY NARAYAN  
 BARDE  
 Date: 2024.05.06  
 18:35:56 +05'30'

**Sanjay Narayan Barde**

Director

DIN: 03140784

**RAMANA  
MURTY  
POLAKI**

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 RAMANA MURTY  
 POLAKI  
 Date: 2024.05.06  
 18:30:10 +05'30'

**Ramanamurthy P**

Chief Financial Officer

**NIKHIL  
DUJARI**

Digitally signed by  
 NIKHIL DUJARI  
 Date: 2024.05.06  
 18:35:01 +05'30'

**Nikhil Dujari**

Director

DIN: 07684905

**NIDHI  
CHANDHOK**

Digitally signed by  
 NIDHI CHANDHOK  
 Date: 2024.05.06  
 18:30:35 +05'30'

**Nidhi Chandok**

Company Secretary

Place: New Delhi

Date: May 06, 2024

**GMR Vemagiri Power Generation Limited**  
**Corporate Identity Number (CIN): U23201KA1997PLC032964**  
**Notes to financial statements for the year ended on March 31, 2024**

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**1 Corporate information**

GMR Vemagiri Power Generation Limited ('GVPGL' or 'the Company') is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Number 25/1, Skip House, Museum Road, Bangalore, India

The Company is engaged in the business of generation and sale of power.

The Ind AS financial statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on 6th May, 2024.

**2 Material accounting policies**

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

**2.1 Basis of preparation**

The Ind AS Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The Ind AS financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, (refer accounting policy regarding financial instruments) which have been measured at fair value.

The functional and presentation currency of the Company is Indian Rupee ("Rs") which is the currency of the primary economic environment in which the Company operates. All the values are rounded off to the nearest lakhs (INR 00,000) except when otherwise indicated

**Going Concern**

The Company has incurred net loss of Rs. 6,708.82 lakhs during the year ended March 31, 2024 (March 31, 2023: Rs. 6,382.38 lakhs) and has accumulated losses of Rs. 95,519.11 as at March 31, 2024 (March 31, 2023: Rs. 88,810.29 lakhs) and its current liabilities exceeded its current assets as at March 31, 2024 by Rs. 21,734.43 lakhs (March 31, 2023: Rs. 20,091.21 lakhs) as the Company has been facing shortage of natural gas supplies since commencement of operations and has completely ceased operations since September 2016. The parent company has committed to provide necessary support to the Company as may be required for the continuance of its normal business operations and repay its liabilities.

**Ind AS 116 Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have a material impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 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 to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of 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 adoption of Ind AS 116 had no impact on the Ind AS financial statements of the Company, where the Company is the lessee.

Refer to Note 2.2 (i) Leases for the accounting policy.

**2.2 Summary of material accounting policies**

**a. Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

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

**GMR Vemagiri Power Generation Limited**  
**Corporate Identity Number (CIN): U23201KA1997PLC032964**  
**Notes to financial statements for the year ended on March 31, 2024**

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**b. Fair value measurement of financial instruments**

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

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

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

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

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

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

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

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

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

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

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

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

**c. Revenue from contract with customer**

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

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

Revenue from sale of energy

Revenue from sale of energy is recognised on an accrual basis in accordance with the provisions of the Power Purchase Agreement ('PPA') and includes unbilled revenue up to the end of the accounting year. Revenue earned in excess of billings has been disclosed under 'Other assets' as unbilled revenue and billing in excess of revenue has been disclosed under 'Other liabilities' as unearned revenue.

Claims for delayed payment charges, liquidated damages, penal interest and any other claims, which the Company is entitled to under the PPA, are accounted for in the year of acceptance.

Revenue and cost of improvements to concession assets

The Company has entered into PPA with APDISCOMS and TSDISCOMS (collectively 'the grantors') for a capacity of 370 MW for a period of 23 years. The Company based on its internal assessment is of the view that the grantor controls or regulates to whom the Company should provide the services with its power plant, the grantor controls or regulates the price at which the Company has to provide the electricity to the grantor and the grantor controls the residual interest in the plant at the end of the arrangement's term as per the terms of the said PPA.

Further, as per the terms of the PPA, Company is eligible to receive capacity charges under the PPA up to a PLF of 80% and is eligible for energy charges for the actual supply of electricity. The Company is also eligible for incentives if the plant operates more than 80% of its capacity and is liable for disincentives if the operation is less than 80% of the capacity. The operation of the power plant is dependent on the availability of the fuel which is the responsibility of the Company. Accordingly, the Company has the right to charge the grantors for the electricity supplied and do not have the unconditional right to receive cash or other financial assets from the grantors. The Company believes that the Concession Agreement is within the scope of Appendix D of Ind AS -115 'Service Concession Arrangement' and shall be accounted for using the intangible asset model, wherein the service concession asset is recognized as an intangible asset in accordance with Ind AS 38 - Intangible Assets. The intangible asset is amortized using the straight-line method over the life of the Concession Agreement as management believes that straight-line method best reflects the pattern of consumption of the concession asset.

Contract balances

Contract assets

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

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

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Trade receivables

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

Contract liabilities

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

Income from land lease rental

Income from land lease rental is recognised as per the terms of the agreement on the basis of services rendered on a systematic basis.

Interest income

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

**d. Taxes on income**

Current income tax

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

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

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. 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 asset 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 realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

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

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized.

**c. Property, plant and equipment**

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

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

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

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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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 asset are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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

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

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

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

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

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

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

**f. Investment property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

As at March 31, 2023, the Company only has land leased to one of its group companies as investment property.

**g. Intangible assets**

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

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

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

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

The Company has accounted the following under Intangible assets:

Concession assets as detailed in point c. above.

The intangible asset is amortised over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use.

An asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.

The concession asset is amortized using the straight-line method over the life of the Concession Agreement i.e., 23 years. The end date of the Concession Agreement is September 15, 2029.

Other Intangible assets consist of computer software acquired separately and is measured on initial recognition at cost. Following initial recognition, it is carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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**h. Borrowing cost**

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.

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

**i Leases**

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

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

**Short-term leases and leases of low-value assets**

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

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms (classified as accrued rental income in the Ind AS financial statements). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**j. Inventories**

Components and stores and spares are valued at lower of cost and net realisable value. Cost of components and stores and spares is determined on a weighted average basis.

Self-generated certified emission reductions are recognised on grant of credit by United Nations Framework Convention on Climate Change ('UNFCCC') and are measured at lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**k. 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 unit's (CGU) fair value less costs of disposal 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 groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

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

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

**l. Provisions and contingent liabilities**

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

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

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If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

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

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

Provisions and contingent liability are reviewed at each balance sheet.

#### **iii. Retirement and other employee benefits**

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

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date.

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

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

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

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

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

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

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

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

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

#### **ii. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

##### **Effective interest method**

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



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**(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 fair value due to the short maturity of these instruments.

**Impairment of financial assets**

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

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

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

**De-recognition of financial assets**

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

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

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

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

**(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.

i. Financial guarantee contracts

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

ii. De-recognition

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

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**Off-setting of financial instruments**

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

**o. 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, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

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

**p. Foreign currencies**

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

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

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

**q. Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expended. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. Total grants received less the amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet.

**r. Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**s. Audit trail**

Proviso to Rule 3(1) of Companies (Accounts) Rules, 2014 cast the responsibility on the Company's management that uses accounting software for maintaining its books of account, to 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.

Management confirms that it has evaluated and assessed the adequacy and effectiveness of the company's procedures for complying to the above requirements prescribed for audit trails and it further confirms that it has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention and also the same is not disabled.

The company is utilizing SAP software for maintaining books of accounts and the software has inherent audit trail function and also there is no option for making changes to the previously passed entries by the users. Management also confirms that no authorization is given to users for disabling the audit trail and periodic back ups are taken as per statutory requirements and the company has SAP back up policy.

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**3 Property, plant and equipment**

Particulars	Land	Office equipments	Furniture and fixtures	Vehicles	(Rs. in Lakhs)	
					Total	Total
<b>Cost/Deemed Cost</b>						
As at April 1, 2021	256.01	15.88	1.35	27.78		301.02
Additions	-	-	-	-		-
Disposals	-	-	-	-		-
As at March 31, 2022	256.01	15.88	1.35	27.78		301.02
Additions	-	-	-	-		-
Disposals	-	-	-	-		-
As at March 31, 2023	256.01	15.88	1.35	27.78		301.02
Additions	-	13.43	0.18	-		13.61
Disposals	-	-	-	-		-
As at March 31, 2024	256.01	29.31	1.53	27.78		314.63
<b>Accumulated depreciation</b>						
As at April 1, 2021	-	6.86	1.28	17.04		25.18
Additions	-	0.61	0.03	2.06		2.70
Disposals	-	-	-	-		-
As at March 31, 2022	-	7.47	1.31	19.10		27.88
Additions	-	0.35	0.03	2.06		2.44
Disposals	-	-	-	-		-
Adjustment (+/-)	-	8.07	(0.09)	2.84		10.82
As at March 31, 2023	-	15.88	1.25	24.00		41.13
Additions	-	2.20	0.05	2.07		4.32
Disposals	-	-	-	-		-
As at March 31, 2024	-	18.08	1.30	26.07		45.45
<b>Net book value</b>						
As at March 31, 2024	256.01	11.23	0.23	1.71		269.18
As at March 31, 2023	256.01	-	0.10	3.78		259.89
As at March 31, 2022	256.01	8.41	0.04	8.68		273.14

(a) As at March 31, 2024, Immovable properties of the Company (excluding investment properties) are pledged against the borrowings availed by GMR Warora Energy Limited ('GWEL'), a fellow subsidiary.

(b) The Company has given 80 acres of land on an operating lease to GMR Rajahmundry Energy Limited ('GREL'). The gross and net block of land given on operating lease has been disclosed under 'Investment Property' (refer note 4) and balance Rs. 256.01 Lakhs has been considered above as 'Land'.

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

4 Investment property		(Rs. in Lakhs)
Particulars	Investment property	
<b>Cost/Deemed Cost</b>		
As at April 1, 2022		253.49
Additions		-
Disposals		-
As at March 31, 2023		253.49
Additions		-
Disposals		-
As at March 31, 2024		253.49
<b>Accumulated depreciation</b>		
As at April 1, 2022		-
Additions		-
Disposals		-
As at March 31, 2023		-
Charge for the year		-
Disposals		-
As at March 31, 2024		-
<b>Net book value</b>		
As at March 31, 2024		253.49
As at March 31, 2023		253.49

**Notes**

**(a) Information regarding income and expenditure of Investment property:**

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Rental income derived from investment property (Note 19).	43.38	43.38
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
<b>Profit / (loss) arising from investment properties before depreciation and indirect expenses</b>	<b>43.38</b>	<b>43.38</b>
Less: Depreciation for the year	-	-
<b>Profit / (loss) arising from investment properties before indirect expenses</b>	<b>43.38</b>	<b>43.38</b>

(b) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in Note 32.\*

**(c) Reconciliation of fair values of Investment Property:**

(Rs. in Lakhs)

Particulars	Land	
As at April 1, 2022		9,824.50
Fair value difference		-
Purchases		-
As at March 31, 2023		9,824.50
Fair value difference		-
Purchases		-
As at March 31, 2024		9,824.50

\*Government value of Land as per the external valuation report is considered as the fair value of investment property

**GMR Vemagiri Power Generation Limited**  
**Corporate Identity Number (CIN): U23201KA1997PLC032964**  
**Notes to financial statements for the year ended on March 31, 2024**

<b>5 Intangible assets</b>		<b>(Rs. in Lakhs)</b>		
	<b>Particulars</b>	<b>Computer software</b>	<b>Concession assets</b>	<b>Total</b>
	<b>Cost/Deemed Cost</b>			
	<b>As at April 1, 2021</b>	<b>23.90</b>	<b>66,488.82</b>	<b>66,512.72</b>
	Additions	2.05	-	2.05
	Disposals	-	(8.89)	(8.89)
	<b>As at March 31, 2022</b>	<b>25.95</b>	<b>66,479.93</b>	<b>66,505.88</b>
	Additions	-	-	-
	Disposals	-	-	-
	<b>As at March 31, 2023</b>	<b>25.95</b>	<b>66,479.93</b>	<b>66,505.88</b>
	Additions	-	-	-
	Disposals	-	-	-
	<b>As at March 31, 2024</b>	<b>25.95</b>	<b>66,479.93</b>	<b>66,505.88</b>
	<b>Amortisation</b>			
	<b>As at April 1, 2021</b>	<b>23.90</b>	<b>28,791.38</b>	<b>28,815.28</b>
	Additions	0.50	4,565.57	4,566.07
	Disposals	-	(5.89)	(5.89)
	<b>As at March 31, 2022</b>	<b>24.40</b>	<b>33,345.68</b>	<b>33,370.08</b>
	Charge for the year	0.69	4,523.96	4,524.65
	Disposals	-	-	-
	Adjustment (+/-)	(0.25)	(3.69)	(3.94)
	<b>As at March 31, 2023</b>	<b>24.84</b>	<b>37,865.95</b>	<b>37,890.79</b>
	Additions	0.71	4,494.26	4,494.97
	Disposals	-	-	-
	<b>As at March 31, 2024</b>	<b>25.55</b>	<b>42,360.21</b>	<b>42,385.76</b>
	<b>Net book value</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>As at March 31, 2024</b>	<b>0.40</b>	<b>24,119.72</b>	<b>24,120.12</b>
	<b>As at March 31, 2023</b>	<b>1.11</b>	<b>28,613.98</b>	<b>28,615.09</b>
	<b>As at March 31, 2022</b>	<b>1.55</b>	<b>33,134.25</b>	<b>33,135.80</b>

(a) As regard the Service Concession Arrangements, refer note 2.2 (c )

b) Also refer Note 3 (c )

i) The Company has entered into a PPA with APDISCOMS and TDSICOMS (collectively called 'DISCOMS') for supply of power from its 387 MW plant situated at Vemagiri East Godavari District, Andhra Pradesh, India for a capacity of 370 MW for a period of 23 years, which is considered as concession arrangement as per Appendix A of " Service Concession Arrangements" under Ind AS 11 " Construction Contracts ". During the term of the PPA, the Company is eligible for capacity charges and energy charges at an agreed price for the energy units produced and supplied by the Company subject to a minimum availability declaration by the Company. Accordingly, the Company accounts for its concession arrangement under the intangible asset model as risk of fuel availability for generation is with the Company.

ii. The duration of the agreement is 23 years which may be renewed for such further period and on such terms and conditions as may be mutually agreed upon between the parties. Further, upon the expiry of the initial term of the PPA, DISCOMS shall have the first option to purchase the power plant at an agreed price.

6 Other financial assets	(Rs. in Lakhs)			
	Non current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Non-current bank balance (Refer note 9)	25.19	25.19	-	-
Interest accrued on fixed deposits	-	-	0.12	0.28
Security deposits	24.82	24.68	-	-
Accrued Rent Income	18.85	19.86	-	-
Other receivables	-	-	35.22	22.59
<b>Total</b>	<b>68.86</b>	<b>69.73</b>	<b>35.34</b>	<b>22.87</b>

7 Inventories	(Rs. in Lakhs)	
	Current	
	March 31, 2024	March 31, 2023
Stores, spares and components (at lower of cost and net realisable value)	78.07	77.83
<b>Total</b>	<b>78.07</b>	<b>77.83</b>

8 Cash and cash equivalents	(Rs. in Lakhs)	
	Current	
	March 31, 2024	March 31, 2023
Cash and cash equivalents		
Balances with banks:		
- On current accounts		28.86
- Deposits with original maturity of less than three months		-
Cash on hand		0.27
<b>Total</b>	<b>29.13</b>	<b>12.06</b>

9 Bank balances other than cash and cash equivalents	(Rs. in Lakhs)			
	Non current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Restricted balances with bank	25.19	25.19	-	-
	<b>25.19</b>	<b>25.19</b>	-	-
Amount disclosed under other non-current financial assets (Refer note 6)	(25.19)	(25.19)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

10 Other assets	(Rs. in Lakhs)	
	Current	
	March 31, 2024	March 31, 2023
Unsecured, considered good unless stated otherwise		
Prepaid expenses	49.74	42.23
Unsecured, considered doubtful		
Advances against material and services	157.34	156.09
Advances to employees	0.77	3.86
Less: Provision for doubtful advances	-	-
<b>Total</b>	<b>207.85</b>	<b>202.18</b>

11 Share capital

a) Authorised share capital

	Equity Shares		Preference Shares	
	Number	(Rs. in Lakhs)	Number	(Rs. in Lakhs)
As at April 1, 2022	30,00,00,000	30,000.00	50,000	50,000.00
Increase / (decrease) during the year	-	-	-	-
As at March 31, 2023	30,00,00,000	30,000.00	50,000	50,000.00
Increase / (decrease) during the year	-	-	-	-
March 31, 2024	<b>30,00,00,000</b>	<b>30,000.00</b>	<b>50,000</b>	<b>50,000.00</b>

b) Issued equity capital:

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

	Number	(Rs. in Lakhs)
	As at April 1, 2022	27,45,00,140
Changes during the year	-	-
As at March 31, 2023	27,45,00,140	27,450.01
Changes during the year	-	-
March 31, 2024	<b>27,45,00,140</b>	<b>27,450.01</b>

c) Issued preference share capital

	Compulsorily convertible preference	
	Number	(Rs. in Lakhs)
As at April 1, 2022	50,000	50,000.00
Changes during the year	-	-
As at March 31, 2023	50,000	50,000.00
Changes during the year	-	-
March 31, 2024	<b>50,000</b>	<b>50,000.00</b>

d) Terms/ rights attached to equity shares

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

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

e) Terms/ rights attached to CCPS

CCPS are for a tenure of fifteen years and carry a dividend at 0.001% per annum (p.a.). Each CCPS shall be converted into 10,000 Equity Share of Rs.10 each of the Company at par at the expiry of fifteen years from the date of original issue or at time before the said expiry of fifteen years at the option of the Company.

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

Out of shares issued by the Company, shares held by its Holding Company, Ultimate Holding Company and their subsidiaries/ associates are as below:

Particulars	March 31, 2024	March 31, 2023
GEL, the Holding Company ^ 274,500,140 (March 31, 2023: 274,500,140) equity shares of Rs.10 each fully paid	27,450.01	27,450.01
GEL, the Holding Company 50,000 (March 31, 2023: 50,000) CCPS of Rs. 100,000 each fully paid	50,000.00	50,000.00

^ 6 shares are held by the nominees of GEL.

g) Details of shareholders holding more than 5% equity shares in the Company

Particulars	March 31, 2024		March 31, 2023	
	Number	% holding	Number	% holding
<b>Equity shares of Rs. 10 each fully paid</b>				
GEL	27,45,00,140	100.00%	27,45,00,140	100.00%
<b>CCPS of Rs. 100,000 each issued and fully paid</b>				
GEL	50,000	100.00%	50,000	100.00%

As per records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

1. 6 shares are held by the nominees of GEL.

h) Shares reserved for issue under options

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

12 Other equity

12(a) (i) Capital contribution from parent / related parties (Equity component of CRPS)

Balance at the beginning of the year  
**Balance at the end of the Period**

(Rs. in Lakhs)	
March 31, 2024	March 31, 2023
9,845.94	9,845.94
<b>9,845.94</b>	<b>9,845.94</b>

(ii) CCPS

Balance at the beginning of the year  
**Balance at the end of the Period**

March 31, 2024	March 31, 2023
50,000.00	50,000.00
<b>50,000.00</b>	<b>50,000.00</b>

(iii) Capital contribution from parent - Interest free loan

Balance at the beginning of the year  
Adjustment (+/-)  
Changes during the year  
**Balance at the end of the Period**

March 31, 2024	March 31, 2023
8,949.25	8,211.69
-	(52.00)
831.51	789.56
<b>9,780.76</b>	<b>8,949.25</b>

**Total (i+ii+iii)**

<b>69,626.70</b>	<b>68,795.19</b>
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12(b) Securities premium

Balance at the beginning and end of the year

199.99	199.99
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12(c) Retained earnings

Balance at the beginning of the year  
Adjustment (+/-)  
Less: profit / (loss) for the year  
Less: Re-measurement (losses) / gains on defined benefit plans  
Balance at the end of the year

(88,810.29)	(83,531.59)
-	1,103.68
(6,705.09)	(6,364.26)
(3.73)	(18.12)
<b>(95,519.11)</b>	<b>(88,810.29)</b>

**Total 12 (a)+(b)+(c)**

<b>(25,692.42)</b>	<b>(19,815.11)</b>
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13 Borrowings

**Loans (unsecured, at amortised cost)** (Refer note 27)  
Loans from GMR Consulting Services Limited ('GCSL') \*  
Loans from GMR Generation Asset Limited ('GGAL') \*\*

(Rs. in Lakhs)	
Current	
March 31, 2024	March 31, 2023
394.34	-
-	394.34
<b>394.34</b>	<b>394.34</b>

Aggregate Secured borrowings  
Aggregate Unsecured borrowings

-	-
394.34	394.34

14 Trade Payables

Total outstanding due to micro enterprises and small enterprises  
Total outstanding due to creditors other than micro enterprises and small enterprises:  
i) Trade payables  
ii) Trade payables to related parties (Refer note 27)

(Rs. in Lakhs)	
Current	
March 31, 2024	March 31, 2023
9.67	129.34
4,733.94	3,404.70
1,034.77	915.88
<b>5,778.38</b>	<b>4,449.92</b>

**Total**

1. Based on information available with the Company, there are no overdue principal amounts/interest payable amounts for delayed payments to suppliers which are registered as micro, small or medium enterprises under "The Small and Medium Enterprises Development Act, 2006 (MSMED Act)" as at year ends.
2. Terms and conditions of the above financial liabilities:
  - Trade payables are non-interest bearing
  - For explanations on the Company's credit risk management processes, refer note 33 (c)
  - The dues to related parties are unsecured.
3. Ageing of Trade Payable

Particulars	Outstanding for following periods from due date of payments*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2024</b>					
MSME	9.51	-	0.16	-	9.67
Creditors other than MSME	200.60	233.65	87.67	4,212.02	4,733.94
Payable to Related Parties	143.91	549.37	-	341.49	1,034.77
Acceptances against fuel supplies	-	-	-	-	-
<b>Total</b>	<b>354.02</b>	<b>783.02</b>	<b>87.83</b>	<b>4,553.51</b>	<b>5,778.38</b>
<b>As at 31 March 2023</b>					
MSME	5.07	0.81	0.80	122.66	129.34
Creditors other than MSME	191.09	-	-	3,213.61	3,404.70
Payable to Related Parties	551.13	-	-	364.75	915.88
Acceptances against fuel supplies	-	-	-	-	-
<b>Total</b>	<b>747.29</b>	<b>0.81</b>	<b>0.80</b>	<b>3,701.02</b>	<b>4,449.92</b>

15 Other financial liabilities

	(Rs. in Lakhs)	
	Current	
	March 31, 2024	March 31, 2023
Interest accrued but not due on borrowings	160.83	117.03
Non trade payable	40.90	1,505.39
Accrued salaries and benefits	43.41	37.99
Other payables	8,666.33	7,471.85
<b>Total</b>	<b>8,911.47</b>	<b>9,132.26</b>

16 Other liabilities

	(Rs. in Lakhs)	
	Current	
	March 31, 2024	March 31, 2023
Unearned revenue	2,750.53	2,750.53
Statutory liabilities	18.82	-
<b>Total</b>	<b>2,769.35</b>	<b>2,750.53</b>

17(a) Net employee defined benefit liabilities

	(Rs. in Lakhs)			
	Non current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Provision for compensated absences	57.97	53.95	-	-
Provision for gratuity (Refer note 29)	20.55	12.84	-	-
<b>Total</b>	<b>78.52</b>	<b>66.79</b>	<b>-</b>	<b>-</b>

17(b) Provisions

	(Rs. in Lakhs)	
	Current	
	March 31, 2024	March 31, 2023
Provision for operation and maintenance (Refer note 37)	3,961.96	3,352.40
Provision for compensated absences	12.52	9.47
<b>Total</b>	<b>3,974.48</b>	<b>3,361.87</b>

18 Government grants

	(Rs. in Lakhs)			
	Non current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Government grants (Refer note 5(a))	1,147.50	1,405.30	256.80	256.75
<b>Total</b>	<b>1,147.50</b>	<b>1,405.30</b>	<b>256.80</b>	<b>256.75</b>
<b>As at the beginning of the Period</b>				
Received during the period	-	-	1,662.05	1,918.84
Adjustment (+/-)	-	-	-	-
Released to the statement of profit and loss	-	-	(257.75)	(256.80)
<b>As at the end of the Period</b>	<b>-</b>	<b>-</b>	<b>1,404.30</b>	<b>1,662.05</b>



		(Rs. in Lakhs)	
		March 31, 2024	March 31, 2023
<b>19</b>	<b>Revenue from operations</b>		
	<b>Other operating revenue:*</b>		
	Land lease rental	43.38	43.38
	Rental towards Facilities	72.30	72.30
	<b>Total</b>	<b>115.68</b>	<b>115.68</b>
<b>20</b>	<b>Other income</b>		
	Government grants (Refer note 18)	257.75	256.80
	Miscellaneous income	129.86	800.46
	Interest income on		
	- Bank deposits	2.52	3.25
	- Others	-	-
	Exchange differences (net)	-	-
	<b>Total</b>	<b>390.13</b>	<b>1,060.51</b>
<b>21</b>	<b>Employee benefit expenses</b>		
	Salaries, wages and bonus	390.55	342.47
	Contribution to provident and other funds (Refer note 29)	41.64	34.17
	Gratuity expenses (Refer note 29)	3.98	(14.04)
	Staff welfare expenses	5.14	4.05
	<b>Total</b>	<b>441.31</b>	<b>366.65</b>
<b>22</b>	<b>Finance costs</b>		
	Interest expenses	844.67	841.21
	Bank charges	0.20	0.98
	<b>Total</b>	<b>844.87</b>	<b>842.19</b>
<b>23</b>	<b>Depreciation and amortisation expenses</b>		
	Depreciation on property, plant and equipment (Refer note 3)	4.31	2.43
	Amortisation of intangible assets (Refer note 5)	4,494.97	4,524.66
	<b>Total</b>	<b>4,499.28</b>	<b>4,527.09</b>
<b>24</b>	<b>Other expenses</b>		
	Electricity and water charges	390.61	391.39
	Rent	4.96	3.60
	Rates and taxes	71.40	70.84
	Insurance	63.88	74.08
	Repairs and maintenance	70.56	59.33
	Travelling and conveyance	1.72	2.53
	Legal and professional fees	213.21	336.04
	Payment to auditors	8.85	3.02
	Exchange differences (net)	36.92	237.21
	Miscellaneous expenses	7.49	7.07
	<b>Total</b>	<b>869.60</b>	<b>1,185.11</b>
	<b>Payment to auditors (including goods and service tax / service tax)</b>		
	<b>As auditor :</b>		
	Audit fees	8.85	5.90
	Reimbursement of expenses	-	-
	<b>Total</b>	<b>8.85</b>	<b>5.90</b>
<b>25</b>	<b>Income Tax</b>		

The Company has no taxable income for the period ended on March 31, 2024 and March 31, 2023, accordingly no current tax expense has been recorded.

The Company has significant carry forward unused tax losses. Since it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised, no deferred tax asset has been recognised in the financial statements for the unused carry forward tax losses and the taxable losses for the year.

**26 Earnings Per Share ('EPS')**

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders (after adjusting for interest on the convertible securities) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Face value per share (Rs. Per share)	10	10
Weighted Average number of equity shares used for computing EPS (Basic and Diluted)	27,45,00,140	27,45,00,140
(Loss) / profit for the year (after tax) (Rs. in Lakhs)	(6,705.09)	(6,364.26)
(Loss) / profit attributable to equity share holders (Rs. in Lakhs)	(6,705.09)	(6,364.26)
EPS - Basic and diluted (Rs. per share)	(2.44)	(2.32)

Considering that the Company has incurred losses during the year ended March 31, 2024 and March 31, 2023, the allotment of conversion option in case of CCPS would decrease the loss per share for the year (anti-dilutive) and accordingly has been ignored for the purpose of calculation of diluted earnings per share.

27 Related Party transactions

a) Names of related parties and description of relationship:

Sl. No.	Description of relationship	Name of the related parties
(i)	Enterprises that control the Company	GMR Enterprises Private Limited ('GEPL'), the Ultimate Holding Company GMR Power and Urban Infra Limited ('GPUIL'), the Holding Company of GEL GMR Energy Limited ('GEL'), the Holding Company
(ii)	The enterprises that jointly control the Holding Company and its subsidiaries and joint ventures / associates where transactions have taken place during the year	GMR Rajahmundry Energy Limited ('GREL') GMR Generation Assets Limited ('GGAL') GMR Consulting Services Limited ('GCSL') GMR Hyderabad International Airport Limited ('GHIAL') GMR Kamalanga Energy Limited ('GKEL') Delhi International Airport Limited ('DIAL') GMR Airports Infrastructure Limited ('GIL') Raxa Security Services Limited ('RSSL') GMR Varalakshmi Foundation ('GVF') GMR Corporate Affairs Private Limited ('GCAPL') GMR Warora Energy Limited ('GWEL')
(iii)	Key managerial personnel and their relatives	Mr. Sanjay Narayan Barde - Director (Appointed w.e.f. 08/05/2015) Mr. Nikhil Dujari - Director (Appointed w.e.f. 21/06/2021) Mr. Mohan Sivaraman - Director (Appointed w.e.f. 02/08/2021) Mrs. Sridevi Venisheety - Director (Appointed w.e.f. 26/07/2022) Mr. Mathews P - Manager Mr. Ramana Murthy P- Chief Financial Officer (Appointed w.e.f. 12/07/2019) Ms. Nidhi Chandok - Company Secretary Mrs. B Ramadevi - Relative

b) Summary of transactions and outstanding balances with the above related parties is as follows

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
<b>i. Capital contribution from parent - Interest free loan</b>		
Transaction with GEL		
- ICD from GEL	831.51	789.56
<b>ii. Short term borrowings - Unsecured</b>		
a) Transaction with GGAL		
- Interest on ICD	29.44	40.55
b) Transaction with GCSL		
- Interest on ICD	11.22	-
<b>iii. Land lease rental</b>		
- GREL	43.38	43.38
<b>iv. Rental towards facilities</b>		
- GREL	72.30	72.30
<b>v. Other expenses</b>		
- GHAIL	-	0.07
- GEPL	0.02	0.02
<b>vi. Legal and professional fees (Cross charges)</b>		
- GPUIL	144.80	132.21

vii. Outstanding balance at the year end	March 31, 2024	March 31, 2023
a) Short term borrowings - Unsecured		
- GGAL (Including Earstwhile GPCL)	-	394.34
- GCSL	394.34	-
b) Contribution from parent (Refer note 12)		
- GEL		
- Equity component of CRPS	9,845.94	9,845.94
- CCPS	50,000.00	50,000.00
- Securities Premium	199.99	199.99
- Interest free loan	9,780.76	8,949.25
c) Non-trade payables - Current		
- GREL	435.40	566.29
d) Trade payables - Current		
- GIL	399.83	399.83
- GPUIL	293.36	149.48
- RSSL	5.48	121.70
- DIAL	336.01	338.09
- GVF	-	15.34
- GGAL	-	3.40
- others	0.09	9.75
e) Other financial asset - Current		
- GKEL	3.54	3.54
- GREL	-	-
f) Interest accrued on borrowings		
- GGAL (Including earstwhile GPCL)	-	117.03
- GCSL	160.83	-

**Remuneration paid to Key Managerial Personnel**

Details of Key Managerial Personnel	March 31, 2024		March 31, 2023	
	Short term employee benefits	Sitting fees	Short term employee benefits	Sitting fees
a) Mr. Mathews P – Manager	69.88	-	66.61	-
b) Ms. Nidhi Chandhok – Company secretary	15.06	-	10.72	-
c) Mr. Ramana Murthy P	26.99	-	24.53	-

**Notes:**

- (i) Refer note 36 with respect to creation of first ranking pari passu charge on the fixed assets and on the excess cash flows of the Company.
- (ii) Refer note 4 for the details of land given on operating lease to certain related parties.
- (iii) The remuneration to the key managerial personnel does not include the provisions for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
- (iv) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

## **28 Significant accounting judgements, estimates and assumptions**

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

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

Significant judgements and the estimates relating to the carrying values of assets and liabilities include provision for employee benefits and other provisions, commitments and contingencies and determination of carrying value of intangible assets including assets accounted under service concession arrangement.

### **A. Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### **(i) Service concession arrangements**

The Company has considered the PPA entered into by it as concession arrangement as per Appendix A of "Service Concession Arrangements" under Ind AS 11, For details, refer note 2.2 (c).

#### **(ii) Going concern assessment**

Though the Company has ceased operations since September 2016 on account of unavailability of adequate supply of natural gas and is dependent on the Parent Company to provide support to service its operational expenditure and repay its liabilities, the management is confident of establishing profitable operations in the immediate future and continues to prepare its financial statements on a going concern basis.

Refer note 2.1 and note 33 for further details.

### **B. 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.

### **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. In respect of financial guarantees provided by the Company to third parties and other contingent liabilities referred in note 30, the Company considers that it is more likely than not that such an amount will not be payable. Refer note 30 for further disclosure. Further, the Company has considered certain claims as detailed in note 36 in the future cashflows for the assessment of the appropriateness of the carrying value of its intangible and other assets as at March 31, 2024.

### **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 interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Refer note 29 for further disclosures.

### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. In calculating 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. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

29 a) Gratuity and other post employment plans

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

(Rs. In Lakhs)

Particulars	March 31, 2024	March 31, 2023
Provident and pension fund	29.39	23.99
Superannuation fund	12.25	10.19
<b>Total</b>	<b>41.64</b>	<b>34.17</b>

b) Defined benefit plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

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

i. Net employee benefit expenses (recognised as "Employee benefit expenses" (Note 21)):

(Rs. In Lakhs)

Particulars	March 31, 2024	March 31, 2023
Current service cost	3.80	3.75
Net interest cost on defined benefit obligations/ (assets)	1.12	(0.24)
<b>Cost recognised in the statement of profit or loss</b>	<b>4.92</b>	<b>3.51</b>

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

(Rs. In Lakhs)

Particulars	March 31, 2024	March 31, 2023
Actuarial (gain)/ loss on obligations due to defined benefit obligations experience	2.46	18.59
Actuarial (gain)/ loss on obligations due to defined benefit obligations assumption changes	1.27	(0.82)
<b>Actuarial loss / (gain) arising during the year</b>	<b>3.73</b>	<b>17.77</b>
Return on plan assets (lesser)/ greater than discount rate	-	(0.23)
<b>Actuarial loss / (gain) recognised in OCI</b>	<b>3.73</b>	<b>17.54</b>

Balance sheet

iii. Net defined benefit asset/ (liability):

(Rs. In Lakhs)

Particulars	March 31, 2024	March 31, 2023
Defined benefit obligation	98.74	85.92
Fair value of plan assets	78.19	73.08
<b>Plan asset / (liability)</b>	<b>(20.55)</b>	<b>(12.84)</b>

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

(Rs. In Lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening defined benefit obligation	85.92	62.10
Interest cost	6.23	4.34
Current service cost	3.80	3.75
Acquisition adjustments	-	-
Actuarial (gain)/ loss on obligations due to defined benefit obligations experience	2.46	18.59
Actuarial (gain)/ loss on obligations due to defined benefit obligations assumption changes	1.27	(0.82)
Benefits paid	(0.94)	(2.04)
<b>Closing defined benefit obligation</b>	<b>98.74</b>	<b>85.92</b>

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

(Rs. In Lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening fair value of plan assets	73.08	60.52
Expected return on plan asset	5.11	4.57
Acquisition adjustment	-	-
Contribution to the fund	0.94	9.80
Return on plan assets (lesser)/ greater than discount rate	-	0.23
Benefits paid	(0.94)	(2.04)
<b>Closing fair value of plan assets</b>	<b>78.19</b>	<b>73.08</b>

The Company expects to contribute Nil (March 31, 2023: Rs. 10 lakhs) towards gratuity fund during the year April 01, 2023 to March 31, 2024.

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

Particulars	March 31, 2024	March 31, 2023
Investments with insurer	100%	100%

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

Particulars	March 31, 2024	March 31, 2023
Discount rate (in %)	7.30%	7.30%
Salary Escalation (in %)	6.00%	6.00%
Attrition rate (in %)	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult

**Notes:**

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. Plan Characteristics and Associated Risks:  
The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death or disability. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:
  - a. Discount rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
  - b. Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
  - c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**viii. A quantitative sensitivity analysis for significant assumption as at March 31, 2024 and March 31, 2023 are as shown below: (Rs. In Lakhs)**

Particulars	March 31, 2024	March 31, 2023
<b>Discount rate</b>		
Impact on defined benefit obligation due to 1% increase in discount rate	(4.06)	(3.85)
Impact on defined benefit obligation due to 1% decrease in discount rate	4.55	4.29
<b>Attrition rate</b>		
Impact on defined benefit obligation due to 1% increase in attrition rate	3.22	3.04
Impact on defined benefit obligation due to 1% decrease in attrition rate	(3.16)	(2.85)
<b>Salary escalation rate</b>		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	0.43	0.44
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(0.47)	(0.48)

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

**ix. The following payments are expected contributions to the defined benefit plan in future years: (Rs. In Lakhs)**

Particulars	March 31, 2024
March 31, 2025	14.56
March 31, 2026	42.38
March 31, 2027	3.25
March 31, 2028	3.30
March 31, 2028	3.34
March 31, 2030 to March 31, 2034	26.61

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2023: 10 years).

**30 Commitments and Contingencies**

**A. Contingent Liabilities**

**(Rs. In Lakhs)**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Custom duty demands (refer note a below)	5,910.57	5,910.57
Electricity duty demand (refer note b below)	-	6,310.61
Bank Guarantee	22.10	22.10
<b>Total</b>	<b>5,932.67</b>	<b>12,243.28</b>

a) During the year ended March 31, 2010, the Company was granted a refund of Custom duty of rs. 6909.58 lakhs which was paid earlier towards the import of plant and machinery. Subsequently, the Company received a refund of Rs 5,910.57 lakhs.

During the year ended March 31, 2011, the Company received an intimation from the Office of the Joint Director General of Foreign Trade (DGFT) for cancellation of duty drawback and refund order received in 2009-10 to the extent of the unpaid amount of Rs. 999.01 lakhs.

During the year ended March 31, 2012, the Company received a further intimation from DGFT for cancellation of duty drawback refund order of Rs 5,910.57 lakhs received in 2009-10, thereby seeking refund of the amount the Company received earlier. Based on an expert's opinion the management is confident that the duty drawback refund granted earlier was appropriate and that the cancellation of the duty drawback refund is not tenable. Accordingly, no adjustment has been made with regard to the refund of Rs 5,910.57 lakhs already received by the Company in the financial statements of the Company.

The Company has filed a writ petition with the Hon'ble High Court of Delhi in November 2011. During the year ended March 31, 2015, the matter has been transferred to Hon'ble Supreme Court of India and will be concluded along with other similar cases and is pending finalisation as at March 31, 2024. The case has been listed but not reached for hearing.

The company considers Rs 5,910.57 lakhs as government grant received as per Ind AS 20 - 'Accounting for Government Grants disclosure of Government Assistance' and recognises the same as income on a straight line basis in the Statement of Profit and loss over the concession period.

b) During the year ended March 31, 2012, the Company had received a demand of Rs. 4,821.39 lakhs for the period September 2006 to November 2011 from the Chief Electrical Inspectorate, Government of Andhra Pradesh ('GoAP'), whereby GoAP has imposed electricity duty on generation and sale of electrical energy calculated at the rate of six paise for each electricity unit generated by the Company since commencement of commercial operations. Based on an internal assessment and an expert opinion, the management is confident that the provisions of Electricity Duty Act and Rules, 1939 in respect of payment of electricity duty are not applicable to the Company. Accordingly, electricity duty liability of Rs. 6,310.61 lakhs (March 31, 2023: Rs. 6,310.61 lakhs) for the period September 2006 to March 2019 has been considered as a contingent liability. The company is not liable to pay the same as per the Legal opinion received.

c) The Company has trade payables (including interest) amounting to Rs. 879.91 lakhs as at March 31, 2024 towards purchase of services outstanding beyond three years as at the year end. As per the Master Direction - External Commercial Borrowings, Trade credits and Structured Obligations dated March 26, 2019 issued by the Reserve Bank of India ('the RBI') such trade credits outstanding beyond three years are considered as External Commercial Borrowings. The Company has submitted an application to its Authorised Dealer for obtaining an approval from RBI to make the payment and is currently awaiting RBI's approval.

The management is in the process of regularising these overdue payables and is confident that required approvals would be received and penalties, if any that may be imposed on the Company would not be material. Accordingly, no adjustments have been made by the management in these financial statements in this regard.

d) The aforesaid amounts under dispute are as per the demands from regulatory authorities for the period and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

e) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

**B Others**

A search under Section 132 of the IT Act was carried out at the premises of the Company by the Income Tax Authorities on October 11, 2012, subsequently followed by search closure visits on various dates, to check the compliance with the provisions of the IT Act. The Income Tax Department has subsequently sought certain information/clarifications. The Company has not received any show cause notice/demand from the Income Tax Authorities. The management of the Company believes that it has complied with all the applicable provisions of the IT Act with respect to its operations.

**C Capital and other commitments**

<b>S. No.</b>	<b>Type of agreement</b>	<b>Period of agreement</b>	<b>Details of commitments</b>
1	Power Purchase Agreement and subsequent amendments thereto	23 years from Commercial Operation Date ('COD') (i.e. September 16, 2006).	The Company has committed to sell and the DISCOMS have committed to purchase all available capacity of the project limited to the installed capacity of 370 MW.  The Company has committed to provide availability declaration of at least 80% Plant Load Factor ('PLF') over a period of tariff year, as defined in the PPA, to DISCOMS. Failure by the Company to make the plant available for the committed PLF will reduce the consideration for the sale of energy as well as attract disincentives.
2	Long Term Assured Parts Supply Agreement and amendments thereto	41 years from date of agreement, i.e. December 29, 2003 or 120,000 factored fired hours whichever is earlier.	The Company has committed to pay variable charges on a quarterly / milestone basis, based on the actual fired hours of the plant.
3	Long Term Maintenance Agreement and amendments thereto	41 years from date of agreement, i.e. December 29, 2003 or 120,000 factored fired hours whichever is earlier.	The Company has committed to pay fixed quarterly charges in addition to variable quarterly charges, which are based on the actual fired hours of the plant. Further, the Company has committed to pay incentives on attainment of certain parameters by the sub-contractor.



**31 Segment Information**

The Company has only one reportable business segment, which is generation and supply of power and operates only in India. There are no customers / assets that are located outside India.

**32 Disclosures on Financial instruments**

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

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

**(a) Financial assets and liabilities**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities:

(Rs. in lakhs)

Particulars	Carrying Value		Fair Value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Financial assets</b>				
<b>At Amortised cost</b>				
Cash and cash equivalents	29.13	12.06	29.13	12.06
Other financial assets	104.20	92.60	104.20	92.60
<b>Total</b>	<b>133.33</b>	<b>104.66</b>	<b>133.33</b>	<b>104.66</b>
<b>Financial liabilities</b>				
<b>At Amortised cost</b>				
Borrowings	394.34	394.34	394.34	394.34
Trade payables	5,778.38	4,449.92	5,778.38	4,449.92
Others financial liabilities	8,911.47	9,132.26	8,911.47	9,132.26
<b>Total</b>	<b>15,084.19</b>	<b>13,976.52</b>	<b>15,084.19</b>	<b>13,976.52</b>

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

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

**(b) Fair value hierarchy**

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

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

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

The Company do not have any Level 1 and Level 2 financial assets / liabilities as at March 31, 2024 and March 31, 2023. Further, there have been no transfers between Level 1 , Level 2 and Level 3 during the year.

### 33 Capital management

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

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings.

For the purpose of the Company's capital management, capital includes issued equity capital, CCPS, capital contribution from parent company in the form of interest free loan, equity component of CRPS, securities premium and all other equity reserves attributable to the equity holders of the Company.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

Particulars	(Rs. in Lakhs)	
	March 31, 2024	March 31, 2023
Borrowings	394.34	394.34
Less: Cash and cash equivalents (refer note 8)	(29.13)	(12.06)
<b>Total debt (i)</b>	<b>365.21</b>	<b>382.28</b>
<b>Capital Component</b>		
Equity share capital	27,450.01	27,450.01
Capital contribution from parent / related parties (Equity component of CRPS)	9,845.94	9,845.94
Compulsorily Convertible Preference Share ('CCPS') Capital	50,000.00	50,000.00
Capital contribution from parent - Interest free loan	9,780.76	8,949.25
Securities premium	199.99	199.99
Retained earnings	(95,519.11)	(88,810.29)
<b>Total Capital (ii)</b>	<b>1,757.59</b>	<b>7,634.90</b>
<b>Capital and borrowing (iii = i + ii)</b>	<b>2,122.80</b>	<b>8,017.18</b>
<b>Gearing ratio % ( i / iii )</b>	<b>17.20%</b>	<b>4.77%</b>

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

### 34 Financial risk management objectives and policies

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

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

#### Market risk

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

#### (a) Market risk - Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by having only fixed rate loans and borrowings.

#### (b) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

#### 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 before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	(Rs. in lakhs)	
	Change in USD rate	Effect on profit before tax
March 31, 2024	5%	(198.10)
	-5%	198.10
March 31, 2023	5%	(167.62)
	-5%	167.62

#### 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 carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk is Rs. 114.51 lakhs and Rs. 104.66 lakhs, as at March 31, 2024 and March 31, 2023 respectively, being the total carrying value of balances with bank, bank deposits, loans and other financial assets.

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date. The Company does not hold collateral as security.

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

#### Liquidity risk

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The Company relies on Group companies for source of funding and debt maturing within 12 months can be rolled over with existing lenders.

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

	Due within 1 year	Due between 1 to 5 years	Due after 5 years	Total
<b>Year ended</b>				
<b>March 31, 2024</b>				
Borrowings	394.34	-	-	394.34
Other financial liabilities	8,911.47	-	-	8,911.47
Trade and other payables	5,778.38	-	-	5,778.38
	<b>15,084.19</b>	-	-	<b>15,084.19</b>
<b>Year ended</b>				
<b>March 31, 2023</b>				
Borrowings	394.34	-	-	394.34
Other financial liabilities	9,132.26	-	-	9,132.26
Trade and other payables	4,449.92	-	-	4,449.92
	<b>13,976.52</b>	-	-	<b>13,976.52</b>

35 Financial ratios

Sl No	Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Remarks
1	Current ratio	Current assets	Current liabilities	0.016	0.015	0.00	N/A
2	Debt-equity ratio	Total debt [Non-current borrowings + Current borrowings]	Total equity	0.224	0.052	334%	Decrease in Total equity
3	Debt service coverage ratio	Earnings before depreciation and amortisation and interest [Earnings = Profit after tax - Depreciation and amortisation expense - Finance costs (excluding interest on lease liabilities)]	Interest expense (including capitalised) + Principal repayment (including prepayments)	-1.611	-1.183	36%	Increase in Loss after tax
4	Return on equity ratio	Profit after tax	Average of total equity	-1.428	-0.642	122%	Decrease in Total equity
5	Inventory turnover ratio	Costs of materials consumed	Average inventories	0.254	0.049	419%	Increase in Inventory consumption
6	Trade receivables turnover ratio	Revenue from operations	Average trade receivables	NA	NA	N/A	N/A
7	Trade payables turnover ratio	Purchases	Average trade payables	0.004	0.670	-99%	Decrease in Average Trade payables
8	Net capital turnover ratio	Revenue from operations	Working capital [Current assets - Current liabilities]	-0.005	-0.006	-11%	N/A
9	Net profit ratio	Profit after tax	Revenue from operations	-57.962	-55.016	5%	N/A
10	Return on capital employed	Earnings before depreciation and amortisation, interest and tax [Earnings = Profit after tax + Tax expense + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Capital employed [Total assets - Current liabilities + Current borrowings]	-0.422	-0.100	322%	Decrease in Capital employed
11	Return on investment	Profit after tax	Equity share capital + Instruments entirely equity in nature + Securities premium	-0.242	-0.230	5%	N/A

36 In view of lower supplies / availability of natural gas to the power generating companies in India, the Company is facing shortage of natural gas supply. As a result, the Company had not generated and sold electrical energy since May 2013 till March 31, 2015. The Company had emerged as a successful bidder in the auction process organised by the Ministry of Power and operated on an intermittent basis from August 2015 till September 2016. The Company has not been operational since September 2016. The Company has incurred net loss of Rs. 6,708.82 lakhs during the year ended March 31, 2024 ( March 31, 2023: Rs. 6,382.38 lakhs) and has accumulated losses of Rs. 95,519.11 lakhs as at March 31, 2024 (March 31, 2023: Rs. 88,810.29 lakhs) and its current liabilities exceeded its current assets as at March 31, 2024 by Rs. 21,734.43 lakhs (March 31, 2023: Rs. 20,091.21 lakhs) primarily because of the aforesaid shortage of natural gas supply.

Further, the Company had filed petition claiming losses of Rs. 44,700.00 lakhs pertaining to capacity charges for loss of revenue on account of unavailability of the fuel during the period 2006 and 2008, excluding interest, and based on legal opinion is confident of recovery of such claims. During the year ended March 31, 2019, the Honourable High Court of Andhra Pradesh passed its judgement and held that the CERC has the jurisdiction to adjudicate the aforesaid claims of the Company. During the year ended March 31, 2020, the APDISCOMs appealed against the aforesaid judgement before the Honourable Supreme Court. The Supreme Court vide its order dated February 4, 2020 dismissed the aforesaid petition of the DISCOMs and held that CERC will have jurisdiction to adjudicate the disputes in the present case and directed CERC to dispose off the petition filed before it within six months. CERC reserved orders in the matter on 23.03.2023.

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

The Company has calculated a claim amount of Rs. 74,131.34 lakhs for the period from November 2016 till February 2020. As on the balance sheet date, the Company has not received any of the aforesaid claims and is confident of recovery of such claims in the future based on the CERC Order. Matter will be listed in due course for hearing.

The management is evaluating various approaches / alternatives to deal with the situation and is confident that Government of India ('GoI') would take further necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. The management has also carried out a valuation assessment of the Company during the year ended March 31, 2020 which includes certain assumptions relating to availability and pricing of domestic and imported gas, future tariff, realization of claims for losses incurred in earlier periods from the customer as detailed below and other operating parameters which it believes, reasonably reflect the future expectations from the project. The management of the Company will monitor these aspects closely and take actions as are considered appropriate and is confident that it will be able to generate sufficient profits in future years and meet its financial obligations as they arise.

Based on the aforementioned reasons, business plans, legal opinion and a valuation assessment carried out by an external expert, the management of the Company considers that the carrying value of the intangible and other assets and going concern assumption as at March 31, 2024 is appropriate and accordingly the financial statements of the Company do not include any adjustment that might result from the outcome of this uncertainty. In the meantime, the parent company has committed to provide necessary support to the Company as may be required for the continuance of its normal business operations.

Also refer note 3, 4 and 13.

**37 Provisions**

**Provision for incentives for operation and maintenance contract**

Particulars	(Rs. in lakhs)	
	March 31, 2023	March 31, 2022
Opening balance	1,263.30	1,229.18
Additions during the year (inclusive of exchange differences)	18.99	34.12
Write back during the year	-	-
<b>Closing balance *</b>	<b>1,282.29</b>	<b>1,263.30</b>

38 During the year ended March 31, 2017, GWEL a fellow subsidiary has availed borrowings from ICICI Bank Limited, pursuant to which a first ranking pari passu charge on the immovable properties (excluding investment properties) and on the excess cash flows of the Company has been created.

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

40 Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

**For Girish Murthy and Kumar**  
 ICAI firm registration number: 000934S  
 Chartered Accountants

**ACHYUTHA VENKATA SATISH KUMAR**  
 Digitally signed by ACHYUTHAVENKATA SATISH KUMAR  
 DN: CN=, O=PERSONAL, OID.2.5.4.65=7c09629a3b4e817a8a91bc17f7624e4, Phone=919771610252405000000000, PostalCode=560055, SHKARNATAKA, SERIALNUMBER=9btwa9516d02e109f077403c0506999747947, st=50064660859602c2846a, CN=ACHYUTHAVENKATA, SATISH KUMAR  
 Reason: I am the author of this document  
 Location: Bangalore  
 Date: 2024.05.06 21:29:24+05'30'  
 Fossil PDF Reader Version: 12.0.2

**A V Satish Kumar**  
 Partner  
 Membership number: 026526

Place: Bengaluru  
 Date: May 06, 2024

For and on behalf of the Board of Directors of  
**GMR Vemagiri Power Generation Limited**

**SANJAY NARAYAN BARDE**  
 Digitally signed by SANJAY NARAYAN BARDE  
 Date: 2024.05.06 18:37:51 +05'30'

**Sanjay Narayan Barde**  
 Director  
 DIN: 03140784

**RAMANA MURTY POLAKI**  
 Digitally signed by RAMANA MURTY POLAKI  
 Date: 2024.05.06 18:31:32 +05'30'

**Ramanamurthy P**  
 Chief Financial Officer

Place: New Delhi  
 Date: May 06, 2024

**NIKHIL DUJARI**  
 Digitally signed by NIKHIL DUJARI  
 Date: 2024.05.06 18:38:13 +05'30'

**Nikhil Dujari**  
 Director  
 DIN: 07684905

**NIDHI CHANDHOK**  
 Digitally signed by NIDHI CHANDHOK  
 Date: 2024.05.06 18:31:54 +05'30'

**Nidhi Chandok**  
 Company Secretary