# ANNUAL REPORT

# 2023-24

## GMR KAMALANGA ENERGY LIMITED

CIN: U40101KA2007PLC044809

REGD. OFFICE: 25/1, SKIP HOUSE, MUSEUM ROAD,

BANGALORE, KARNATAKA - 560025

GMR KAMALANGA ENERGY LIMITED
CIN: U40101KA2007PLC044809
Regd. Off: 25/1, Skip House, Museum Road, Bangalore – 560025
(T: +91 11 49882200, F: +91 11 49882227, E: energy-secretarial@gmrgroup.in)

## Notice

Notice is hereby given that the **17th Annual General Meeting ('AGM')** of the Company will be held on **Monday, September 30, 2024 at 03:30 p.m.** at shorter notice at the registered office of the Company at Skip House, 25/1, Museum Rd Bangalore-560025, to transact the following businesses:

**ORDINARY BUSINESS**:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2024 and the statement of Profit and Loss for the year ended on that date together with the report of the Board and Auditors thereon.

2. To appoint Director in place of Mr. Srinivas Bommidala (DIN: 00061464) who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint Director in place of Mr. Dhananjay Vasantrao Deshpande (DIN: 07663196) who retires by rotation and being eligible offers himself for re-appointment.

4. **To reappoint Walker Chandiok & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company and fix their remuneration**

   To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, including any statutory modifications or re-enactment(s) thereof for the time being in force, and pursuant to the proposal of Audit committee and further recommendation of Board of Directors of the Company, Walker Chandiok & Co LLP, Registration No. (001076N/N500013), Chartered Accountants be and is hereby reappointed as Statutory Auditors of the Company to hold office for a term of up to 5 (Five) consecutive years, from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 22nd (Twenty Second) AGM of the Company to be held in the Year 2029, on such remuneration plus reimbursement of out-of-pocket expenses, as may be mutually agreed between the Board of Directors/Audit Committee of the Company and the Statutory Auditors."

**SPECIAL BUSINESS:**

5. **TO APPOINT MR. SRINIVAS BOMMIDALA AS MANAGING DIRECTOR OF THE COMPANY**

   **"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, and subject to such other approvals, permissions and sanctions, as may be required, approval of the Members be and is hereby accorded for the appointment of Mr. Srinivas Bommidala (DIN:00061464) as the Managing Director of the Company in the category of "Key Managerial Personnel" for a period of three years with effect from August 01, 2024 till July 31

2027, on the following remuneration and other terms and conditions as detailed below [Item (a) to (d) below being referred as "Fixed Remuneration"] :

a) Remuneration of Rs.7.15 Crore (Rupees Seven Crore Fifteen Lakh) (split into fixed & performance linked variable of 70:30) as detailed below with 10% annual increment (as per group HR Policy), to be paid in such allocation among various components of salary and perquisites as may be mutually agreed between the Company and Mr. Srinivas Bommidala. The valuation of perquisites shall be as per the provisions of the Income Tax Act, 1961.

| **Particulars** | **Amount in INR** |
|---|---|
| Fixed Remuneration | 5 Crore p.a. with an annual increment of 10% YoY. |
| Performance Linked Incentive Pay ("PLIP") | 2.15 Crore p.a. with an annual increment of 10% YoY. |
| **Total Remuneration** | **7.15 Crore p.a. with an annual increment of 10% YoY** |

The performance linked variable will be based on the following KPI's:

| | |
|---|---|
| EBIDTA | 80% of variable based on the actual EBIDTA achieved vis-a-vis the approved AOP, or on proportion basis. |
| Digitalization & ESG initiatives | 20% of variable |

b) In addition to above Mr. Srinivas Bommidala will also be entitled for following which shall not be included in computation of ceiling on his remuneration:

(i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961;
(ii) Gratuity payable should not exceed half month's salary for each completed year of service; and
(iii) Encashment of leave as per Company's rules, at the end of tenure.

c) In addition to the above said remuneration, Mr. Srinivas Bommidala be provided the below in relation to the business requirement:

(i) Car
(ii) Telephones, internet etc.
(iii) Security services
(iv) Club Membership- membership of one club in India

d) Any other allowances, incentives, benefits, perquisites admissible to the senior office from time to time as per HR Policy of the Group in addition to the above remuneration.

e) If in any financial year during the tenure of his appointment, the Company has no profits or its profits are inadequate, the above total remuneration will be paid to the Managing Director, in accordance with the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** within the maximum Fixed Remuneration for each year, the Managing Director shall be entitled to Salary, Allowances and Perquisites, as may be mutually agreed between the Company and Mr. Srinivas Bommidala, including a Rent Free Accommodation and the valuation of all perquisites shall be as per the provisions of the Income Tax Act, 1961.

**RESOLVED FURTHER THAT** the aforesaid remuneration be paid to Mr. Srinivas Bommidala shall be in addition to remuneration drawn from any other Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution."

6. **TO APPOINT MS. SUMAN NARESH SABNANI (DIN: 10223343) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution.**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Suman Naresh Sabnani (DIN: 10223343), who was appointed as an Additional Director in the category of independent director pursuant to the provisions of Section 161 of the Companies Act, 2013 with effect from October 09, 2023 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, and who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a term of five consecutive years commencing from October 09, 2023 to October 08, 2028.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including the committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. **TO APPOINT MR. ASHIS BASU (DIN 01872233) AS DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Ashis Basu (DIN 01872233), who was appointed as an Additional Director of the Company by the Board of Directors on July 18, 2024 in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting, and in respect of whom the Company has received a notice under Section 160 of the Act, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation."

8. **TO RATIFY THE REMUNERATION OF THE COST AUDITOR OF THE COMPANY.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Narasimha Murthy & Co., Cost Accountants having firm registration no. 000042, appointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of the cost records of the Company, for the financial year 2024-25, be paid a remuneration of Rs. 3,00,000/- p.a. (Rupees Three Lakh), plus out of pocket expenses to be reimbursed on actual basis and other applicable taxes.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**9. TO APPOINT DR. FAREED AHMED (DIN: 09698462) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution.**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Dr. Fareed Ahmed (DIN: 09698462), who was appointed as an Additional Director, in the category of Independent director, pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 with effect from September 27, 2024 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from September 30, 2024 upto September 29, 2029."

**By order of the Board of Directors**
**For GMR Kamalanga Energy Limited**

***sd/-***
**Subash Mittal**
**Company Secretary**

Place: New Delhi
Date: 30.09.2024

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. The Register of Directors and key managerial personnel shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

5. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

6. Route map of the meeting is attached hereto.

**Annexure 1**

**In terms of Secretarial Standard on General Meeting (SS-2), details of the Directors seeking Appointment/ Re-appointment at the 17th Annual General Meeting**

| **Name:** | **Mr. Srinivas Bommidala** | **Mr. Ashis Basu** | **Mr. Dhananjay Vasantrao Deshpande** | **Ms. Suman Naresh Sabnani** | **Dr. Fareed Ahmed** |
|---|---|---|---|---|---|
| **DIN** | 00061464 | 01872233 | 07663196 | 10223343 | 09698462 |
| **Date of birth** | March 01, 1963 | June 02,1962 | October 31, 1962 | May 09, 1971 | July 16, 1960 |
| **Age** | 61 years | 62 Years | 61 years | 53 years | 64 years |
| **Qualifications** | Bachelor of Commerce | Chartered Accountant Bachelors' degree in Commerce | BE. (Mech) and MBA | Graduate in commerce and Post Graduate Certificate in Business Management, XLRI, Jamshedpur. | Master's degree in Agricultural Economics<br>Ph.D in Management. |
| **Experience** | Mr. Srinivas Bommidala, is the promoter of the Company. He has been a member of the Board since April 01, 2018. He entered his family tobacco export business in 1982 and subsequently led the diversification into new businesses such as aerated water bottling plants, etc., and was also in charge of international marketing and management of the organisation.<br>Subsequently, he led the team as the Managing Director of GMR Power Corporation Limited for setting up the first independent power project. This project with slow speed diesel technology was the world's largest diesel engine power plant under one roof situated at Chennai in the southern part of India. He was also instrumental in implementing the combined cycle gas turbine power project in Andhra Pradesh. When the Government decided to modernise and restructure Delhi Airport under a public private | Mr. Ashis Basu has been associated with the GMR Group since December 2001. He holds a Bachelors' degree in Commerce from St. Xavier's College, Kolkata and is also a qualified Chartered Accountant. He has rich experience in power sector, Commercial and Contracts. Prior to joining our group, he worked with RPG-RR Power Engineering Limited as a Chief Manager - Finance for a period of 5 years. He has in the past also worked with other subsidiaries of CESC Limited for development of power project and coal mining project. | Mr. Dhananjay Vasantrao Deshpande is the COO-Thermal Coal (GMR Energy Sector) and also holds the position as whole-time director of GMR Warora Energy Limited. He is a BE. (Mech) from Govt Engineering College, Aurangabad and MBA from Marathwada University.<br>He has over 36 years of rich experience in Power Plant (O & M), Commissioning, Project management, Business excellence, commercial aspect of power generation, power sale, coal sourcing. He also worked extensively in commissioning of a wide spectrum of equipment of Power Plants of capacity 210, 250, 300 & 600 MW. Prior to joining GMR he has worked in Lanco Power Limited in their Corporate O & M division as Vice- | Ms. Suman Naresh Sabnani is a Graduate in commerce from Mumbai University and holds Post Graduate Certificate in Business Management, XLRI, Jamshedpur. Ms. Suman is having managerial experience of over 30 years and has held various senior positions with HSBC Bank, India and her last stint with the Bank was a Global role reporting to HSBC, UK. During her stint, she dealt the Regional Third-Party Risk Officers across Asia Pacific, UK, Europe, North America, to ensure all that Third Party Risks raised in their Areas are completely and accurately addressed. She also managed the third-party Global Risk Map, Emerging Risk Return and third-party Opinion Paper for Global Senior Management and review of Supplier Management chain to ensure alignment to the Bank's Policy and Procedures.<br><br>Ms. Sabnani has received several awards and recognition during her professional journey. She was | Dr. Fareed Ahmed holds Master's degree in Agricultural Economics, from AP University. He has also completed Ph.D in Management.<br><br>Dr. Fareed has experience of working in banking sector, at both operational and administrative levels. He started his career as an Agricultural Field Officer in May 1983 and reached to the level of Branch Head, Zonal Head, and General Manager with Corporation Bank with which his association was for 34 years.<br><br>He had also served with Punjab & Sind Bank as Executive Director for over 3.5 years.<br><br>He has been a regular contributor as an author for International Journals of Research in Management Economics and Commerce.<br><br>Dr. Fareed has also been associated with various Banks' Staff Training colleges and other Management Institutes as a panelist/ speaker and has conducted a number of sessions on |

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| | partnership scheme in 2006, he became the first Managing Director of this venture and successfully handled the transition process from a public owned entity to a public private partnership enterprise. He is currently the Chairman of the energy business. | | president (Operation Services), Reliance Energy Limited, MSEB, Chandrapur & Nasik Thermal Power Station Eklahre and NRB Pvt. Ltd. | nominated for Global Circle of Excellence 2020, HSBC Global Wealth and Personal Banking, Dynamo Award, Head of Retail Banking & Wealth Management for exemplary customer service and was ranked as No.1 Customer Service Manager India, among many others. | Banking, Leadership and Team Performance. |
| **Terms and Conditions:** | Non-Executive Director liable to retire by rotation. | Non-Executive Director liable to retire by rotation. | Non-Executive Director who liable to retire by rotation. | Independent Director not liable to retire by rotation. | Independent Director not liable to retire by rotation. |
| **Details of remuneration sought to be paid:** | As per details mentioned in resolution | NIL remuneration | Nil remuneration | Except sitting fee, no other remuneration is proposed to be paid | Except sitting fee, no other remuneration is proposed to be paid |
| **Date of first appointment on the Board** | April 01, 2018 | July 18,2024 | July 20, 2022 | September 05, 2023 | September 30, 2024 (circular resolution) |
| **Shareholding in the Company:** | 100 shares | NIL | NIL | NIL | NIL |
| **Relationship with Other Directors, Manager and other KMP(S):** | NA | NIL | NA | NA | NA |
| **Number of Board Meetings attended during the year (FY 2023-24):** | Three Board meetings, as per details mentioned in the Board report | NA | Five Board meetings, as per details mentioned in the Board report | Three Board meetings, as per details mentioned in the Board report | NA |
| Directorships and Committee memberships held in other companies | Given hereunder as (a) | Given hereunder as (b) | Given hereunder as (c) | Given hereunder as (d) | Given hereunder as (e) |

(a) Names of entities in which Mr. Srinivas Bommidala holds directorship and the Membership/Chairmanship of Committees of the Board:

| Sr. No. | Name of Companies (Directorship)* | Membership/Chairmanship of Committees of the Board |
|---|---|---|
| 1. | Bommidala Exports Private Limited | Nil |
| 2. | GMR Airports Infrastructure Limited ( Formerly known as GMR Infrastructure Limited) | • Management Committee<br>• Debenture Allotment Committee |
| 3. | GMR Power and Urban Infrastructure Limited | • Management Committee<br>• Risk Management Committee<br>• Environment, Social and Governance Committee (Chairman) |
| 4. | GMR Varalakshmi Foundation | • Nil |
| 5. | Delhi International Airport Limited | • Nil |

| | | |
|---|---|---|
| 6. | GMR Hyderabad International Airport Limited | • Nil |
| 7. | BSR Holdings Private Limited | • Nil |
| 8. | GMR Airports Limited | • Corporate Social Responsibility Committee |
| 9. | AMG Healthcare Destination Private Limited | • Audit Committee |
| 10. | Delhi Duty Free Services Private Limited | • Nil |
| 11. | GMR Goa International Airport Limited | • Nomination and Remuneration Committee |
| 12. | GMR Enterprises Private Limited | • Management Committee |
| 13. | GMR Energy Limited | • Audit Committee<br>• Management Committee<br>• Securities Allotment Committee<br>• |
| 14. | GMR Kamalanga Energy Limited | • Management Committee |
| 15. | Varalakshmi Sport Private Limited | • Nil |

*Foreign entities not considered.

b) Names of entities in which Mr. Ashis Basu holds directorship and the Membership/Chairmanship of Committees of the Board:

| Sr. No. | Name of Companies (Directorship)* | Membership/Chairmanship of Committees of the Board |
|---|---|---|
| 1 | GMR Kashi Smart Meters Limited | • Nil |
| 2 | GMR Triveni Smart Meters Limited | • Nil |
| 3 | GMR Energy Limited | • Nil |
| 4 | GMR Gujarat Solar Power Limited | • Corporate Social Responsibility Committee |
| 5 | GMR Maharashtra Energy Limited | • Nil |
| 6 | GMR Green Energy Limited | • Nil |
| 7 | GMR Generation Assets Limited | • Audit Committee<br>• Corporate Social Responsibility Committee<br>• Executive Committee<br>• Securities Allotment Committee |
| 8 | GMR Warora Energy Limited | • Executive Committee<br>• Securities Allotment Committee |
| 9 | GMR Energy Trading Limited | • Corporate Social Responsibility Committee<br>• Executive Committee |
| 10 | GMR Smart Electricity Distribution Private Limited | • Nil |

(c) Names of entities in which Mr. Dhananjay Vasantrao Deshpande holds directorship and the Membership/Chairmanship of Committees of the Board:

| Sr. No. | Name of Companies (Directorship)* | Membership/Chairmanship of Committees of the Board |
|---|---|---|
| 1 | GMR Warora Energy Limited | • Corporate Social Responsibility Committee<br>• Securities Allotment Committee |
| 2 | GMR Kamalanga Energy Limited | • Corporate Social Responsibility Committee<br>• Management Committee<br>• Securities Allotment Committee |

(d) Names of entities in which Ms. Suman Naresh Sabnani holds directorship and the Membership /Chairmanship of Committees of the Board:

| S. No. | Name of Companies (Directorship)* | Membership / Chairmanship of Committees of the Board |
|---|---|---|
| 1 | GMR Power and Urban Infra Limited | Member of:<br>• Audit Committee<br>• Stakeholder Relationship Committee<br>• Environment Social & Governance (ESG) Committee. |
| 2. | Delhi Airport Parking Services Private Limited | • Audit Committee<br>• Corporate Social Responsibility Committee |
| 3. | GMR Warora Energy Limited | • Audit Committee<br>• Nomination and Remuneration Committee |
| 4. | GMR Kamalanga Energy Limited | • Audit Committee<br>• Nomination and Remuneration Committee |

(e) Names of entities in which Dr. Fareed Ahmed holds directorship and the Membership /Chairmanship of Committees of the Board:

| S. No. | Name of Companies (Directorship) | Membership / Chairmanship of Committees of the Board |
|---|---|---|
| 1 | GMR Power and Urban Infra Limited | Member of<br>• Audit Committee<br>• Nomination and Remuneration Committee |
| 2. | OK Capital Private Limited | Nil |

## ANNEXURE TO NOTICE

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

**Item no. 5:**

Mr. Srinivas Bommidala is associated with GMR Group since its inception. He has been actively involved in various business initiatives undertaken by GMR Group, Mr. Srinivas Bommidala is currently the Business Chairman responsible for the Energy business of the Group and also for the International Airport business of the Group. He has been actively involved in setting up various projects of the Company. Mr. Srinivas Bommidala is also the Managing Director of GMR Power and Urban Infra Limited, the holding Company. Mr. Srinivas Bommidala is eligible to be appointed as the managing Director of the Company as per provisions of the Companies Act, 2013.

Mr. Srinivas Bommidala was appointed as the Non-Executive Director of the Company w.e.f April 01, 2018. Based on the recommendation of Nomination and Remuneration Committee of the Board and his vast experience the Board of Directors at its meeting held on July 18, 2024 approved the appointment of Mr. Srinivas Bommidala as Managing Director in the category of Key Managerial Personnel (KMP) under section 203 of the Companies Act, 2013 with effect from August 01, 2024 for a tenure of 3 years, subject to approval of the Members.

It is expected that the Company would have profits during the financial year 2024-25, hence the remuneration payable to Mr. Srinivas Bommidala as Managing Director of the Company would be governed by the provision of Section 197 (1) of the Companies Act 2013. In case the Company has no profits or the profits are inadequate in any financial year during the currency of the tenure of Mr. Srinivas Bommidala as Managing Director of the Company, the remuneration payable to him as Managing Director would be governed as per the limits prescribed under schedule V of the Act.

Pursuant to Sections 196, 197, 203 and other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of Mr. Srinivas Bommidala requires approval of the Members by way of a Special Resolution.

Details regarding the qualification, varied experience, achievements within the Group and his leadership roles and responsibilities have been enumerated in the table below.

Mr. Srinivas Bommidala satisfies the conditions specified in the Schedule V of the Act for appointment as Managing Director and he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and other applicable provisions of the Act and has given his consent for the appointment.

The terms and conditions of the appointment and remuneration payable to Mr. Srinivas Bommidala are provided in the resolution referred in Item no. 5 of the Notice.

The terms as set out in the resolution and explanatory statement may be treated as a written memorandum setting out the terms and condition under Section 190 of the Act.

Except Mr. Srinivas Bommidala being the appointee, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5.

The Board of Directors accordingly recommend passing of the resolution as set out in item no. 5 as a **Special Resolution**.

Statement containing required information pursuant to Secretarial Standards- 2 on General Meetings and Section II of Schedule V of Companies Act, 2013 is as under:

## I. General Information:

### 1) Nature of Industry

GMR Kamalanga Energy Limited has a 1050 Mw (3x350 Mw) Coal Based Power Project at Village Kamalanga, Dhenkanal District, Odisha.

### 2) Date or expected date of commencement of commercial production

Date of commencement of commercial production of Unit 1, Unit 2 and Unit 3 are April 30, 2013, November 12, 2013 and March 25, 2014 respectively.

### 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: -N.A

### 4) Financial Performance based on given indicators:

(Rs. in Million)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| Total revenue | 29,545.68 | 31,934.05 | 25,967.03 |
| Total Expenditure | 18,526.02 | 20,985.10 | 24,549.90 |
| Profit/(Loss) Before Taxation | 2,961.44 | 2,859.16 | 1,417.13 |
| Less: Tax expense (including Deferred tax) | | | 1.98 |
| Profit/(Loss) After Taxation | 2,961.44 | 2,859.16 | 1,415.15 |

### (5) Foreign investments or collaborations, if any

**NIL**

## II. Information about the appointee:

### 1. Background details:

Mr. Srinivas Bommidala serves as the Business Chairman of the Energy Sector and International Airports at the esteemed GMR Group. He has been a Board member of GMR Kamalanga Energy Limited since April 1, 2018. Previously, Mr. Bommidala led his family's tobacco export business and successfully diversified its portfolio into ventures such as aerated water bottling plants. His role encompassed international marketing and overall organizational management.

Within the GMR Group, Mr. Bommidala has demonstrated exceptional leadership across diverse sectors. As the Managing Director of GMR Power Corporation Limited, he oversaw the establishment of the world's largest diesel engine power plant in Chennai in 1996 and was pivotal in executing a significant combined cycle gas turbine power project in Andhra Pradesh in 2006.

In the aviation sector, Mr. Bommidala played a crucial role in the modernization and restructuring of Delhi Airport, through a pioneering public-private partnership initiative, between 2006 and 2010. His leadership during this transformative phase facilitated a seamless transition for one of India's flagship infrastructure assets from a public entity to a successful public-private enterprise model.

Mr. Bommidala's tenure with the Energy sector of the GMR Group has been characterized by keen business acumen and strategic foresight, resulting in the revitalization and profitability of thermal assets. His ability to navigate complex business landscapes is proven by his capacity to achieve tangible outcomes amidst challenging circumstances. Under his guidance, GKEL has been able to achieve multiple milestones in the last few years such as:

- Achieved an all-time High PLF of 85%.
- Achieved an all-time High PAT of 296 Cr
- Achieved significant improvement in EBITDA margin to 37%.

Given his extensive organizational capabilities and proven leadership prowess, Mr. Bommidala's proposed appointment as Managing Director of GMR Kamalanga Energy Limited holds promising prospects for the company. His established record of operational excellence and visionary leadership positions him effectively to steer the Company towards sustained growth and prosperity by focusing on:

•Further improving Plant performance and efficiency
•Expansion of the 4th unit of the Company and hence expanding the entire GMR Energy portfolio

**2. Past Remuneration**

Mr. Srinivas Bommidala was appointed as the Non-Executive Director of the Company w.e.f April 01, 2018. He has not drawn any remuneration from the Company in the past.

**3. Recognition or Awards**

As detailed in point 1 above.

**4. Job Profile and his suitability**

As detailed in point 1 above.

**5. Remuneration proposed**

Based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, subject to the approval of the Shareholders of the Company, the remuneration of Mr. Srinivas Bommidala as the Managing Director of the Company is proposed as per the details mentioned in the resolution.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.**

Considering the responsibility shouldered by him, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses.

The payment of remuneration to managerial personnel such as managing Director is fixed on the basis of the relative activity and business complexities prevailing in each industry. The remuneration is fixed after making an assessment through market sources in the power sector industry.

Compensation structure in leading companies has been studied. As the managing Director of the Company, he has many key goals to be achieved including the following:

1. Smooth conduct of operations;
2. Ensuring sustained external charter business;
3. Meeting the internal requirements of group companies.

7. **Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any.**

   None of the managerial personnel of the Company is a relative of Mr. Srinivas Bommidala. There is no pecuniary relationship with the Company except to the extent of remuneration entitled as Managing Director of the Company.

**III. <u>Other Information:</u>**

(1) Reasons for loss or inadequate profits in the Company - N.A

(2) Steps taken or proposed to be taken for improvement - N.A

(3) Expected increase in productivity and profits in measurable terms – N.A.

**<u>Item No. 6:</u>**

In terms of provision of sub regulation (1) of regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, at least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not. Also, for the purposes of this provision, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The Company is a subsidiary of GMR Power and Urban Infra Limited (GPUIL), a Company listed on the NSE and BSE. Since the income of the Company exceeded 20% of the consolidated income of GPUIL, the Company has become a material subsidiary of GPUIL for the purpose or regulation 24(1) of SEBI (LODR) Regulations, 2015, and accordingly, one independent director of GPUIL is required to be appointed on the board of directors of the Company.

In view of the above and upon recommendation of nomination and remuneration committee, the Board of Directors of the Company had appointed Ms. Suman Naresh Sabnani, who is Independent Director in listed holding company (GPUIL), as an Additional Director of your Company, in the category of independent director in terms of Section 149 and 161 of the Companies Act, 2013, with effect from October 09, 2023, to hold office upto the date of ensuing Annual General Meeting. It is now proposed to appoint Ms. Suman Naresh Sabnani (DIN: 10223343) as a Non-Executive, Independent Director of the Company whose office shall not be liable to retire by rotation for a term of five consecutive years commencing from October 09, 2023 to October 08, 2028.

The Company had also received from her the following disclosures and declarations (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Company has also received a notice in writing from a Member as required under Section 160 of the Act, proposing her candidature. Further, the Nomination & remuneration Committee and the Board of Directors had also recommended the appointment of Ms. Sabnani as Director of the Company.

The details of the appointee in terms of Secretarial Standard 2 is given in Annexure 1 as annexed to this Notice.

A copy each of the disclosures received from Ms. Sabnani as aforesaid, notice under section 160 of the Act are available for inspection, without any fee, by the members at the Company's registered office / Corporate Office during business hours on working days.

Except Ms. Suman Naresh Sabnani, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the aforesaid resolution.

**Item No. 7**

Mr. Ashis Basu (DIN 01872233) was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on July 18, 2024 and holds office as an Additional Director till the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013. The Company has received a Notice in writing from a Member as required under Section 160 of the Act, proposing the candidature of Mr. Ashis Basu. The Nomination & remuneration Committee at its meeting held on July 18, 2024, 2022 has recommended the appointment of Mr. Ashis Basu as Director of the Company under the provisions of Section 160 of the Companies Act, 2013.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Ashis Basu is appointed as Director on the Board of the Company.

Mr. Ashis Basu is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

No director, key managerial personnel or their relatives except Mr. Ashis Basu, to whom the resolution relates, is interested or concerned in the resolution.

The details of the appointee in terms of Secretarial Standard 2 is given in Annexure 1 as annexed to this Notice.

The Board recommends passing of the resolution set out in Item No. 7 as an Ordinary Resolution.

**Item No. 8:**

The Board, at its meeting held on July 18, 2024, on the recommendation of the Audit Committee, had approved the reappointment and remuneration of M/s Narasimha Murthy & Co., Cost Accountants having Firm Registration No. 000042 to conduct the audit of the cost records of the Company for the financial year 2024-25 at a remuneration of Rs. 3,00,000/- (Rupees Three Lakh) plus out of pocket expenses to be reimbursed on actual basis and other applicable taxes subject to the ratification of members of the Company at this AGM.

In accordance with the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is being sought for ratification of the remuneration payable to Cost Auditors for the financial year ended March 31, 2025.

None of the other Directors/ Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise, in the resolution set out at Business Item no. 8 of this Notice.

**Item No. 9**

The Board of Directors of the Company, upon recommendation of nomination and remuneration Committee, have appointed Dr. Fareed Ahmed (DIN: 09698462), as an Additional Director of your Company, in the category of independent director in terms of Section 149 and 161 of the Companies Act, 2013, with effect from September 30, 2024, to hold office upto the date of ensuing Annual General Meeting. It is now proposed to appoint Dr. Fareed Ahmed (DIN: 09698462) as a Non-Executive, Independent Director of the Company whose office shall not be liable to retire by rotation for a term of five consecutive years commencing from September 30, 2024 upto September 29, 2029.

The Company has received from Dr. Fareed Ahmed the necessary declaration & disclosures as required under the Companies Act, 2013.

The Company has also received a notice in writing from a Member as required under Section 160 of the Act, proposing his candidature. Further, the Nomination & remuneration Committee and the Board of Directors have also recommended the appointment of Dr. Fareed Ahmed as the Director of the Company.

The details of the appointee in terms of Secretarial Standard 2 is given in Annexure 1 as annexed to this Notice.

A copy each of the disclosures received from Dr. Fareed Ahmed as aforesaid, notice under section 160 of the Act are available for inspection, without any fee, by the members at the Company's registered office / Corporate Office during business hours on working days.

Except, Dr. Fareed Ahmed, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the aforesaid resolution**.**

The Board recommends the Ordinary resolution for approval by the members.

The Board recommends the Ordinary Resolution set out at Business Item No. 9 of the Notice, for approval by the members.

By order of the Board
For **GMR Kamalanga Energy Limited**

***Sd/-***
**Subash Mittal**
**Company Secretary**

Place: New Delhi
Date: 30.09.2024

**GMR KAMALANGA ENERGY LIMITED**
**CIN: U40101KA2007PLC044809**
**Regd. Off: 25/1, Skip House, Museum Road, Bangalore – 560025**
**(T: +91 11 49882200, F: +91 11 49882227, E: energy-secretarial@gmrgroup.in)**

## Attendance Slip

| | | | | | |
|---|---|---|---|---|---|
| DP ID | | FOLIO NO. / CLIENT ID | | No. of shares | |

Name(s) and address of the member in full: ______________________________

I/We hereby record my/our presence at the 17th Annual General Meeting of the Company will be held on **Monday, September 30, 2024 at 03:30 p.m.** at the registered office of the Company at 25/1, Skip House, Museum Road, Bangalore-560025

☐ Member ☐ Proxy

Signature of Member / Proxy

**GMR KAMALANGA ENERGY LIMITED**
**CIN: U40101KA2007PLC044809**
**Regd. Off: 25/1, Skip House, Museum Road, Bangalore – 560025**
**(T: +91 11 49882200, F: +91 11 49882227, E: energy-secretarial@gmrgroup.in)**

**Proxy form**
**Form No. MGT-11**
*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the* Companies (Management and Administration) Rules, 2014*]*

CIN: U40101KA2007PLC044809
Name of the Company: GMR Kamalanga Energy Limited
Registered office: 25/1, Skip House, Museum Road, Bangalore-560025

| | | | |
|---|---|---|---|
| Name of the member(s):<br>Registered address: | | E-mail Id:<br>Folio No/Client Id*:<br>DP ID*: | |

I/We, being the member (s) of___________ shares of GMR Kamalanga Energy Limited, hereby appoint:

Name: ____________
Address:
E-mail Id:
Signature:_______________, or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Fifteenth Annual General Meeting of the Company, to be held on **Monday, September 30, 2024 at 03:30 p.m.** at 25/1, Skip House, Museum Road, Bangalore-560025 and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No. | Ordinary Business |
|---|---|
| 1. | To receive, consider and adopt the audited Balance Sheet as at March 31, 2024 and the statement of Profit and Loss for the year ended on that date together with the report of the Board and Auditors thereon. |
| 2. | To appoint Director in place of Srinivas Bommidala (DIN: 00061464) who retires by rotation and being eligible offers herself for re-appointment. |
| 3. | To appoint Director in place of Mr. Dhananjay Vasantrao Deshpande (DIN: 07663196) who retires by rotation and being eligible offers himself for re-appointment. |
| 4 | To reappoint Walker Chandiok & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company and fix their remuneration |
| | **Special Business** |
| 5. | To appoint Mr. Srinivas Bommidala as the Managing Director of the Company |
| 6. | To appoint Ms. Suman Naresh Sabnani (DIN: 10223343) as the Independent Director of the Company |
| 7. | To appoint Mr. Ashis Basu (DIN: 01872233) as Director of the company |
| 8. | To ratify the remuneration of the cost auditor of the Company. |
| 9. | To appoint Dr. Fareed Ahmed (DIN: 09698462) as a non-executive Independent Director of the Company |

Signed this ________________ day of _______________2024

___________________
Signature of Member

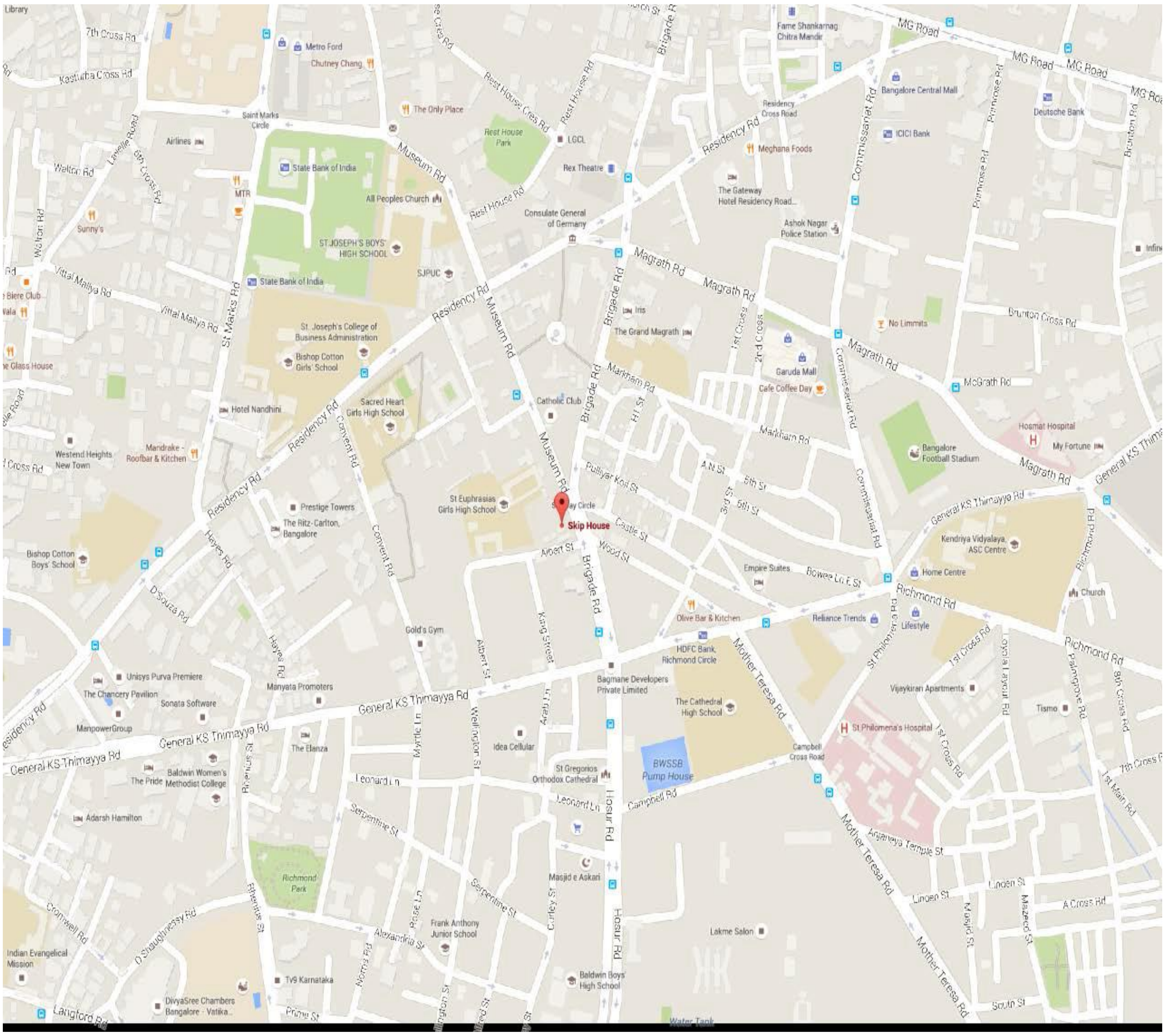
____________________
Signature of Proxy holder(s)

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Proxy need not be a member of the Company.

**ROUTE MAP OF 17TH ANNUAL GENERAL MEETING**

Regd. Office: 25/1, Skip House, Museum Road, Bangalore-560025



**GMR KAMALANGA ENERGY LIMITED**
**CIN: U40101KA2007PLC044809**
**Regd Off: 25/1, Skip House, Museum Road, Bangalore – 560025**
**(T: +91 11 49882200, F: +91 11 49882227, E: energy-secretarial@gmrgroup.in )**

# BOARD'S REPORT

**Dear Shareholders,**

Your directors are pleased to present the 17th Annual Report and the Audited financial statements of the Company for the year ended 31st March, 2024.

## FINANCIAL HIGHLIGHTS:

The Financial highlights of the Company for the Financial Year 2023-24 is as under:

*(Rs. in Million)*

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Total revenue | 29,545.68 | 31,934.05 |
| Total Expenditure | 18,526.02 | 20,985.10 |
| EBITDA | 11,019.66 | 10,948.95 |
| Profit/(Loss) Before Taxation | 2,961.44 | 2,859.16 |
| Taxes expense | - | - |
| Profit/(Loss) after tax | 2,961.44 | 2,859.16 |

## STATUS OF 1050 MW (3X350 MW) COAL BASED POWER PROJECT

Unit 1, Unit 2 and Unit 3 of 1050 MW (3 x 350 MW) Coal based Thermal Power Project at Vill-Kamalanga, Dist.- Dhenkanal, Odisha, are under commercial operation and continue to supply power under Long Term PPA to Haryana Discom through PTC, GRIDCO, Odisha, Bihar & TANGEDCO, Tamil Nadu Discom. The remaining power is sold to other customers on merchant basis. The Company has all clearances in place, including Consent to Operate (CTO) from Odisha State Pollution Control Board, Fuel Supply Agreements, Registration and Licensing of the Plant as Factory, etc., required for commercial production.

The FSA has been signed with Mahanadi Coalfields Limited (MCL) for supply of coal under Firm Linkage, SHAKTI-II and Shakti B III, corresponding to the Contracted Capacity under the Long Term and Medium Term PPAs. The Company achieved 100% materialisation of the allocated quantum of Coal under FSA. The Company also purchased coal through auction conducted by MCL from time to time under spot auction and under Shakti B VIII. The remaining requirement of coal is met through and Open Market.

## PLANT PERFORMANCE

During this period, the Company has generated 7581 MU and achieved PLF of 82.2%. Significant improvement in efficiency parameters, Heat rate ~ 2318 Kcal/kwh and APC ~ 6.74%. It has met its obligation under PPA with Bihar & Haryana and TANGEDCO Discoms. The PPA compliance for GRIDCO is 82.63%. The Company procured 5.69 Million MTs of Coal during the FY-24. Ash

Utilization of 100% was achieved during the year. During the year, the Company dispatched 65 rakes through rail mode. Diversion of 10% of Firm Linkage Road coal to Rail mode marks a significant step towards reducing the transportation costs of coal.

**EXPANSION OF PLANT BY 350 MW**

The Company has completed about 65% of work for unit under expansion. The company had floated Expression of Interest (EOI) in Mar-24 and has received interest from various domestic and international bidders. The EC for project was received in 2011. The Company as received TOR for extension of the EC. The TOR is under submission and expected to be granted EC validity for a period of further 5 years.

**ACHEIVEMENTS DURING THE YEAR**

**Awards & Certification**

- British safety council (BSC) five star rating in first attempt with an impressive score of 93.15%.
- Station PLF for FY 24 is 82.20%, which is highest ever since COD.
- Installation of a new photovoltaic rooftop solar plant with a capacity of 642 KWp in GMR Ekamra Nagar Township will cater the peak energy demand of the township.
- U-2 & U-3 Capital overhauling was completed in which High and Intermediate Pressure (HIP) and Low Pressure (LP) Turbine-Generator set maintenance was done for the 1st time since COD. This resulted in Station Heat Rate improvement by 76 Cal/KWh and Station APC reduction by 0.67%. and alsomany chronic issues got rectified.
- Secured "Utkrisht" (98.01%) rating in the 5S audit by M/s NPC. This is 4th consecutive time GKEL achieved this rating.
- Credit rating has been upgraded from CARE BB to investment grade i.e., CARE BBB(-).
- Certified with ISO 46001:2019 certification for its exceptional water efficiency management practices, showcasing commitment to sustainable and responsible water usage and dedication to environmental stewardship.
- Bagged CII "Excellent Energy Efficient Unit" in power sector in the 24th National Award ceremony for 'Excellence in Energy Management'
- Honoured with "Best Corporate House" Award by Odisha Blood Centre and District administration for unwavering commitment towards blood donation.
- Station achieved lowest ever-Specific Raw Water Consumption 2.10 M3/MWh in FY 24 since COD.
- Station achieved lowest ever DM Water Consumption 0.13 % in FY 24 since COD.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY**

During the year under review, there was no change in the nature of business of the Company.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND DATE OF THE REPORT**

There were no material changes and commitments affecting financial position between end of the financial year and date of the report.

## SHARE CAPITAL

There is no change in the share capital of the Company during the financial year 2023-24. The Authorized share capital of the Company stands at Rs.23,100,000,000/- comprising of 2310,000,000 equity shares of Rs.10/- each. The issued share capital is Rs.23,063,700,000/- and the subscribed and paid up share capital is Rs.21,487,340,520/- comprising of 2,148,734,052 equity shares of Rs.10/- each.

The Company continues to retain its status of subsidiary of GMR Energy Limited, and by virtue of section 2(87) of the Companies Act, 2013, it is subsidiary of GMR Power and Urban Infra Limited (GPUIL) as on March 31, 2024.

## SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Ventures or Associate Companies of its own and hence the statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures, as required to be provided in Form–AOC 1, is not applicable.

## NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

None of the Companies have become or ceased to be subsidiaries, Joint Venture or Associate Companies during the year.

## DIVIDEND

Your directors do not recommend any dividend for the Financial Year 2023-24, to conserve the profits for future business requirements,

## TRANSFER TO RESERVES

No amount was transferred to/from the reserves.

## PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

The provisions of Section 186 of the Act are not applicable to the Company so far as they relate to the granting of loans or providing of securities and/or guarantees, investments as the Company is engaged in the business of providing infrastructural facilities.

## DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits under Chapter V of the Companies Act, 2013.

## BOARD MEETINGS

The Board of Directors met five times during the financial year 2023-24. The intervening gap between two consecutive meetings was not more than the period prescribed under the Companies Act, 2013. The details are given in the Corporate Governance section of this Report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee is responsible for formulating and monitoring CSR Policy of the Company. The Company has been delivering its social responsibility directly as well as through GMR Varalakshmi Foundation (GMRVF) which implements different programs in the areas of Education, Health and Livelihoods in villages surrounding the plant area for improving quality of lives of communities. The annual report on CSR activities is appended as **Annexure I** to the Board's Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNAL (KMP)

### Directors:

Mr. Subodh Kumar Goel, Independent Director of the Company had tendered his resignation w.e.f. July 28, 2023 due to personal reasons and other commitments. The Board appreciates the services rendered by Mr. Subodh Kumar Goel during his tenure as an Independent Director.

Ms. Suman Naresh Sabnani was appointed as an Independent Director of the Company for a term of five consecutive years with effect from October 09, 2023.

### Key Managerial Personnel (KMP):

Mr. Piyusa Ranjan Mohanty and Mr. Subash Mittal continue to hold the positions of Chief Financial Officer and Company Secretary of the Company, respectively, during the FY 2023-24. Mr. Manoj Kumar Mishra held the position of the Manager (KMP) of the Company during the financial year 2023-24. He has resigned as the Manager (KMP) of the Company w.e.f July 31, 2024.

### Directors retiring by rotation:

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Srinivas Bommidala and Mr. Dhananjay Vasantrao Deshpande retires at the ensuing Annual General Meeting of the Company and are proposed to be reappointed as the Directors of the Company in ensuing Annual General Meeting of the Company.

## DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

GMR Group has taken liability insurance for its Directors and officers and also those of the subsidiaries of the Group. The Company believes that it is appropriate to provide such cover to protect Directors from innocent error as the Directors carry significant liability under criminal and civil law.

All the Directors of the Company are covered by Directors' & Officers Liability Policy entered into by the Holding Company with the Insurance Company.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size and scale of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

## VIGIL MECHANISM

To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to voice concern in a responsible and effective manner about serious malpractice, impropriety, abuse or wrongdoing within the organization, the Company has a Whistle Blower Policy / Vigil Mechanism in place, applicable to the Company, its holding company, fellow subsidiaries and other Group Companies. This mechanism has been communicated to all concerned. Whistle Blower Policy / Vigil Mechanism is administered appropriately by the Group Ombudsperson who will provide a quarterly update to BCM (IB & G)

## RISK MANAGEMENT

The Company has a detailed risk management framework duly approved by the Audit Committee and Board. The Company's risk management framework is in line with the current best practices and effectively addresses the emerging challenges in a dynamic business environment. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. As a matter of policy, risks are assessed and steps as appropriate are taken to mitigate the same.

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Company has received necessary declarations from independent directors of the Company under Section 149(7) of the Companies Act, 2013 declaring that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. The Company has also received a declaration from all the Independent Directors that they have registered their names in the Independent Directors Data Bank.

**DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) that in the preparation of the annual financial statements for the year ended 31st March 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual financial statements have been prepared on a going concern basis;

e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively.

f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**SECRETARIAL STANDARDS**

The applicable Secretarial Standards issued Institute of Company Secretaries of India, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been complied with by the Company.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavours to create and provide an environment that is free from any kind of discrimination and/or harassment including sexual harassment.

GMR Group recognizes that sexual harassment violates fundamental rights of gender equality, right to life, liberty and right to work with human dignity as guaranteed by the Constitution of India. The Group had constituted an internal committee (IC) and had implemented a detailed policy against sexual harassment at work place.

There were no sexual harassment complaints pending or received during the financial year ended March 31, 2024.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations except the matter relating to SEPCO as referred in the Auditors Report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Since during the year under review, all the transactions entered with related parties were in ordinary course of business and on arms' length basis and does not attracts the provisions of Section 188 of the Companies Act, 2013 read with the Rules framed thereunder, the particulars required to be disclosed pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014, in prescribed Form AOC- 2, are, thus, not applicable to the Company. Your Directors also draw attention of the members to Note 37 to the financial statements which sets out related party disclosures.

**AUDITORS & AUDITORS' REPORT:**

**STATUTORY AUDITORS:**

M/s Walker Chandiok & Co LLP, Registration No. (001076N/N500013), Statutory Auditors of the Company were appointed by the shareholders at Annual General Meeting held on September 30, 2019 for holding office upto the conclusion of Annual General Meeting of the Company to be held in year 2024. The first term of five consecutive years of M/s Walker Chandiok & Co LLP, Chartered Accountants, as statutory auditors of the Company will be completed at the conclusion of the ensuing AGM of the Company. Hence, M/s Walker Chandiok & Co LLP, Chartered Accountants shall retire as the Statutory Auditors of the Company at the conclusion of the ensuing AGM of the Company. Further, the Statutory Auditors have shown their willingness to be re-appointed for second term as an Auditor of the Company. The Board has recommended to the shareholders of the Company, the reappointment of M/s Walker Chandiok & Co LLP, as Statutory Auditors of the Company for 5 (Five) consecutive years to hold office from the conclusion of ensuing 17th AGM to be held in the year 2024 till the conclusion of 22nd AGM to be held in the year 2029.

The Auditor's Report on the Financial Statements of the Company for the financial year ended March 31, 2024 do not contain any qualifications, reservation or adverse remarks.

No fraud has been reported by the Auditors under Section 143(12) of Companies Act, 2013 during the financial year 2023-24.

**COST AUDITOR:**

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), your Company is required to maintain the cost records and the said cost records are also required to be audited. Your Company is maintaining all the cost records as referred above.

The Company had appointed M/s. Narasimha Murthy & Co, Cost Accountants (Firm Registration Number: 000042) as Cost Auditors of the Company for the Financial Year 2023-24. The Cost audit report for the financial year ended March 31, 2024 has been completed.

Further, the Board of Directors on the recommendation of the Audit Committee has proposed the reappointment of M/s. Narasimha Murthy & Co., (FRN: 000042), Cost Accountants as the Cost Auditors of the Company for the Financial Year 2024-25.

Accordingly, a resolution seeking members' ratification for the remuneration to M/s. Narasimha Murthy & Co., Cost Accountants for the Financial Year 2024-25 is included in the Notice to the ensuing AGM.

**SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT**

The Board of Directors had appointed M/s Arunesh Dubey & Co, Company Secretaries as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2023-24 as required under Section 204 of the Companies Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form MR-3, for the financial year ended March 31, 2024, is annexed as Annexure II to the Board's Report and forms part of the Annual Report. The Report does not contain any qualification, reservation or adverse remark.

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 134 and Section 92(3) of the Companies Act, 2013, as amended, draft of the Annual Return of the Company in Form MGT-7 for the financial year 2022-23 is available at the Company's webpage at https://www.gmrgroup.in/kamalanga/

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

| | | |
|---|---|---|
| I. | **Steps taken or impact on conservation of energy** | The Company is certified by Bureau Veritas for ISO 50001:2018 (Energy Management System) Company has taken the following initiatives for conservation of Energy and water consumption reduction:<br><br>1. High and Intermediate Pressure(HIP) turbine efficiency improvement unit-2 and unit 3 in COH<br>2. FAN power reduction in unit-2 and unit 3 by Arrest air in leakage in APH and furnace in leakage.<br>3. Mill power consumption reduction in unit-2 and unit 3 IN COH<br>4. Boiler efficiency improvement in unit 2 and unit 3 by APH basket complete replacement with improved profile basket<br>5. Rectified turbine driven boiler feed pump-1A recirculation valve passing, resolving issues of insufficient water flow, overheating, or damage to the pump or other components of the system.<br>6. Replacement of energy efficient pumps in plant portable water pump<br>7. Ash conveying line modification to improve reliability and energy saving as additional benefit.<br>8. Installation of Intelligent flow control system (IFC) in Compressor air network. It helps controlling the airflow and pressure being delivered to the plant. |
| II. | The steps taken by the company for utilizing alternate sources of energy. | Nil |

| | | |
|---|---|---|
| III. | The capital investment on energy conservation equipment's | 1. Installation of Intelligent flow control system (IFC) in Compressor air network. It helps controlling the airflow<br>2. APH basket complete replacement with improved profile basket in Unit 2 & 3.<br>3. Capital Overhaul of Unit-2 and Unit 3<br>4. Replacement of energy efficient pumps in plant portable water pump.<br>VFD installed in BA Slurry Pump. |

**(A) Conservation of energy:**

The above efforts resulted in electrical energy savings 5.31 MU. And in thermal energy saving 34000 Ton of coal (Annual saving potential).

(B) **Technology absorption**:

| | | |
|---|---|---|
| I. | The efforts made towards technology absorption | 1. APH basket replaced with improved profile basket<br>2. Ash conveying line modification to improve reliability and energy saving.<br>3. Intelligent flow control system (IFC) installed in Compressor air network. |
| II. | The benefits derived like product improvement cost reduction product development or import substitution | 1. Improvement in Boiler efficiency and Heat Rate<br>2. Improved reliability.<br>3. Reduction in APC |
| III. | in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) | N/A |
| | (a) the details of technology imported | |
| | (b) the year of import; | |
| | (c) whether the technology been fully absorbed | |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof | N/A |
| IV. | the expenditure incurred on Research and Development | Nil |

**(C) Foreign Exchange Earnings & Outgo:**

Total foreign exchange outgo during the financial year 2023-24 was equivalent to Rs. 73.32 lakh. The foreign exchange earnings (in terms of actual inflow) during the said year was Nil.

**PARTICULARS OF EMPLOYEES:**

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure III.**

**PROCEEDING UNDER INSOLVENCY AND BANKRUPTCY CODE AND ONE TIME SETTLEMENT**

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year. – ***Not applicable***

The details of difference between the amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof. – ***Not applicable***

**REPORT ON CORPORATE GOVERNANCE:**

**1. Company's philosophy on the Code of Corporate Governance**

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all and accountability to all the stakeholders.

**2. Policy on directors' appointment and remuneration**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. The Board consists of 7 Directors as on March 31, 2023 i.e. 2 independent directors, 5 non-executive directors.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board is appended as **Annexure IV** to the Board's Report. We affirm that the remuneration paid to the Directors is as per the terms laid out in the nomination and remuneration policy of the Company.

**3. Board Evaluation**

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and individual directors. Schedule IV of the Companies Act states that performance evaluation of independent directors shall be done by the entire Board of Directors excluding the director being evaluated. The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. All the Directors have taken part in the said questionnaire and an evaluation was done and reported to the Board.

## 4. Board of Directors

a) ***Composition***: The Board of the Company comprises of the following Directors as on March 31, 2024:

| Name of the Director | Position | Category |
|---|---|---|
| Mr. Srinivas Bommidala | Chairman of the Board | Non-Executive |
| Dr. M. Ramachandran | Independent Director | Independent Director |
| Ms. Suman Naresh Sabnani* | Independent Director | Independent Director |
| Mr. S. Rajagopal | Director | Non-Executive |
| Mr. S.N. Barde | Director | Non-Executive |
| Dr. Kavitha Gudapati | Director | Non-Executive (Woman Director) |
| Mr. Dhananjay Vasantrao Deshpande | Director | Non-Executive |

*** Mr. S K Goel *resigned as Independent Director w.e.f. July 28, 2023* and Ms. Suman Naresh Sabnani *was appointed as an Additional Director in the category of Independent Director w.e.f. October 09, 2023.*

**b) *Meetings held during the year*:**

During the financial year 2023-24, the Board met five times on the following dates:

| S. No. | Date of Meeting |
|---|---|
| 1. | 25.04.2023 |
| 2. | 25.07.2023 |
| 3. | 19.10.2023 |
| 4. | 25.01.2024 |
| 5. | 01.02.2024 |

The details of attendance at Board Meetings either in person or through video conferencing during the financial year 2023-24 and at the last Annual General Meeting (AGM) of the Company are detailed below:

| Name of Directors/DIN | Attendance at the Board Meeting(s) | | | Whether present at last AGM held on September 27, 2023 |
|---|---|---|---|---|
| | No. of meetings held during the year | No. of meetings held during his/her tenure | No. of meetings attended | |
| Mr. Srinivas Bommidala (DIN: 00061464) | 5 | 5 | 3 | Yes |
| Dr. M. Ramachandran (DIN: 01573258) | 5 | 5 | 5 | No |
| Mr. S K Goel # (DIN: 00492659) | 5 | 2 | 2 | NA |
| Mr. S. Rajagopal (DIN: 00022609) | 5 | 5 | 5 | No |
| Dr. Kavitha Gudapati (DIN: 02506004) | 5 | 5 | 1 | No |
| Mr. S. N Barde (DIN: 03140784) | 5 | 5 | 4 | No |
| Ms. Suman Naresh Sabnani* (DIN: 10223343) | 5 | 3 | 3 | NA |

| | | | | |
|---|---|---|---|---|
| Mr. Dhananjay Vasantrao Deshpande (DIN: 07663196) | 5 | 5 | 5 | Yes |

*# Mr. S K Goel resigned as Independent Director w.e.f. July 28, 2023.*

** Ms. Suman Naresh Sabnani was appointed as an Additional Director in the category of Independent Director w.e.f. October 09, 2023.*

**c) *Separate meeting of the Independent Directors*:**

The Independent Directors held a Meeting on July 25, 2023, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

I. Reviewed the performance of non-independent directors and the Board as a whole;
II. Reviewed the performance of the Chairman of the Company;
III. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**5. Audit Committee**

**a) Composition:**

The composition of the Audit Committee as on March 31, 2024 and as on date is as follows:

| S. No. | Name & Designation | Position |
|---|---|---|
| 1 | Dr. M. Ramachandran, Independent Director | Member |
| 2 | Ms. Suman Naresh Sabnani, Independent Director | Member |
| 3 | Mr. S. N. Barde, Director | Member |

**b) Meetings held during the financial year 2023-24**

Four meetings of the Audit Committee were held on the following dates during the financial year 2023-24:

| S. No. | Date of Meeting |
|---|---|
| 1 | 25.04.2023 |
| 2 | 25.07.2023 |
| 3 | 19.10.2023 |
| 4 | 25.01.2024 |

| Name of Directors/DIN | Attendance at the Audit Committee Meeting(s) held during FY 2023-24 | | |
|---|---|---|---|
| | No. of meetings held during the year | No. of meetings held during the tenure | No. of meetings attended |
| Dr. M. Ramachandran (DIN: 01573258) | 4 | 4 | 4 |
| Mr. S K Goel # (DIN: 00492659) | 4 | 2 | 2 |
| Mr. S. N Barde (DIN: 03140784) | 4 | 4 | 3 |
| Ms. Suman Naresh Sabnani* (DIN: 10223343) | 4 | 2 | 2 |

*# Mr. S K Goel resigned as Independent Director w.e.f. July 28, 2023 and hence ceased to be the member of Audit Committee.*

** Ms. Suman Naresh Sabnani was appointed as an Additional Director in the category of Independent Director and was appointed as member of Audit Committee w.e.f. October 09, 2023.*

The Committee reviewed the periodical financial statements and the observations of the Internal Auditors and Statutory Auditors.

**6. Nomination and Remuneration Committee**

**a) Composition:**

The composition of the Nomination and Remuneration Committee (NRC) as on March 31, 2024 and as on date is as follows:

| S. No. | Name & Designation | Position |
|---|---|---|
| 1 | Dr. M. Ramachandran, Independent Director | Member |
| 2 | Ms. Suman Naresh Sabnani*, Independent Director | Member |
| 3 | Mr. S. N. Barde, Director | Member |

***Note: -***

**Mr. S K Goel resigned as Independent Director w.e.f. July 28, 2023 and hence ceased to be the member of Nomination and Remuneration Committee.*

** Ms. Suman Naresh Sabnani was appointed as an Additional Director in the category of Independent Director and was appointed as member of Nomination and Remuneration Committee w.e.f. October 09, 2023.*

**b) Meetings held during the year:**

During the year, one meeting of Nomination and Remuneration Committee was held on July 25, 2023.

| Name of Directors/DIN | Attendance at the Nomination & Remuneration Committee Meeting(s) | | |
|---|---|---|---|
| | No. of meetings held during the year | No. of meetings held during the tenure | No. of meetings attended |
| Dr. M. Ramachandran (DIN: 01573258) | 1 | 1 | 1 |
| Mr. S K Goel (DIN: 00492659) | 1 | 1 | 1 |
| Mr. S. N Barde (DIN: 03140784) | 1 | 1 | 1 |

The Nomination and Remuneration Committee frames the policy of the company on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors and other matters provided under Section 178 of the Companies Act, 2013.

**7. Corporate Social Responsibility Committee:**

**a) Composition:**

The composition of the Corporate Social Responsibility Committee as on March 31, 2024 was as following:

| S. No. | Name & Designation | Position |
|---|---|---|
| 1 | Dr. M. Ramachandran, Independent Director | Member |
| 2 | Mr. S.N. Barde, Non-Executive Director | Member |
| 3 | Mr. Dhananjay Vasantrao Deshpande, Non-Executive Director | Member |

**b) Meetings held during the year:**

During the year, one meeting of Corporate Social Responsibility Committee was held on July 25, 2023 attended by the following members of the Committee.

| Name of Directors/DIN | Attendance at the Corporate Social Responsibility Committee Meeting(s) | | |
|---|---|---|---|
| | **No. of meetings held during the year** | **No. of meetings held during the tenure** | **No. of meetings attended** |
| Dr. M. Ramachandran | 1 | 1 | 1 |
| Mr. S.N. Barde | 1 | 1 | 1 |
| Mr. Dhananjay Vasantrao Deshpande | 1 | 1 | 1 |

The CSR Committee frames the CSR Policies, monitors the activities undertaken and amount spent on CSR activities approves the budget for CSR activities.

**8. General Body Meetings**

*Details of location and time of holding the last three Annual General Meetings (AGM):*

| Year | Location | Date & Time |
|---|---|---|
| 14th AGM - 2021 | Skip House, 25/1, Museum Road, Bangalore – 560025 | September 27, 2021 at 12.30 p.m. |
| 15th AGM - 2022 | Skip House, 25/1, Museum Road, Bangalore – 560025 | September 29, 2022 at 12.30 p.m. |
| 16th AGM - 2023 | Skip House, 25/1, Museum Road, Bangalore – 560025 | September 27, 2023 at 12.30 p.m. |

**9. Means of communication**

The Company communicates with its shareholders through its Annual Report, General Meetings.

**ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to express their sincere thanks and gratitude to the Government of India, Ministry of Power, Ministry of Coal, Mahanadi Coalfields Ltd, Government of Odisha, IDCO, GRIDCO, IDFC, IIF, Bankers and other authorities and stakeholders for their continued support.

The Board also expresses its appreciation of the understanding and support extended by the shareholders and employees of the Company.

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

| | |
|---|---|
| **sd/-** | **sd/-** |
| **Srinivas Bommidala** | **S. N. Barde** |
| **Managing Director** | **Director** |
| **DIN: 00061464** | **DIN: 03140784** |

Place: New Delhi
Dated: 30.09.2024

**Annexure I**

**Annual Report on CSR Activities**
**(Pursuant to Section 135 of the Companies Act, 2013)**

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

**Corporate Social Responsibility Policy**

GMR Kamalanga Energy Limited (the Company) forming part of GMR Group has adopted the CSR Policy of GMR Group (the Group). GMR Group recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations.

The Company is driven by Group's vision to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Group including the Company, through GMR Varalakshmi Foundation (GMRVF), partners with the communities around the businesses to drive various initiatives in the areas of education, health, hygiene, sanitation, empowerment, livelihood and community development.

**Projects / Activities / Programmes proposed to be undertaken under CSR Policy**

The Company will carry out its CSR activities on its own or contribute funds to GMRVF or any other eligible implementing agency, to carry on activities / multiyear projects or programmes indicated below. While the geographic focus of the CSR activities can be in and around the business operational area, the Company can support activities in any part of India, as per the Annual Action Plan, approved by the CSR Committee and the Board**:**

**i) Education:**

- Support for promotion of education of all kinds (school education, technical, higher, vocational and adult education), to all ages and in various forms, with a focus on vulnerable and under- privileged;
- Education for girl child and the underprivileged by providing appropriate infrastructure and groom them as future citizens and contributing members of society;

**ii) Health, Hygiene and Sanitation:**

- Ambulance services, mobile medical units, health awareness programmes and camps, medical check-ups, HIV/AIDS awareness initiatives, health care facilities and services, sanitation facilities;
- Eradicating hunger, poverty and malnutrition, promotion of preventive health care and sanitation, and making available safe drinking water;
- Reducing child mortality and improving maternal health;

**iii) Empowerment & Livelihoods:**

- Employment enhancing vocational skills training, marketing support and other initiatives for youth, women, elderly, rural population and the differently abled, and livelihood enhancement projects;
- Promoting gender equality, empowering women, working for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Assist in skill development by providing direction and technical expertise for empowerment;

**iv) Community Development:**

- Encouraging youth and children to form clubs and participate in community development activities such as like cleanliness drives, plantation drives etc;

**v) Environmental sustainability:**

- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

**vi) Heritage and Culture:**

- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

**vii) Benefit to Armed Forces:**

- Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows

**viii) Sports:**

Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

**ix) Contribution to Funds set up by Government:**

Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief, and funds for the welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;

**x) Contribution towards Science and Technology:**

- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or the State Government or any agency or Public Sector Undertaking of Central Government or State Government;
- Contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

xi) Rural development projects;

xii) **Slum Area Development:**

[The term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force]

xiii) **Disaster management:**

Disaster Management, including relief, rehabilitation and reconstruction activities.

xiv) Such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by CSR Committee from time to time, which are not expressly prohibited.

**2.** Composition of the CSR Committee:

| **S.no.** | **Name of director** | **Designation/Nature of directorship** | **Number of meetings of CSR Committee held during the year** | **Number of meetings of CSR Committee attended during the year** |
|---|---|---|---|---|
| 1 | Dr. M. Ramachandran, | Independent Director | One | One |
| 2 | Mr. S.N. Barde | Non-Executive Director | One | One |
| 3 | Mr. Dhananjay Vasantrao Deshpande | Non-Executive Director | One | One |

**3.** Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: https://www.gmrgroup.in/kamalanga/

**4.** Provide the **details of Impact assessment of CSR projects** carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) :-

Not applicable

**5.** Details of the amount available for set off in pursuance of sub-rule (3) of rule (7) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :-

| **S.no.** | **Financial Year** | **Amount available for set-off from preceding financial years (in Rs.)** | **Amount required to be set-off for the financial year, if any (in Rs.)** |
|---|---|---|---|
| 1 | 2020-21 | **Rs. 163.60 Lakh** | Nil |
| 2 | 2021-22 | **Rs. 202.66 Lakh** | Nil |
| 3 | 2022-23 | **Rs. 280.64 lakh**<br>(i.e. Rs 327.03 lakh actual spending - Rs. 46.39 Lakh of mandatory requirement) | Nil |
| | **TOTAL** | **Rs. 646.90 lakh** | **Nil** |

***6.*** Average Net Profit of the Company as per Section 135(5) : - ***AVERAGE NET PROFITS Rs.*** **131,06,28,237** *(average of last 3 years profits/ losses as per Section 198)*

**7.** (a)Two percent of average net profit of the Company as per Section 135(5) **:- Rs. 2,62,12,565**
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. :- ***Nil (Please confirm)***
(c) Amount required to be set off for the financial year, if any :- **2,62,12,565 (as per below table)**
(d) Total CSR obligation for the financial year 2023-24 (7a+7b-7c) :- **NIL**

| Financial Years | CSR Expenses (Rs.) | Mandatory Requirement (Rs.) | Balance Available for Set off (Rs.) | Set off in FY 23-24 (Rs.) | Balance available after set-off (Rs.) |
|---|---|---|---|---|---|
| FY20-21 | 1,63,59,966 | - | 1,63,59,966 | 1,63,59,966 | - |
| FY21-22 | 2,02,65,050 | - | 2,02,65,050 | 98,52,599 | 1,04,12,451 |
| FY22-23 | 3,27,03,027 | 46,39,541 | 2,80,63,486 | - | 2,80,63,486 |
| **Total** | **6,93,28,043** | **46,39,541** | **6,46,88,502** | **2,62,12,565** | **3,84,75,937** |

**8.** (a ) **CSR amount spent or unspent for the financial year 2023-24:-**

| **Total amount spent for the financial year (Rs. in lakhs)** | **Amount Unspent (in Rs.)** | | | | |
|---|---|---|---|---|---|
| | **Total Amount transferred to Unspent CSR Account as per section 135(6).** | | **Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).** | | |
| | **Amount.** | **Date of transfer.** | **Name of the Fund** | **Amount.** | **Date of transfer.** |
| **Rs 3,11,39,036** | Nil | | Nil | | |

(b) **Detail of CSR amount spent against <u>ongoing projects</u> for the financial year 2023-24:**

| Sl. No. | Name of the Project. | Item from the list of activ-ities in Sche-dule VII to the Act | Local area (Yes /No). | | Location of the project | | Project durat-ion. | Amount allocated for the project (in Rs.). | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation - Direct (Yes /No). | Mode of Implem-entation-Through Implementing agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | State | District | | | | | | Name | CSR Regn no. |
| 1 | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | |

(c ) **Details of CSR amount spent against other than ongoing projects for the financial year 2023-24;**

| S. No. | Name of the project | Item from the list of activities in Schedule VII to the Act | Local area (Yes /No). | Location of the project. | | Amount spent for the project (in Rs.) | Mode of implementation – Direct (Yes/No). | Mode of implementation – Through implementing agency. | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | Name | CSR registration number |
| 1 | Education | Support for promotion of education of all kinds (school education, pre-school education to pre -primary to class 10th students)<br><br>Education for girl child by providing scholarship | Yes | Odisha | Dhenkanal | 25,26,310 | No | GMR Varalakshmi Foundation | CSR00000851 |
| 2 | Health | Eradicating malnutrition<br>Reducing child mortality and improving maternal health | Yes | Odisha | Dhenkanal | 52,27,020 | No | GMR Varalakshmi Foundation | CSR00000851 |
| 3 | Empowerment & Livelihood | Employment enhancing tailoring skills training, marketing support to rural women and girls.<br>Farm and non-farm Livelihood Enhancement programs. | Yes<br>Yes | Odisha<br>Odisha | Dhenkanal<br>Dhenkanal | 5,30,120<br>21,78,280 | No<br>No | GMR Varalakshmi Foundation<br>GMR Varalakshmi Foundation | CSR00000851<br>CSR00000851 |
| 4 | Education | Support for promotion of English medium education for LKG to class $12^{th}$ students | Yes | Odisha | Dhenkanal | 42,20, 108 | Yes | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 5 | Health | Health care facilities and services through hospital, Health awareness programs and medical check-ups, | Yes | Odisha | Dhenkanal | 43,63,640 | Yes | | | |
| 6 | Community Development | Infrastructure development | Yes | Odisha | Dhenkanal | 1,20,93,557 | yes | | | |
| | | | | | | **3,11,39,036** | | | | |

(d) Amount spent in Administrative overheads:- NA
(e ) Amount spent on Impact Assessment, if applicable : NA
(f) Total amount spent for the Financial Year 2023-24 (8b+8c+8d+8e) :- **Rs 3,11,39,036**
(g) Excess amount for Set off, if any :- -

| S.no. | Particular | Amount (Rs.) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | Nil (as 2% of net profits i.e. Rs. 2,62,12,565 are being set off from excess spending in preceding financial years) |
| (ii) | Total amount spent for the Financial Year | **Rs 3,11,39,036** |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | **Rs 3,11,39,036** |
| (iv) | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | **NIL** |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] in | **Rs 3,11,39,036** |

**9. (a) Details of Unspent CSR amount for the preceding three financial years:- NA**

| S.no. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount rema-ining to be spent in succee-ding financial years. (in Rs.) |
|---|---|---|---|---|---|---|---|
| | | | | Nam e of the fund | Amount | Date of transfer | |
| Not Applicable | | | | | | | |

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA**

| S.no. | Project ID | Name of the project | Financial year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed /Ongoing. |
|---|---|---|---|---|---|---|---|---|
| Not Applicable | | | | | | | | |

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: ***Not applicable*** **(N.A.)**
**(asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s):- **N.A.**

(b) Amount of CSR spent for creation or acquisition of capital asset :- **N.A.**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. :- **N.A.**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).:- **N.A.**

**11.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).:- ***Not applicable***

**12.** A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:
The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company.

For **GMR Kamalanga Energy Limited**

Sd/-
**Director**

For **GMR Kamalanga Energy Limited**

sd/-
**Chairman, CSR Committee**

**ANNEXURE II**

**FORM No.MR-3**
**SECRETARIAL AUDIT REPORT**
(**For the Financial Year ended 31st March, 2024**)

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
**GMR KAMALANGA ENERGY LIMITED.**
25/1, Skip House, Museum Road
Bangalore, Karnataka-560025.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GMR KAMALANGA ENERGY LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the **GMR KAMALANGA ENERGY LIMITED** company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **GMR KAMALANGA ENERGY LIMITED** ("the company") for the financial year ended on **31st March, 2024** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;

2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder; (Not applicable to the company during the audit period)

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period)

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a) The Securities and Exchange Board of India (substantial Acquisition of shares and Takeover) Regulations, 2011; (Not applicable to the company during the audit period)

b) The Securities and Exchange Board of India (Prohibition of Insider trading) Regulations, 2015; (Not applicable to the company during the audit period)

c) The Securities and Exchange Board of India (Issue of Capital and disclosure requirements) Regulations, 2018; (Not applicable to the company during the audit period)

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; The Securities and Exchange Board of India (Shares Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the company during the audit period)

e) The Securities and Exchange Board of India (Issue and listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the company during the audit period)

f) The Securities and Exchange Board of India (Registrar to an issue and shares transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the audit period)

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the company during the audit period)

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the audit period)

6. The Electricity Act, 2003 and regulation framed thereunder

7. The Boilers Act, 1923 and the rules and regulations made thereunder

8. Electricity Regulatory Commissions Act, 1998.
9. Electricity (Supply) Act, 1948.

10. Other applicable Labour & Industrial laws.

I have also examined compliance with applicable clauses of the followings:

Secretarial Standard issued by The Institute of Company Secretaries of India.
During the period under review the Company has complied with the provision of the Act, Rules, Regulations, and Standards to the extent applicable, as mentioned above.

**I further report that**

The board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days /shorter notice in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decision are carried out with unanimous consent and therefore, no dissenting view required to be captured and recorded as per of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company has not any specific event /action having a major bearing on the company's affairs in pursuant of the above laws, rules, regulations, guideline, standards etc.

**For Arunesh Dubey & Co.**
**Company Secretaries**

**Name: Arunesh Kumar Dubey**
**FCS: 7721**
**CP No: 14054**
**PR No: 815/2020**
**UDIN: F007721F000577301**

**Date: 15/06/2024**
**Place: New Delhi**

**Note:**

1. **This report is to be read with our letter of Even date which is annexed as Annexure-A as an integral part of this report.**

**Annexure A**

To,

The Members,

**GMR KAMALANGA ENERGY LIMITED.**

25/1, Skip House, Museum Road

Bangalore, Karnataka-560025.

Our report of Event date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, the company had followed provide a reasonable basis for my opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Arunesh Dubey & Co.**
**Company Secretaries**

**Name: Arunesh Kumar Dubey**
**FCS: 7721**
**CP No: 14054**
**PR No: 815/2020**
**UDIN: F007721F000577301**

**Date: 15/06/2024**
**Place: New Delhi**

**(ANNEXURE III)**

**Information of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

i. Employed for the financial year with an average salary of **Rs. 1.02 crore per annum** and above.

| Name | Designation | Remuneration received (Rs.) | Nature of Employment Contractual or Permanent | Qualification and Experience (in years) | Date of joining | Age | Particulars of last employment | Equity Share held by the employee in the Company | Relative of any director or manager of the Company, if any. |
|---|---|---|---|---|---|---|---|---|---|
| Mr. Manoj Kumar Singh | CFO - Corporate & Project Finance | 1,62,72,271 | Permanent | B.E, MBA; 28 years | 07.05.2001 | 54 | IFCG | Nil | N.A. |
| Mr. Kannan Radhakrishnan | Deputy CEO | 1,32,44,366 | Permanent | B.Com (Hrs); 30 years | 16.06.2021 | 55 | | Nil | N.A. |
| Mr. Abani Mishra | Head - Regulatory & Contracts | 1,14,33,637 | Permanent | B.E; 32 years | 11.07.2005 | 55 | RELAINCE ENERGY LTD | Nil | N.A. |
| Mr. Ashwani Kumar Maini | Principal Associate | 1,03,63,446 | Permanent | LLB, 25 years | 01.11.2019 | 64 | HINDUSTAN EPC CO PVT LIMITED | Nil | N.A. |

**ii.** Employees who are employed for a **part of the year** and drawing remuneration **of Rs.8.5 Lakh or more per month.**

| Name | Designation | Remuneration received (Rs.) | Nature of Employment Contractual or Permanent | Qualification and Experience (in years) | Date of joining | Age | Particulars of last employment | Equity Share held by the employee in the Company | Relative of any director or manager of the Company, if any. |
|---|---|---|---|---|---|---|---|---|---|
| Not applicable | | | | | | | | | |

iii. Details of top ten employees in terms of remuneration

| Name | Designation | Remuneration received (Rs.) | Nature of Employment Contractual or Permanent | Qualification and Experience (in years) | Date of joining | Age | Particulars of last employment | Equity Share held by the employee in the Company | Relative of any director or manager of the Company, if any. |
|---|---|---|---|---|---|---|---|---|---|
| Mr. Manoj Kumar Singh | CFO - Corporate & Project Finance | 1,62,72,271 | Permanent | B.E, MBA; 28 years | 07.05.2001 | 54 | IFCG | Nil | N.A. |
| Mr. Kannan Radhakrishnan | Deputy CEO | 1,32,44,366 | Permanent | B.Com (Hrs); 30 years | 16.06.2021 | 55 | SCHNEIDER ELECTRIC INDIA PVT. LTD. | Nil | N.A. |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mr. Abani Mishra | Head - Regulatory & Contracts | 1,14,33,637 | Permanent | B.E; 32 years | 11.07.2005 | 55 | RELAINCE ENERGY LTD | Nil | N.A. |
| Mr. Ashwani Kumar Maini | Principal Associate | 1,03,63,446 | Permanent | LLB, 25 years | 01.11.2019 | 64 | HINDUSTAN EPC CO PVT LIMITED | Nil | N.A. |
| Mr. Manoj Mishra | Plant Head | 98,73,683 | Permanent | Dip-Engg, 35 years | 17.01.2013 | 58 | LANCO POWER LTD. | Nil | N.A. |
| Mr. Sanjay Gantayet | Head - Procurement | 88,78,653 | Permanent | B.E, 34 years | 01.12.2017 | 56 | ODISHA POWER GENERATION CORPORATION(OPGC) | Nil | N.A. |
| Mr. Raghunath V | Head – Operation | 79,75,743 | Permanent | B. Tech 28 years | 26.09.2012 | 50 | ADANI POWER LTD | Nil | N.A. |
| Mr. Sushil Kumar Choudhury | Head - Infrastructure | 79,17,611 | Permanent | B. Tech, 29.96 years | 02.11.2009 | 51 | DRA MINERAL PROJECTS | Nil | N.A. |
| Mr. Karan Yambem | Head - Legal, Thermal | 78,57,557 | Permanent | LLB, 24 years | 14.04.2015 | 52 | ESSAR POWER (JHARKHAND) Ltd. | Nil | N.A. |
| Mr. Nandkumar Deo | Head - Strategy, CR & Policy Advocacy | 74,66,064 | Permanent | B.E, 35 years | 07.12.2021 | 59 | SUZLON ENERGY LTD | Nil | N.A. |

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

| | |
|---|---|
| **sd/-** | **sd/-** |
| **Srinivas Bommidala** | **S. N. Barde** |
| **Managing Director** | **Director** |
| **DIN: 00061464** | **DIN: 03140784** |

Place: New Delhi
Dated: 30.09.2024

**Annexure – IV**

**Nomination and Remuneration Policy**

The Company's policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which our human resource management aligns their recruitment plans for the strategic growth of the Company. The nomination and remuneration policy is provided hereunder pursuant to Section 178 (4) of the Companies Act, 2013.

**APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

**1.1. Appointment criteria and qualifications**

(a) Subject to the applicable provisions of the Companies Act, 2013, other applicable laws, if any and GMR Group HR Policy, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

(b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.

(c) The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**1.2. Term / Tenure**

1.2.1. **Managing Director / Whole-time Director / Manager (Managerial Personnel)**
The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

1.2.2. **Independent Director**

(a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

(b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

(c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

(d) The maximum number of public companies in which a person can be appointed as a director shall not exceed ten.

For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.

**1.3. Familiarization Programme for Independent Directors**
The company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

**1.4. Evaluation**
Subject to Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Committee shall carry out the evaluation of Directors periodically.

**1.5. Removal**
Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP, subject to the provisions and compliance of the applicable laws, rules and regulations.

**1.6. Retirement**
The Director, KMP and Personnel of Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Personnel of Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

**2. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT PERSONNEL**

**2.1. General**

(a) The remuneration / compensation / commission etc. to Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

(b) The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

(c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel.

(d) Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

**2.2. Remuneration to Managerial Personnel, KMP, Senior Management and Other Employees**

2.2.1. **Fixed Pay**
Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2.2.2. **Minimum Remuneration**
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

2.2.3. **Provisions for excess remuneration**
If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

2.2.4. The remuneration to Personnel of Senior Management shall be governed by the GMR Group HR Policy.

2.2.5. The remuneration to other employees shall be governed by the GMR Group HR Policy.

**2.3. Remuneration to Non-Executive / Independent Director**

2.3.1. **Remuneration / Commission**
The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2.3.2. **Sitting Fees**
The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.
Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
The sitting fee paid to Independent Directors and Women Directors, shall not be less than the sitting fee payable to other directors.

2.3.3. **Limit of Remuneration / Commission**
Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 11% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

2.3.4. **Stock Options**
An Independent Director shall not be entitled to any stock option of the Company.

**Walker Chandiok & Co LLP**
2nd Floor,
Plot No. 19A,
Sector 16A,
Noida 201 301,
India

T +91 120 7109001
F +91 120 7109002

**Independent Auditor's Report**

**To the Members of GMR Kamalanga Energy Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

1. We have audited the accompanying financial statements of GMR Kamalanga Energy Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

4. **Material Uncertainty Related to Going Concern**

We draw attention to note 14(a) to the accompanying financial statements, which indicates that the Company has accumulated losses amounting to ₹ 10,911.45 million (31 March 2023: ₹ 13,868.47 million) which has resulted in substantial erosion of its net worth and it's current liabilities exceed its current assets by ₹ 1,321.50 million (31 March 2023: ₹ 3,548.49 million). Further, there is an ongoing dispute of the Company with SEPCO Electric Power Construction Corporation ("SEPCO") in respect of certain claims relating to construction and operation of a coal fired thermal power plant as described in note 14(a). These events and conditions together indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. However, basis the improvement in recovery of receivables from the Discoms, favourable legal assessment by the management of the Company on the aforesaid dispute of SEPCO, along with other factors as fully detailed in note 14(a), the management is of the view that the going concern assumption is appropriate for preparation of the accompanying financial statements. Our opinion is not modified in respect of this matter.

**Emphasis of Matter - Recoverability of customer receivables**

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

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

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

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

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

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

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

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

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

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

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

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

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ☆

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

15. Further to our comments in Annexure A, as required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 15(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    c) The financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) The matters described in paragraph 4 under the Material uncertainty related to Going concern section and paragraph 5 under the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Company;

    f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

    g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 15(b) above on reporting under section 143(3)(b) of the Act and paragraph 15(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended); and

    h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion;

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

        i. the Company, as detailed in note 32(i) to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 41(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 41(f) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except as described in note 42, the audit trail logs for direct changes in data at database level for accounting software is available only for 7 days. Further, during our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled and logs maintained.

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

**Manish Agrawal**
Partner
Membership No.: 507000

**UDIN:** 24507000BKDHNT7872

**Place**: Ghaziabad
**Date**: 30 April 2024

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

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment ,capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Kamalanga Village, Tamil Nadu and Maharashtra with gross carrying values aggregating ₹ 41.45 million as at 31 March 2024, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lender.

(d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) As disclosed in note 15(d) to the financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crore by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods and no material discrepancies were observed.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies



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

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though electricity duty has not generally been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payables in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

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

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

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

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

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



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

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

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

(xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under Section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.

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

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has 2 (two) CICs as part of the Group.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

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

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management, in our opinion, a material uncertainty exists as on the date of the audit report indicating that Company may not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. The current assets majorly include trade receivables and unbilled revenue, which are pending settlement/ realization from its customers and are substantially overdue as at the reporting date as also disclosed in Note 20 (1) (e) and 20 (4) of the accompanying financial statements. (Refer 'Material uncertainty related to going concern' in our audit report).

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

**Place**: Ghaziabad
**Date**: 30 April 2024

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

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

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

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls with Reference to Financial Statements**

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

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

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

**Opinion**

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

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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

**Manish Agrawal**
Partner
Membership No.: 507000

**UDIN:** 24507000BKDHNT7872

**Place**: Ghaziabad
**Date**: 30 April 2024

**GMR Kamalanga Energy Limited**
**CIN: U40101KA2007PLC044809**
**Balance Sheet as at 31 March 2024**
(All amounts in ₹ million unless otherwise stated)

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

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

As per our report of even date attached

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

**Manish Agrawal**
Partner
Membership No.: 507000

Place: Ghaziabad
Date: 30 April 2024

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

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

**Dhananjay Deshpande**
Director
DIN: 07663196

Place: Kamalanga
Date: 30 April 2024

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

Place: New Delhi
Date: 30 April 2024

**Piyusa Mohanty**
Chief Financial Officer

Place: Kamalanga
Date: 30 April 2024

**Subash Mittal**
Company Secretary
Membership No.: FCS 865(

Place: New Delhi
Date: 30 April 2024

GMR Kamalanga Energy Limited ★ GMR

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

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

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

As per our report of even date attached

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

**Manish Agrawal**
Partner
Membership No.: 507000

Place: Ghaziabad
Date: 30 April 2024

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

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

**Dhananjay Deshpande**
Director
DIN: 07663196

Place: Kamalanga
Date: 30 April 2024

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

Place: New Delhi
Date: 30 April 2024

**Piyusa Mohanty**
Chief Financial Officer

Place: Kamalanga
Date: 30 April 2024

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

Place: New Delhi
Date: 30 April 2024

GMR Kamalanga Energy Limited ★ GMR

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

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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

GMR Kamalanga Energy Limited ★

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

**Notes :**

a. The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cashflow".

b. Changes in liabilities arising from financing activities

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

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

As per our report of even date attached

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

**Manish Agrawal**
Partner
Membership No.: 507000

Place: Ghaziabad
Date: 30 April 2024

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

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

**Dhananjay Deshpande**
Director
DIN: 07663196

Place: Kamalanga
Date: 30 April 2024

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

Place: New Delhi
Date: 30 April 2024

**Piyusa Mohanty**
Chief Financial Officer

Place: Kamalanga
Date: 30 April 2024

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

Place: New Delhi
Date: 30 April 2024

GMR Kamalanga Energy Limited ★ GMR

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

**A. Equity share capital (Refer note 13)**

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

**B. Other equity (Refer note 14)**

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

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

As per our report of even date attached

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

**Manish Agrawal**
Partner
Membership No.: 507000

Place: Ghaziabad
Date: 30 April 2024

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

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

**Dhananjay Deshpande**
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DIN: 07663196

Place: Kamalanga
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Date: 30 April 2024

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

Place: New Delhi
Date: 30 April 2024

GMR Kamalanga Energy Limited GMR

**1 Company overview and Basis of preparation:**

**1.1 Company overview:**

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

**1.2 Basis of preparation and statement of complaince**

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

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

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

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

**2.1 Material accounting policies information:**

**i) Use of estimates**

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

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

**ii) Revenue recognition**

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

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

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

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

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

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

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

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

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

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

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

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

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GMR Kamalanga Energy Limited *

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

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

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

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

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

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

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

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

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

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

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

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

**Depreciation and amortisation**

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

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

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

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

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

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

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

**Capital work in progress**

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

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GMR Kamalanga Energy Limited

**v) Borrowing cost**

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

**vi) Government grants**

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

**vii) Leases**

**Company as a lessor:**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

**Company as a lessee:**

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

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

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

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

**Leases previously accounted for as operating leases**

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

The Company has applied the available practical expedients wherein it:

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

**viii) Inventories**

Inventories are valued as follows:

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

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

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

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

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

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

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

**x) Provisions and contingent liabilities**

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

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

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

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

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

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

**xi) Decommissioning liability**

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

**xii) Retirement and other employee benefits**

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

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

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

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

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

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

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

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

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

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

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

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**xiii) Financial instruments**

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

**Effective interest rate method :**

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

**a. Financial assets**

**Financial assets at amortised cost**

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

**Financial assets measured at fair value**

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

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

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

**Impairment of financial assets**

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

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

**De-recognition of financial assets**

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

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

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

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

**b. Financial liabilities and equity instruments**

**Classification as debt or equity**

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

**Equity instruments**

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

**Financial liabilities**

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

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

**Financial liabilities at FVTPL**

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

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

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

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

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

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

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

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

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

**Derivative financial instruments**

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

**Subordinated debt**
Subordinated debts are separated into liability and equity components based on the terms of the contract.
On issuance of the subordinated debts, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

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

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

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

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

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

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

**xvi) Fair value measurement**
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

**xvii) Taxes on income**

Tax expense comprises current and deferred tax.

**Current income tax**

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

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

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

**Deferred tax**

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

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

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

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

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

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

**xviii) Sales Tax / Goods and service tax**

Sales Tax/ goods and service taxes paid on acquisition of assets or on incurring expenses.
Expenses and assets are recognised net of the amount of sales/ GST paid, except:

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

b) When receivables and payables are stated with the amount of tax included.

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

**xix) Earnings per share**

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

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

**xx) Operating Segment**

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

**xxi) Events after reporting date**

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

**xxii) Recent accounting pronouncement issued but not made effective**

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

**Recent pronouncements**

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

**Standards issued/amended and became effective**

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

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**Disclosure of Accounting Policies - Amendments to Ind AS 1**

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

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

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

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

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

**Definition of Accounting Estimates - Amendments to Ind AS 8**

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

The amendments had no impact on these financial statements.

**2.2 Significant accounting judgements, estimates and assumptions**

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

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

**A Critical accounting estimates and assumptions**

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

**i. Revenue recognition**

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

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

**ii. Trade receivables and unbilled revenue**

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

**iii. Income taxes**

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

**iv. Contingencies**

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

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

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

**vi. Defined benefit plans (gratuity benefits)**

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

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

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

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**vii. Provisions**

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

**viii. Recoverability of advances / receivables**

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

**ix. Evaluation of indicators for impairment of assets**

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

**x. Going concern**

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

**B Significant judgements**

**i Revenue recognition**

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

**ii Property plant and equipment and intangible assets**

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

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CIN: U40101KA2007PLC044809
Notes to financial statements for the year ended 31 March 2024
(All amounts in ₹ million unless otherwise stated)

## 3 Property, plant and equipment

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

**Notes:**

a) Assets are owned and are used for own use, unless otherwise mentioned.

b) Entire property, plant and equipment has been offered as a security to term loan lenders with pari passu charge to working capital as referred to in note 15.

c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

d) Up to FY 2014-15, the Company was charging depreciation on all assets as per CERC guidelines. During FY 2015-16, the Company has obtained expert legal opinion, which opined that the depreciation as per Companies Act, 2013 can be followed for boiler, turbine and generator (BTG) cost with respect to Unit I and Unit II and CTU Transmission Lines which are generating power for bidding based PPA and sale on merchant basis. The Company, during the FY 2016-17, has re-estimated the useful life of assets depreciated under Companies Act, 2013 to 40 years from 25 years.

e) The Company has declared commercial operation of Phase 1 of the project constituting Unit 1, 2 and 3 of 350MW each on 29 April 2013, 11 November 2013 and 24 March 2014 respectively and accordingly the buildings, plant and equipment have been capitalised on that date based on the percentage of completion as certified by the technical team of the Company. Certain common items of Phase 2 which was put to use along with Phase 1 have also been capitalised.
Claims/ counter claims arising out of the project related contracts including Engineering, Procurement and Construction (EPC) contract and Non EPC contracts, on account of delays in commissioning of the project, or any other reason is pending settlement / negotiations with concerned parties. The Company has considered its best estimate of cost on the work completed based on the contract, work and purchase orders issued where the final bills are pending to be received /approved.

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## 4 Capital work in progress (CWIP)

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

**Note:**

(a) Capital work progress includes construction activities relating to Phase II of the power projects amounting to ₹ 1,265.41 million (31 March 2023 ₹ 1265.41 million) which is under temporary suspension due to non-availability of mid-term or long-term PPA.

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

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

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

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

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

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

**(#)** Net of Impairment

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GMR Kamalanga Energy Limited ★ GMR

**5 Right to use assets**

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

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

**Lease liabilities**

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

**Note:**

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

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

b) Lease deed for office space imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. The Company is prohibited from selling or pledging the underlying leased assets as security.

c) Lease deed for leasehold land states that the lessee with the previous consent in writing of the lessor can assign or transfer his interest in the property in favor of any Schedule Bank/Financial Institution/ Life Insurance Corporation for securing loan subject to the condition that such mortgage shall not affect the rights, powers and interest of the Lessor/Government under this deed.

d) Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

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e) **Maturity profile of lease liability**

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

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

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

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

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

**6 Intangible assets**

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

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GMR Kamalanga Energy Limited

7 **Other financial assets**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Non-current** | | |
| **Unsecured, considered good** | | |
| **Carried at amortised cost** | | |
| Bank deposits with remaining maturity of more than 12 months [Refer note (a) & (b) below] | 122.24 | 149.75 |
| Interest accrued but not due | 10.93 | 9.54 |
| **Security deposit** | | |
| Government authorities | 32.43 | 36.93 |
| Other deposits | 47.22 | 0.36 |
| **Total non-current** | **212.82** | **196.58** |
| **Current** | | |
| **Unsecured, considered good** | | |
| **Carried at amortised cost** | | |
| Amount due from related parties [Refer note 37] | 213.10 | 220.92 |
| Interest accrued but not due on fixed deposits | 33.46 | 14.64 |
| Contract assets (Unbilled revenue) [Refer note (c) & (f) bellow and related party Refer note 37] | 7,456.47 | 5,530.66 |
| Other receivables [Refer note (d) below] | 8.65 | 11.37 |
| Security deposit | | |
| Rental deposits | 0.22 | 0.42 |
| **Total current** | **7,711.90** | **5,778.01** |
| **Total** | **7,924.72** | **5,974.59** |

**Notes:**

a) Bank deposits includes margin money deposit against bank guarantee and letter of credit with various banks amounting ₹ 116.46 million (31 March 2023: ₹ 114.24 million).

b) For charges created on bank deposit Refer note 15.

c) Classified as financial asset as right to consideration is unconditional upon passage of time. It includes amount billed after the balance sheet date but till approval of the financial statements of ₹ 2,088.30 million (31 March 2023: ₹ 2,185.71 million).

d) Other receivables includes amount billed towards recovery of Point of Connection Charges (POC), Market Operating Charges (MOC) and System Operating Charges (SOC) to customers amounting to ₹ 2.48 million (31 March 2023: ₹ 1.75 million).

e) The fair value of the said financial asset is not materially different from the carrying value presented.

**f) Contract assets (Unbilled revenue) ageing schedule**

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

8 **Other assets**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Non-current** | | |
| **Unsecured, considered good** | | |
| Capital advances | | |
| - to related party [Refer note 37] | 92.13 | 92.13 |
| - to others | 0.82 | 0.82 |
| Prepaid expenses | 7.65 | 15.66 |
| Indirect taxes deposited under protest | 281.31 | 281.31 |
| **Total non-current** | **381.91** | **389.92** |
| **Current** | | |
| **Unsecured, considered good** | | |
| Advances | | |
| - to suppliers | 1,634.98 | 1,431.61 |
| - to employees | 11.84 | 4.17 |
| Prepaid expenses | | |
| - Commission paid on letter of credit | 0.34 | 1.62 |
| - Others | 41.40 | 40.36 |
| **Total current** | **1,688.56** | **1,477.76** |
| **Total** | **2,070.47** | **1,867.68** |

9 **Inventories**

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

**Notes:**

a) Inventories are valued at lower of cost or net realizable value.

b) For charge created on inventories Refer note 15.

c) For details of fuel consumption refer note 22 and for stores and spares consumption refer note 26.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

**GMR Kamalanga Energy Limited**
**CIN: U40101KA2007PLC044809**
**Notes to financial statements for the year ended 31 March 2024**
(All amounts in ₹ million unless otherwise stated)

## 10 Trade receivables

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

**Notes:**

a) For charges created on trade receivables Refer note 15.

b) Trade receivables are interest bearing and are generally on terms up to 60 days.

c) Trade receivable includes claim on Bihar Discom with regard to coal pass through of ₹ 445.31 million as on 31 March 2024 (31 March 2023: ₹ 2,109.73 million).

d) PTC India Limited (Haryana Discoms) has not paid Company's claim on coal pass through approximating to ₹ 4,789.10 million (31 March 2023 : ₹ 3,637.38 million).

e) GRIDCO Limited has withheld ₹ 3,231.38 million (31 March 2023: ₹ 2,865.06 million) billed as per CERC Tariff determination Order dated 29 June 2018 and balance is pending for reconciliation. Further debtors includes ₹ 788.02 million (31 March 2023: ₹ 788.02 million) towards late payment surcharge invoice raised based on CERC Order dated 04 February 2020 in case no-115/MP/2019. The management is pursuing for reconciliation with GRIDCO Limited and has completed quantitative reconciliation and is in the process of resolving the differences which are not material. In view of the above, the said amount is considered good and hence no provision has been created in the books by the Company.

f) Credit concentration:
As on balance sheet date trade receivables (excluding unbilled revenue) from State Electricity Distribution Companies (DISCOMS) under long term power purchase agreement constitutes 87.61% (31 March 2023 :84.87%).

g) Expected credit loss (ECL)
The Company is having majority of receivables from State Electricity Distribution Companies which are Government undertakings and group companies and hence are secured. The Company is generally receiving its normal power sale dues from its customers and in case of disputed amount not being received, the same is recognized on conservative basis which carries interest as per the terms of PPA. Hence they are secured from credit losses in the future. Allowances, if any, for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past deferment experience of the counterparty. The expected credit loss allowance is based on the ageing of the receivables that are due and company's past experiences. The Management does not foresee any expected credit loss in the near future on the same which requires provisioning currently.

h) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

i) The fair value of receivables are not materially different from the carrying value presented.
For explanations on the Company's credit risk management processes, Refer note 29

j) Movements in allowance for credit losses of receivables is as below:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Opening balance** | 19.56 | 19.56 |
| Add: Allowance made during the year | - | - |
| Less: Write off during the year | - | - |
| **Closing balance** | **19.56** | **19.56** |

k) Break up of security details:

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

**l) Trade receivable ageing schedule**

| Particulars | Not due | Outstanding for following periods from due date of payments | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **As at 31 March 2024** | | | | | | | |
| Undisputed trade receivables-considered good | - | 2,453.62 | 1,178.58 | 586.49 | 71.30 | 1,233.68 | 5,523.67 |
| Undisputed trade receivables-which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables-credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables-considered good | - | 590.75 | 705.99 | 2,569.59 | 135.42 | 2,957.70 | 6,959.45 |
| Disputed trade receivables-which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables-credit impaired | - | - | - | - | - | 19.56 | 19.56 |
| **Total** | - | **3,044.37** | **1,884.57** | **3,156.08** | **206.72** | **4,210.94** | **12,502.68** |
| **As at 31 March 2023** | | | | | | | |
| Undisputed trade receivables-considered good | - | 2,078.20 | 894.28 | 74.68 | 360.50 | 1,869.13 | 5,276.79 |
| Undisputed trade receivables-which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables-credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables-considered good | - | 2,796.99 | 1,540.69 | 1,675.62 | 351.30 | 1,674.87 | 8,039.47 |
| Disputed trade receivables-which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables-credit impaired | - | - | - | - | - | 19.56 | 19.56 |
| **Total** | - | **4,875.19** | **2,434.97** | **1,750.30** | **711.80** | **3,563.56** | **13,335.82** |

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

GMR Kamalanga Energy Limited

## 11 Cash and cash equivalents

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

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

## 12 Bank balances other than cash and cash equivalents

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

**Note**
a) For charges created on other bank balances refer note 15.
b) Includes margin money deposit against letter of credit and bank guarantee ₹ 927.42 million (31 March 2023 : ₹ 727.58 million).
c) The fair value of other bank balances are not materially different from the carrying value presented.

## 13 Equity share capital

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

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

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

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

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

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

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

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

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

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

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

**f) Details of promoter shareholding**

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

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

g) As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

h) The Company has not issued shares for consideration other than cash, during the period of five years immediately preceding the reporting date.

i) 157,635,948 (31 March 2023 : 157,635,948) number of equity shares were issued but were uncalled and not subscribed by GMR Energy Limited (Holding Company).

j) Refer note 37 for related party disclosures.

## 14 Other equity

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

**Notes:**

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

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

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

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

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

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

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GMR Kamalanga Energy Limited ★ GMR

**15 Borrowings**

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

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

**Notes:**

**a) Nature of security**

**Rupee term loan from banks**

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

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

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

**b) Terms of repayment**

**Rupee term loan from banks**

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

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

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

**c) Promoters subordinated debt**

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

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

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

**d) Cash credit facilities**

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

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

**e) Loan from related party (unsecured)**

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

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**16(a) Lease liabilities**

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

**16(b) Other financial liabilities**

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

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

**17 Other liabilities**

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

**Notes:**

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

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

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

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

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

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

**18 Trade payables**

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

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GMR Kamalanga Energy Limited ★ GMR

**Notes:**

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

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

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

c) Represents Letter of Credit accepted and discounted by the Company. Letter of Credit facility are part of the working capital facility sanctioned by the banks and are secured as given in note 15(d). Acceptances denote letter of credit discounted with other banks.
d) The fair value of trade and other payables is not materially different from the carrying value presented.
e) Terms and conditions of the above financial liabilities:
For explanations on the Company's credit risk management processes, refer note 29.

**f) Ageing schedule of trade payables**

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

## 19 Provisions

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

**Note:**

a) **Movement of provision for decommissioning liability**

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

b) **Movement of provision for rebate** *

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

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

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**20 Revenue from operations**

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

**Notes:**

**1 Bihar PPA**

a. The Company, under long term Power Purchase Agreement (the PPA), has committed to sell up to 260 MW with Bihar State Power (Holding) Company Limited [erstwhile Bihar State Electricity Board] ("Bihar Discoms") under Section 63 of the Electricity Act, 2003 (i.e. competitive bidding). The Company claimed compensation for various change-in-law (CIL) events, including compensation for additional fuel cost on account of shortage of linkage coal, in accordance with the power purchase agreement and filed petitions with Central Electricity Regulatory Commission (CERC) regarding the same.

b. The CERC in its order dated 07 April 2017 disallowed the Company's claim on coal cost pass through stating that changes in fuel supply agreement and deviation in New Coal Distribution Policy (NCDP) was not a change in law event. The Company had filed an appeal with Appellate Tribunal for Electricity (APTEL) against the CERC order.

c. Hon'ble Supreme court on 11 April 2017 in Energy Watchdog vs CERC and others concluded in its order that deviation in NCDP policy would constitute to change in law event.

d. Subsequent to the same on 20 March 2018, CERC in the Company's case against PTC India Limited (Haryana Discoms) in petition no. 105/MP/2017 read along with IA No. 42 /2017, respectively following the Supreme Court judgement, held that deviation in NCDP is a change in law event and upheld the Company's claim of coal cost pass through along with the method for computation of coal cost pass through.

e. The Company has received a favourable order on 16 September 2019 whereby the CERC had allowed the coal cost pass through to be charged to the Bihar Discoms, based on a certain methodology. However, the Company has filed a review petition with The Hon'ble Appellate Tribunal for Electricity dated 14 November 2019 against this methodology. The Hon'ble Appellate Tribunal passed an Order in Appeal no - 423 on 06 August 2021 allowing the Company to recover expenditure incurred in procurement of alternate coal due to short fall in domestic coal supply corresponding to schedule generation pertaining to Bihar PPA and further allowed the Company to recover the carrying cost from the date of Change in Law events till the dues are paid. Accordingly, the Company had reversed excess revenue recognized on coal cost pass through claims and carrying cost thereon for the period from 01 September 2014 to 31 July 2021 amounting to ₹ 609.18 million (including net impact of carrying cost recognised amounting to ₹ 397.12 million) during the the financial year 2021-22. The total outstanding receivable (including unbilled revenue amounting to ₹ 1,378.37 million) from Bihar Discoms amounts to ₹ 2,257.06 million as at 31 March 2024. Based on the favourable order received from Hon'ble Supreme Court dated 20 April 2023, the Company expects to recover the receivables shortly.

**2 Haryana PPA**

a. The Company, under long term Power Purchase Agreement (the PPA), has committed to sell up to 300 MW with Uttar Haryana Bijli Vidyut Nigam Limited and Dakshin Haryana Bijli Vidyut Nigam Limited ("Haryana Discoms") through PTC India Limited (PTC) under Section 63 of the Electricity Act, 2003 (i.e. competitive bidding).

b. The Company had filed petitions before CERC claiming additional tariffs considering various change in law events for variable cost components and has recognized the revenues based on the CERC orders received. In respect of these orders, the Appellate Tribunal for Electricity (APTEL), New Delhi has concluded that CERC has jurisdiction to determine the tariff and has dismissed the appeals filed by the GRIDCO and PTC India Limited (Haryana Discoms) thereby upholding the Tariff determined by CERC. The Company had also filed petition for recovery of dues with CERC wherein the CERC in its order dated 20 March 2018 has directed PTC India Limited to pay the above dues with late payment interest and reaffirmed the CERC order dated 03 February 2016 on change in law claims including Coal Cost Pass Through. The management is of the view that it would not be unreasonable to expect ultimate collection of the amount involved, accordingly the Company has recognized the same as revenue from operations.

c. The CERC vide Order no – 79/MP/2013 dated 03 February 2016 had prescribed a formula and methodology to calculate compensation towards shortfall of linkage coal. The Company raised invoices towards coal pass through based on the said Order. However, Haryana Discoms disputed the Order and challenged the matter before APTEL and did not pay for the bills raised. APTEL in its judgement dated 20 December 2019 upheld the CERC Judgement and directed Haryana Discoms to pay the amount along with the late payment surcharge (LPS). The Order dated 20 December 2019 was again challenged by Haryana Discoms before Supreme Court. However, an agreement was signed on 02 September 2020 between the Company and Haryana Discoms without prejudice to case pending before Supreme Court and agreed to a separate formula of change in law, coal pass through and LPS. Haryana Discoms agreed to pay 50% of revised value as per the agreed formula, remaining 50% amount will be paid by Haryana Discoms post receipt of favourable Supreme Court Order.

**3 GRIDCO PPA (Orissa)**

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

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

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

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**4 Regulatory Receivable from Haryana and GRIDCO Discoms**

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

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

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

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

**Trade receivables**

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

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

**Contract asset - Unbilled revenue**

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

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

**Contract liability - Advance received from customers**

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

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

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

**21 Other income**

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

**22 Cost of fuel consumed**

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

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## 23 Employee benefits expense

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

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

## 24 Finance costs

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

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

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

## 25 Depreciation and amortisation expenses

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

## 26 Other expenses

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

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

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

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**(b) Corporate social responsibility expenses ('CSR'):**
As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised on the activities which are specified in Schedule VII of the Act.
(a) Gross amount required to be spent as per the limits of Section 135 of the Act: ₹ 26.21 Millions (Year ended 31 March 2023: ₹ 4.64 Millions)
(b) Details of amount spent:

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

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

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

(d) Movement in provision:

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

(e) The nature of CSR activities undertaken by the Company is as follows:
(i) Ensuring environmental sustainability
(ii) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other disease
(iii) Promoting of education

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**27 Income tax**

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

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

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

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

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

**27.3 Non-current tax assets (net):**

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

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

**Deferred tax:**

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

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

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

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

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

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

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

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## 28 Financial Instruments

### (a) Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

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

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

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

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

### (b) Fair value hierarchy

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

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

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

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

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

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

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

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## 29 Financial risk management

**Financial Risk Factors**

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

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

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

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

### (a) Market risk

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

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.

The following assumptions have been made in calculating the sensitivity analysis.

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

**(i) Foreign currency risk**

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

**Foreign currency sensitivity**

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

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

**(ii) Interest rate risk**

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

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

**Interest rate sensitivity**

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

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

### (b) Commodity price risk

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

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**(c) Credit risk**

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

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

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

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

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

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

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

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

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

**Movement in the impairment allowance in respect of trade receivables:**

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

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**(d) Liquidity risk**

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

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

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

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

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

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

**(e) Capital management**

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

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

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

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

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

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

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

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**GMR Kamalanga Energy Limited**
**CIN: U40101KA2007PLC044809**
**Notes to financial statements for the year ended 31 March 2024**
(All amounts in ₹ million unless otherwise stated)

## 30 Financial ratios

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

**Note 1:**
(a) Debt = Non-current borrowings + current borrowings
(b) Net worth = Paid-up share capital + reserves created out of profit - accumulated losses + Equity component of other financial instruments (net of taxes)
(c) EBITDA = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest.
(d) Debt service = Interest and lease payments + principal repayments
(e) Cost of goods sold = Cost of fuel consumed
(f) Purchase = cost of materials consumed + closing inventory of raw materials - opening inventory of raw materials
(g) Working Capital = current assets - current liabilities
(h) EBIT = Earnings before interest and tax and exceptional items
(i) Capital employed = tangible net worth (total assets - total liabilities - intangible assets) + total debt

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

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## 31 Earning per share (EPS)

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

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

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

## 32 Contingent liabilities, capital and other commitments

**i. Contingent liabilities**

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

**Notes:**

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

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

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

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

The Company in order to buy peace and close the litigation, has filed a declaration u/s 4 of the Direct Tax Vivad-Se-Vishwas Act, 2020 (Act) for AY 2012-13 2013-14 and 2014-15. The relevant declaration in Form-1 and 2 has been filed electronically by the company on 27 February 2021. Subsequently, as per Section 4(2) of the Act, upon filing the declaration u/s 4 of the Act, the appeal pending before the CIT(A) shall be deemed to be withdrawn from the date of issuance of the certificate u/s 5(1) of the Act, the said certificate was issued on 12 March 2021. Therefore, tax paid by the Company under protest for AY-2012-13 and 2013-14 of ₹ 7.96 million and ₹ 10.63 million were expensed off during the financial year 2020-21. Tax paid under the Scheme for AY 2012-13 of ₹ 1.98 million was expensed off during the financial year 2021-22.
The Management of the Company is hopeful of getting favourable order and does not foresee any financial implication on the financial statements and no provision is considered necessary.

c) The management is of the opinion that the grant of Long Term Open Access (LTOA) is beyond the generation capacity of the plant and requirement of reduction of LTOA was not on Company's own accord but was forced due to reasons attributable to implementing agencies. The Company is hopeful of getting relief as requested in its petition before APTEL and does not foresee any financial implication on such relinquishment that requires any adjust.
The Company had also entered into Bulk Power Transmission Agreement (BPTA) with Power Grid Corporation of India Limited (PGCIL) for availing (LTOA) for inter-state transmission of 220 MW of power to western region from its fourth unit of generating station on long term basis in future. The said BPTA was amended with revision in its commissioning schedule to September 2017. The Company provided bank guarantees of ₹ 110 million against the said BPTA. The Company was unable to get longer term or medium term PPA for the generation of 4th Unit and had to temporarily suspend its construction and since the matter was beyond the control of the Company, it surrendered the transmission facility under force majeure conditions. The Company had filed a petition with CERC to consider the relinquishment under force majeure without any liability to the Company.

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

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

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

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e) The Company has entered into an revise arrangement with Water Resource Department, Government of Odisha for 20 cusec of water for industrial use. The said department has laid a one time charge of ₹ 25 million/cusec of water as contribution to water conservation fund. The Company contends that the Water Conservation Fund and Water Resource Department have no authority of law for levying such taxes and have filed a Writ Petition Bearing No 14747/17 in the Odisha High Court. The Company has got interim Order from Honourable High Court on 31 July 2017 on the said Deposit Demand. The Company's contention is that the taxes and other charges required to be paid by the Company for consumption of water are being duly paid. The Management of the Company is hopeful of getting favourable order and does not foresee any financial implication on the financial statements and no provision is considered necessary.

f) The Supreme Court had passed an order dated 28 February 2019 stating that for the purpose of contribution to be made under the Employees Provident Fund and Miscellaneous Provisions Act, 1956 ('EPF Act'), the definition of basic wages includes all emoluments paid in cash to the employees in accordance with the terms of their contract of employment. In view of the same, the Company is liable to make further contribution towards Provident Fund on the entire salary paid by it to its employees other than certain emoluments based on performance and variable. However there is no clarity on effective date from when the liability is required to be paid by the Company. The Company is not able to estimate the provident fund liability arising in view of the order. The Company further is of the view that the liability payable on account of retrospective effect if any will be accounted and paid on clarification if any provided by the Provident Fund Authorities and the impact of the same, if any, will not be material.

g) Various writ petitions was filled before the Hon'ble High Court and the District Court by the sub-contractors against the EPC contractor (SEPCO) for settlement of their dues and the Company was made a party to the said petitions. These cases were dismissed except one on account of non-prosecution by the Court. The Management of the Company is hopeful of getting favourable order and does not foresee any financial implication on the financial statements and no provision is considered necessary.

**ii. Capital and other commitments**

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

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

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

**35 Employee benefits**

**a) Defined contribution plans:**
The Company's contribution to provident and pension fund and superannuation fund charged to statement of profit and loss are as follows:

| **Particulars** | **As at 31 March 2024** | **As at 31 March 2023** |
|---|---|---|
| Provident and pension fund | 24.64 | 21.11 |
| Superannuation fund | 5.37 | 5.61 |
| **Total** | **30.01** | **26.72** |

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

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

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

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

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

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Current Service Cost | 5.24 | 4.58 |
| Past Service Cost | - | - |
| Net interest on net defined benefit asset | 1.77 | 1.03 |
| **Total expense** | **7.01** | **5.61** |
| **v) Recognised in other comprehensive income for the year** | | |
| Remeasurement of actuarial gain/(loss) arising from | | |
| - changes in experience adjustments | 3.09 | 5.63 |
| - changes in financial assumption | 1.32 | (0.79) |
| - changes in demographic assumptions | - | - |
| - return on plan assets excluding interest income | - | (2.16) |
| **Recognised in other comprehensive income** | **4.41** | **2.68** |
| **vi) Quantitative sensitivity analysis for significant assumptions is as below:** | | |
| **Increase / decrease on present value of defined benefit obligation as at year end** | | |
| (i) one percentage point increase in discount rate | (4.21) | (3.62) |
| (ii) one percentage point decrease in discount rate | 4.84 | 4.16 |
| (iii) one percentage point increase in salary escalation rate | 4.21 | 3.70 |
| (iv) one percentage point decrease in salary escalation rate | (3.82) | (3.34) |
| (v) one percentage point increase in employee turnover rate | 0.35 | 0.41 |
| (vi) one percentage point decrease in employee turnover rate | (0.40) | (0.45) |

**vii) Expected benefit payments:**

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

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

**Sensitivity Analysis Method**

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

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

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

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

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

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

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

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

**Notes:**

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

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

c) **Compensated absences**

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

**36 Operating lease**

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

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

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

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GMR Kamalanga Energy Limited

GMR Kamalanga Energy Limited
CIN: U40101KA2007PLC044809
Notes to financial statements for the year ended 31 March 2024
(All amounts in ₹ million unless otherwise stated)

**37 Related party disclosures**

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

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

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

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

**Details of the transactions are as follows**

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

GMR Kamalanga Energy Limited

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|---|---|
| **k. Reimbursement of expenses incurred on behalf of Company:** | | |
| GMR Energy Trading Limited [GETL] | | |
| Transmission charges | 58.81 | 118.01 |
| GMR Varalakshmi Foundation [GVF] | | |
| Community development expenses | 10.46 | 9.04 |
| Delhi International Airport Limited [DIAL] | | |
| Vehicle running and maintenance expenses | - | 0.03 |
| Delhi International Airport Limited [DIAL] | | |
| Other Expenses | - | 0.02 |
| GMR Energy Trading Limited [GETL] | | |
| Vehicle running and maintenance expenses | - | 1.72 |
| GMR Energy Trading Limited [GETL] | | |
| Repair and maintenance expenses hardware and software | 12.46 | - |
| GMR Green Energy Limited [GGEL] | | |
| Consultancy and Professional Charges | 1.40 | - |
| GMR Energy Trading Limited [GETL] | | |
| Employee cost transferred | 14.98 | - |

**Detail of balances are as follows**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **a. Equity share capital held by** | | |
| GMR Energy Limited [GEL] | | |
| Opening balance | 20,977.53 | 20,034.40 |
| Add: Acquired by GMR Energy Limited during the year (Refer note 13) | - | 943.13 |
| Closing balance | 20,977.53 | 20,977.53 |
| **b. Unsecured Subordinated debt / equity component from** | | |
| GMR Energy Limited [GEL] | | |
| Opening balance before fair value | 4,109.16 | 4,109.16 |
| Add: Received during the year | - | - |
| Closing balance before fair value | 4,109.16 | 4,109.16 |
| Less: Amount transferred to equity components, net of taxes | (3,854.01) | (3,854.01) |
| Add: Notional interest on debt component since beginning | 914.76 | 773.83 |
| Fair valued Subordinated debt closing balance | 1,169.91 | 1,028.98 |
| Equity components of Subordinated debt, net of taxes | 2,567.38 | 2,567.38 |
| **c. Unsecured Inter-Corporate Loan and interest payable thereon from** | | |
| GMR Generation Assets Limited [GGAL] | - | 2,532.97 |
| GMR Consulting Services Limited [GCSL] | 2,532.97 | - |
| **d. Lease liability** | | |
| Delhi International Airport Limited [DIAL] | | |
| Opening balance/Initial recognition of ROU asset by creating ROU liability | 22.37 | 40.66 |
| Add: Notional interest | 1.24 | 3.68 |
| Less: Liability transferred for payment | (23.61) | (21.97) |
| Closing balance | - | 22.37 |
| **e. Capital advance paid towards civil works** | | |
| GMR Power and Urban Infra Limited [GPUIL] | 92.13 | 92.13 |
| **f. Trade receivable (including unbilled revenue) from** | | |
| GMR Energy Trading Limited [GETL] | 1,822.09 | 2,147.49 |
| **g. Amount due from** | | |
| GMR Generation Assets Limited [GGAL] | 212.55 | 212.55 |
| GMR Goa International Airport Limited [GGIAL] | - | 7.82 |
| RAXA Security Services Limited [RSSL] | 0.55 | 0.55 |
| GMR Power and Urban Infra Limited [GPUIL] | - | 1.52 |
| **h. Trade payables** | | |
| Delhi International Airport Limited [DIAL] | 47.22 | 45.12 |
| GMR Varalakshmi Foundation [GVF] | - | 1.61 |
| GMR Coal Resource PTE Ltd [GCRPL] | 3.94 | 3.88 |
| GMR Corporate Affairs Private Limited [GCAPL] | - | 0.47 |
| RAXA Security Services Limited [RSSL] | 6.91 | 9.60 |
| GMR Vemagiri Power Generation Limited [VPGL] | 0.35 | 0.35 |
| GMR Power and Urban Infra Limited [GPUIL] | 42.37 | 0.03 |
| GMR Airport Developers Limited [GADL] | 0.12 | 0.12 |
| GMR Energy Trading Limited [GETL] | 70.83 | 1.68 |
| GMR Infrastructure (Singapore) Pte Limited [GISPL] | 2.27 | 2.27 |

**Note:**

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Kamalanga Energy Limited

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

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

* - includes amount payable as per books of account in CNY, however the payment will be made in equivalent USD.
# - represents advance of USD 15,655,689 (31 March 2023 : USD 16,452,610) netted off with liability.

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

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

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

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GMR Kamalanga Energy Limited ★ GMR

GMR Kamalanga Energy Limited
CIN: U40101KA2007PLC044809
Notes to financial statements for the year ended 31 March 2024
(All amounts in ₹ million unless otherwise stated)

41 **Other Statutory Information**

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
b. The Company does not have any transactions or any balances with struck off companies during the current year or previous year and hence no seperate disclosure has been made.
c. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
d. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
e. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
f. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
g. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
h. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
i. The Company has complied with the number of layers prescribed under the Companies Act, 2013.
j. The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

42 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.
The Company is using an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, except that the audit trail logs for direct changes in data at database level for accounting software is available only for 7 days. The retention of edit logs for more than 7 days will require huge data space and accordingly, the Company has implemented additional control, wherein alerts generated through these logs are monitored at the Security operation Centre.

43 Previous year figures which are not material have been re-grouped / re-classified wherever necessary, to conform to current year's classification. The impact of such reclassification/ regrouping is not material to the financial statement.

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

As per our report of even date attached

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

**Manish Agrawal**
Partner
Membership No.: 507000

Place: Ghaziabad
Date: 30 April 2024

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS

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

**Dhananjay Deshpande**
Director
DIN: 07663196

Place: Kamalanga
Date: 30 April 2024

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

Place: New Delhi
Date: 30 April 2024

**Piyusa Mohanty**
Chief Financial Officer

Place: Kamalanga
Date: 30 April 2024

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

Place: New Delhi
Date: 30 April 2024

GMR Kamalanga Energy Limited ★ GMR