GMR Warora Energy Limited

Corporate Office:
Airport Building 302, 1st Floor,
New Shakti Bhawan
New Udaan Bhawan Complex,
Near Terminal 3, IGI Airport,
New Delhi-110037
CIN U40100MH2005PLC155140
T +91 11 49882200
F +91 11 49882227
W www.gmrgroup.in

September 07, 2021

To
Bombay Stock Exchange
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai- 400001

Dear Sir/ Madam,

Sub: Annual Report under Regulation 53 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Company Code: 10776; Company: GMR Warora Energy Limited

This is to inform you that the Annual General Meeting of GMR Warora Energy Limited is scheduled to be held on Thursday, September 30, 2021, at 11:00 am at the corporate office of the Company at New Shakti Bhawan, New Udaan Bhawan Complex, Opposite T-3, IGI Airport, New Delhi-110037.

Please find enclosed the annual report of the Company for the financial year ended 31st March, 2021.

This is for your records.

Thanking you,

Yours Faithfully,
For GMR Warora Energy Limited

Company Secretary
M. No. F8649

Regd. Office:
701/704, 7th Floor, Naman Centre,
A Wing Bandra Kurla Complex, Bandra (East),
Mumbai, Maharashtra, India - 400051
Site Office:
Plot No. B-1 & B7, Mohabala MIDC Growth Centre,
Post & Tehsil- Warora, Dist. Chandrapur,
Maharashtra 442907

GMR WARORA ENERGY LIMITED
Regd Off: 701, 7th Floor, Naman Centre, A-Wing
Bandra Kurla Complex, Bandra, Mumbai – 400 051
(CIN: U40100MH2005PLC155140; T: 022- 42028000; website: www.gmrgroup.in)

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Thursday, September 30, 2021, at 11:00 AM at the corporate office of the Company at New Shakti Bhawan, New Udaan Bhawan Complex, Opposite T-3, IGI Airport, New Delhi-110037, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements viz. Balance Sheet as at March 31, 2021 together with the Statement of Profit and Loss for the year ended on that date, and Board's report and Auditors report thereon.

2. To appoint a director in place of Mr. Dhananjay Deshpande (DIN 07663196), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. RATIFICATION OF REMUNERATION OF THE COST AUDITOR

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 all other applicable provisions 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 2021-22, be paid a remuneration of Rs.1,00,000/-(Rupees One Lakh only) plus out of pocket expenses to be reimbursed on actual basis and other applicable taxes.

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

4. APPROVAL FOR APPOINTMENT OF DR. KAVITHA GUDAPATI AS A DIRECTOR OF THE COMPANY (DIN: 02506004)

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 160 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act', which expression shall include any statutory modification or re-enactment thereof), Dr. Kavitha Gudapati (DIN: 02506004), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 20, 2021 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 on the date of this Annual General Meeting and in respect of whom the Company has received a notice from one of the Members proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retirement by rotation."

5. APPROVAL FOR RE-APPOINTMENT OF DR. M. RAMACHANDRAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY (DIN: 01573258)

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 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), Dr. M. Ramachandran

(DIN: 01573258) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby reappointed as an Independent Director of the Company, to hold office for a period of 5 consecutive years, up to the Annual General Meeting to be held in the year 2026."

By Order of the Board
For **GMR Warora Energy Limited**

Sanjay Kumar Babu
Company Secretary

Date: July 26, 2021
Place: New Delhi

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" 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. Relevant details of Director retiring by rotation at this Meeting as per the provisions of the Act and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the "Annexure A" to the Notice. Details of Directors seeking appointment / re-appointment at this Meeting are mentioned in explanatory statement.

ANNEXURE TO NOTICE
Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

The Board in its meeting held on July 26, 2021, on the recommendation of the Audit Committee, had approved the appointment 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 ended March 31, 2022 at remuneration as detailed in the resolution.

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, 2022

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice, for approval by the members.

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 these resolutions.

Item No. 4

Dr. Kavitha Gudapati was appointed as an Additional Director of your Company with effect from February 20, 2021 vide circular resolution of the Board of Directors passed on February 20, 2021 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 from a shareholder in terms of the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the Directorship of the Company, at the ensuing Annual General Meeting.

The Nomination and Remuneration Committee of Board of Directors and the Board of Directors in their respective meetings held on July 26, 2021, have recommended the appointment of Dr. Kavitha Gudapati as a Director of the Company, whose period of office shall be liable to retire by rotation.

Details of Dr. Kavitha Gudapati as per Secretarial Standards-2 (SS-2):

S. No.	**Particulars**	**Dr. Kavitha Gudapati**
1.	DIN	02506004
2.	Date of Birth	November 14, 1974
3.	Age	46 Years
4.	Qualifications	PhD. Management
5.	Experience and Expertise in specific functional area	Dr. Kavitha Gudapati is an Organizational Psychologist, facilitator, family business advisor and a certified leadership Coach. She has a Doctorate in Management, specializing in Organizational Behaviour, an MA in Psychology and a Post Graduate diploma in basic and advanced counselling skills. She is a Certified Coach recognized by the ICF (International Coach Federation), also has a ACC – Erickson coach certification. She has been trained by Dr. Marshall Goldsmith on his approach towards executive coaching. She has ICF Approved Certificate Program in "Appreciative Coaching" by Fielding Graduate University. She has also undergone Basic Human processes lab and Advanced Human processes lab under ISABS. She has undergone family business Executive Education Programs offered by ISB – Indian School of Business, Hyderabad. She has over fifteen years of experience covering a wide range of industries and projects. She has consulted and trained with several organizations such as Bharath Dynamics Limited, VOLVO, DRDL, Deloitte, GE- Money, PWC, GMR, Dr.

		Reddy's, Satyam Computers, Airtel, BSNL, BAAN, Intelle Group, BSNL, Navayuga Infotech, Cyberabad Police, Neospark etc.
6.	Date of first appointment on the Board of the Company	February 20,2021
7.	Number of shares held in the Company	-
8.	List of the directorships held in other companies as on March 31, 2021	• GMR Kamalanga Energy Limited • GMR Generation Assets Limited • GMR Kishangarh Udaipur Ahmedabad Expressways Limited • GMR Hyderabad Vijayawada Expressways Private Limited • GMR Air Cargo and Aerospace Engineering Limited • GMR Ambala-Chandigarh Expressways Private Limited • GMR Highways Limited • GMR Hospitality and Retail Limited
9.	List of the Membership in Committees held in other companies as on March 31, 2021	Audit Committee: • GMR Hyderabad Vijayawada Expressways Private Limited • GMR Air Cargo and Aerospace Engineering Limited • GMR Ambala-Chandigarh Expressways Private Limited • GMR Highways Limited Nomination & Remuneration Committee: • GMR Hyderabad Vijayawada Expressways Private Limited • GMR Air Cargo and Aerospace Engineering Limited • GMR Ambala-Chandigarh Expressways Private Limited • GMR Highways Limited CSR Committee: • GMR Air Cargo and Aerospace Engineering Limited • GMR Highways Limited • GMR Hospitality and Retail Limited
10.	Number of Board Meetings attended during the year 2020-21	The details of meetings attended during the year are provided in the Board's Report 2020-21
11.	Relationship with other Directors, and other Key Managerial Personnel	N.A.
12.	Terms of appointment / remuneration	As per the Nomination and Remuneration Policy of the Company Annexed to the Board's Report 2020-21. Sitting fees as approved by the Board

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Dr. Kavitha Gudapati is appointed as Director on the Board of the Company. The Company has received her consent and requisite disclosures for the aforesaid appointment.

Save and except Dr. Kavitha Gudapati, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution for approval of the shareholders.

Item No. 5

Dr. M. Ramachandran was appointed as an Independent Director of the Company w.e.f January 09, 2018 and is holding office till the ensuing Annual General Meeting to be held in the year 2021. This being the first term of Dr. M. Ramachandran, he can be appointed for another term as an Independent Director of the Company.

Pursuant to Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, an independent director shall hold office for a term up to 5 (five) consecutive years and is eligible for reappointment for another term of up to 5 (five) consecutive years on passing of special resolution by the Company and disclosure in the Boards' Report. The Independent Director is not liable to retire by rotation.

Details of Dr. M. Ramachandran as per Secretarial Standards-2 (SS-2):

S. No.	Particulars	Dr. M. Ramachandran
1.	DIN	01573258
2.	Date of Birth	June 14, 1950
3.	Age	71 Years
4.	Qualifications	PhD.
5.	Experience and Expertise in specific functional area	Dr. M. Ramachandran, a retired officer of Indian Administration Service has held various prestigious positions in his early years of service like that of Collector and District Magistrate of Bijnor and Rae Bareli in Uttar Pradesh, Divisional Commissioner of Meerut, Garhwal & Bareilly Divisions where he took various new initiatives and received the appreciation of public. As the First National Officer on deputation to United Nations Development Programme (UNDP), India, he has handled assignment as Head of the Industry Trade Sector Programme supervising Project formulation and implementation covering Ministries of Industry, Commerce, Textiles, Steel, Electronics, etc. He developed India's 1st Leather Sector and Jute sector Programmes totaling $38 million and obtained approval by presenting these two programs before the UNDP's Governing Council at New York. Apart from the International assignment and the postings in the States of U.P. and Uttaranchal he has also served as Private Secretary to Union Minister of State in the Ministries of Industries, Finance, Commerce, Internal Security, and Power. He has also worked for the Government of India as Joint Secretary, Ministry of Shipping. He has served as Principal Secretary to Chief Minister of Uttaranchal, Additional Chief Secretary in-charge of Infrastructure, supervising and coordinating 16 departments and structured the Infrastructure Vision for the State and his initiatives have enabled the State to be on the path of steady development and have been responsible for rapid industrialization of the State. He has held the position of Chairman of State Industrial Development Corporation and of Infrastructure Development Corporations as Joint Ventures of IDFC and IL&FS. He was Secretary, Ministry of Urban Development in Government of India. He was Chairman of the Metro Rail Corporation of Delhi, Bangalore, Kolkata and Chennai. Dr. M Ramachandran holds a post graduate degree in Economics and is a Master of Philosophy in the subject of Economic Planning from University of Glasgow. He has a PhD. in Project Planning.
6.	Date of first appointment on the Board of the Company	January 09, 2018
7.	Number of shares held in the Company	-
8.	List of the directorships held in other companies as on March 31, 2021	• GMR Bajoli Holi Hydropower Private Limited • GMR Kamalanga Energy Limited • Sanmarg Projects Private Limited • Delhi International Airport Limited • GMR Energy Limited

		• Cochin Smart Mission Limited • GMR Visakhapatnam International Airport Limited
9.	List of the Membership in Committees held in other companies as on March 31, 2021	Audit Committee: • GMR Bajoli Holi Hydropower Private Limited • GMR Kamalanga Energy Limited • Delhi International Airport Limited • GMR Energy Limited • Cochin Smart Mission Limited Nomination & Remuneration Committee: • GMR Bajoli Holi Hydropower Private Limited • GMR Kamalanga Energy Limited • Delhi International Airport Limited • GMR Energy Limited • Cochin Smart Mission Limited CSR Committee: • GMR Bajoli Holi Hydropower Private Limited • GMR Kamalanga Energy Limited • GMR Energy Limited
10.	Number of Board Meetings attended during the year 2020-21	The details of meetings attended during the year are provided in the Board's Report 2020-21
11.	Relationship with other Directors, and other Key Managerial Personnel	N.A.
12.	Terms of appointment / remuneration	As per the Nomination and Remuneration Policy of the Company Annexed to the Board's Report 2020-21. Sitting fees as approved by the Board

Keeping in view his vast experience and expertise and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends the resolution for approval by the shareholders as a Special resolution.

The Company has received declaration from Dr. M. Ramachandran that he meets the criteria for independence as prescribed under section 149 of the Act. He is not disqualified from being 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 Dr. M. Ramachandran, to whom the resolution relates, is interested or concerned in the resolution.

All documents referred to in the Explanatory Statement are open for inspection at the Registered Office of the Company 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

By Order of the Board
For **GMR Warora Energy Limited**

Sanjay Kumar Babu
Company Secretary

Date: July 26, 2021
Place: New Delhi

Annexure A

Details of Director retiring by rotation seeking re-appointment at this Meeting

S. No.	Particulars	Mr. Dhananjay Deshpande
1.	DIN	07663196
2.	Date of Birth	October 31, 1962
3.	Age	58 Years
4.	Qualifications	MBA
5.	Experience and Expertise in specific functional area	Mr. Dhananjay Deshpande is the whole-time director of the Company. He is a BE. (Mech) from Govt Engineering College, Aurangabad and MBA from Marathwada University. He has over 30 years of rich experience in Power Plant (O & M), Commissioning management, strategic sigma methodology, 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-president (Operation Services), Reliance Energy Limited, MSEB, Chandrapur & Nasik Thermal Power Station Eklahre and NRB Pvt. Ltd.
6.	Date of first appointment on the Board of the Company	November 23, 2016
7.	Number of shares held in the Company	-
8.	List of the directorships held in other companies as on March 31, 2021	NIL
9.	List of the Membership in Committees held in other companies	NIL
10.	Number of Board Meetings attended during the year 2020-21	The details of meetings attended during the year are provided in the Board's Report 2020-21
11.	Relationship with other Directors, and other Key Managerial Personnel	N.A.
12.	Terms of appointment / remuneration	As per the Nomination and Remuneration Policy of the Company Annexed to the Board's Report 2020-21
13.	Details of last drawn remuneration	Rs.87.77 lac p.a. (within the limits as approved by the shareholders at an extra ordinary general meeting held on February 13, 2020)
14.	Details of Remuneration sought to be paid	Upto Rs.95 Lac per annum (as approved by the shareholders at an extra ordinary general meeting held on February 13, 2020)

By Order of the Board
For **GMR Warora Energy Limited**

Sanjay Kumar Babu
Company Secretary

Date: July 26, 2021
Place: New Delhi

GMR WARORA ENERGY LIMITED
Regd Off: 701, 7th Floor, Naman Centre, A-Wing
Bandra Kurla Complex, Bandra, Mumbai – 400 051
(CIN: U40100MH2005PLC155140; T: 022- 42028000; website: www.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 Sixteenth Annual General Meeting of the Company to be held on Thursday, September 30, 2021, at 11:00 AM at the corporate office of the Company at New Shakti Bhawan, New Udaan Bhawan Complex, Opposite T-3, IGI Airport, New Delhi-110037.

☐ Member ☐ Proxy

____

Signature of Member / Proxy

GMR WARORA ENERGY LIMITED
Regd Off: 701, 7th Floor, Naman Centre, A-Wing
Bandra Kurla Complex, Bandra, Mumbai – 400 051
(CIN: U40100MH2005PLC155140; T: 022- 42028000; website: www.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*]*

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

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

1.________________________of_______________having e-mail id ____________or falling him
2.________________________of_______________having e-mail id ____________or falling him
3.________________________of_______________having e-mail id ____________or
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Sixteenth Annual General Meeting of the Company to be held on Thursday, September 30, 2021, at 11:00 AM at the corporate office of the Company at New Shakti Bhawan, New Udaan Bhawan Complex, Opposite T-3, IGI Airport, New Delhi-110037 and / or at any adjournment thereof in respect of such resolutions as are indicated below:

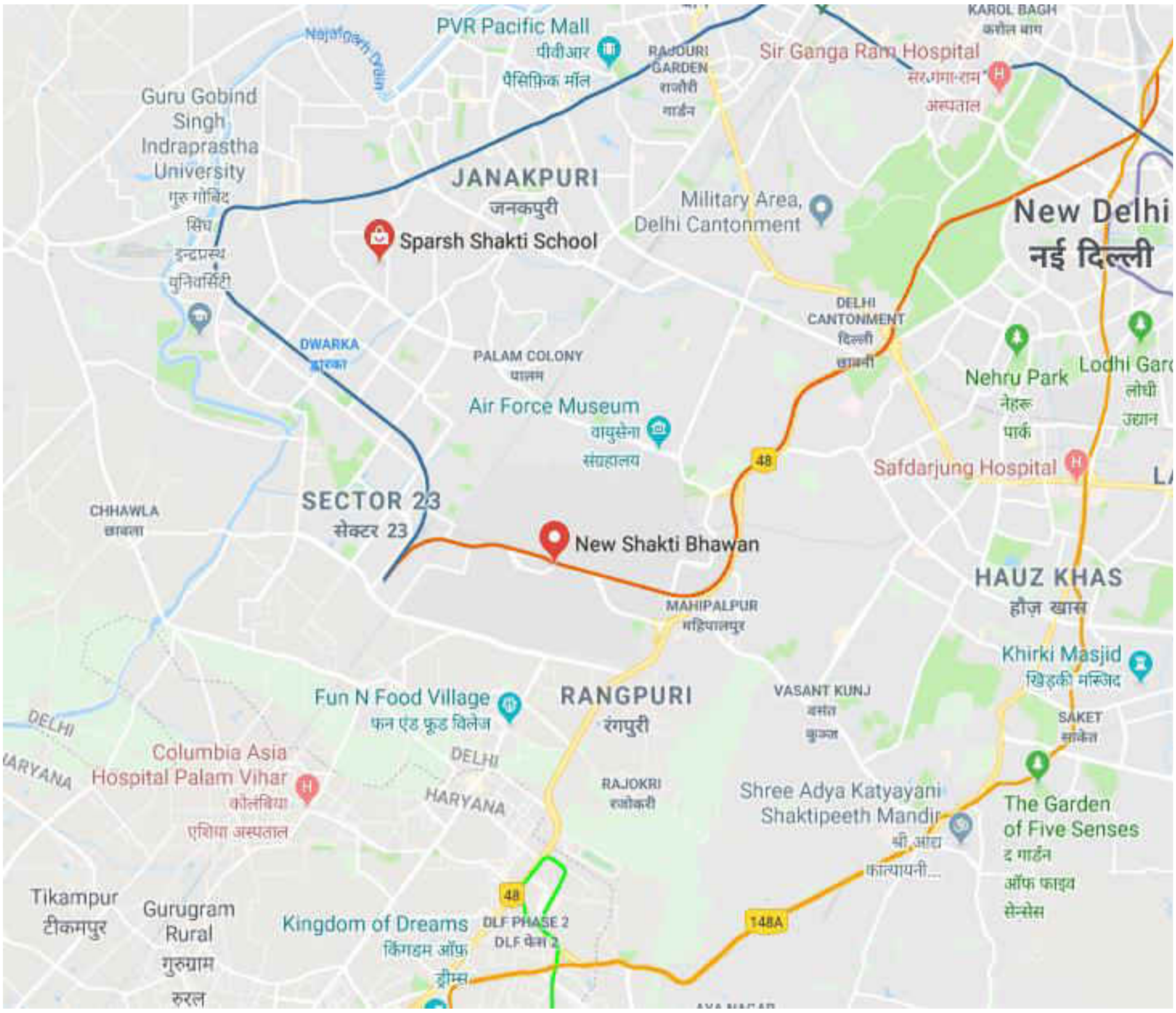
S. No.	**Ordinary Business**
1.	To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2021, the Reports of the Board of Directors and Auditors thereon.
2.	To appoint a director in place of Mr. Dhananjay Deshpande (DIN 07663196), who retires by rotation and being eligible offers himself for re-appointment
	Special Business
3.	Ratification of remuneration of the cost auditor for the FY 2021-22.
4.	Approval for appointment of Dr. Kavitha Gudapati (DIN: 02506004) as a director of the company
5.	Approval for re-appointment of Dr. M. Ramachandran (DIN: 01573258) as an Independent Director of the Company

Signed this ___________________ day of __________________2021

____
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. A proxy need not be a member of the Company.

VENUE MAP OF ANNUAL GENERAL MEETING OF GMR WARORA ENERGY LIMITED SCHEDULED TO BE HELD ON THURSDAY, SEPTEMBER 30, 2021



GMR WARORA ENERGY LIMITED

Registered Office: No.701/704, 7th Floor, Naman Centre, A Wing,
Bandra Kurla Complex, Bandra, Mumbai, Maharashtra - 400 051
(CIN: U40100MH2005PLC155140; T: 022-42028000; website: www.gmrgroup.in)

BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting before you the Sixteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2021.

FINANCIAL / OPERATIONAL SUMMARY

The financial status of the Company as on March 31, 2021 is as under:

(Amount in Rs. million)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Income	14773.27	18497.97
Expenditure	15673.68	17762.47
Profit/(Loss) Before Taxation	(840.16)	735.50
Tax expense	(206.88)	2873.57
Profit/(Loss) After Taxation	(633.28)	(2138.07)
Total Comprehensive income for the year	(631.00)	(2138.89)

STATUS OF THE PROJECT

The Plant consists of 2 x 300 MW coal fired Units with all associated auxiliaries and Balance of Plant Systems. Both the 300 MW units (Unit #1, #2) have been constructed, commissioned and COD of both the units have already been declared and are operational. The power purchase agreement (PPA) with DNH (One amongst the three PPA's) expired in June'20. Currently the Company is selling this untied power in open market through Indian Energy Exchange (IEX). Post expiry of DNH PPA, Annual Contract quantities of Unit #2 reduce to 0.35 Million Tonnes per annum. To enhance fuel security, the Company successfully shifted U-2 FSA from South Eastern Coals fields Limited (SECL) to Western Coalfield Limited (WCL). Now company has an agreement for a total ACQ of 1.65 Million Tonnes (1.3 from SECL and 0.35 from WCL). The balance coal requirement is fulfilled through E-Auction Coal.

Major Highlights of the FY 2020-21:

- Plant has achieved gross PLF of 74.9% with 97.5% machine availability.
- PPA compliance for MSEDCL is 91%, DNH is 97% and TNSLDC is 91%.
- Reliable operation of the plant had resulted in significant improvement of key performing indicators like reduction in Station heat rate, APC etc, DM make up which is best among the peers.
- 138% Ash Utilization was achieved by tying with nearby Cement Industries, NHAI for Fly Ash & various Brick Manufacturers for Bottom Ash.
- In quest for new avenues for Ash utilization, GWEL became the first plant in central division to send conditioned ash through rail mode.
- 100% compliances to all applicable Legal & Statutory requirement was Completed. Continuous monitoring & updating is being done through Legatrix.
- 11 continuous improvement projects completed by using Six-Sigma methodology resulted in improving efficiency and reliability of machine.

Awards:

- The Company was awarded the prestigious '***National Energy Conservation Award-2020***' for 2nd time by the Government of India

- The Company also won '**National award for excellence in Energy management by CII**' for 3rd consecutive year and emerged as ***National Energy Leader***.

Certifications:

- In a First in India, GWEL Water management system is certified for ISO 46001:2019 by M/s BVCI.
- Successfully carried out '**Workplace Assessment for Safety and Hygiene' (WASH)** assessment in line with the standard developed by **M/s Quality Council of India in view of COVID-19**. Audit was conducted by M/s BVCI.
- To create a conducive work environment for workforce, the Company successfully implemented SA 8000:2014 and is certified by M/s BVCI.
- ISO 9001, EnMS, ISMS surveillance audit successfully completed without any non-conformities.

Way Forward:

- Capital Overhauling of U-2 HIP turbine and generator.
- Installation of 5MW Floating solar plant at reservoir.
- APC reduction by installation of intelligent flow controller in Air compressor to improve efficiency and Installation of VFD in Induced draft fans.

Impact of Covid-19

Electricity supply is notified as essential services by Ministry of Home affairs. The Company is generating electricity as per demand from DISCOMs. However, the power offtake by DISCOMs across the country has gone down including the DISCOMs which offtake power from the Company. Besides, coal materialization is reduced because of lockdown and delay in collection from customers. Coal India Limited allowed purchase of coal through letter of credit, which is availed by Company to maintain consistent supply of coal. Recovery of regulatory receivables is also delayed due to lockdown/ CERC adjournment.

The Company has availed moratorium offered by Reserve Bank of India for conversion of interest during moratorium into funded interest term loan for interest from 1st March 2020 to 31st August 2021. DISCOMS has paid dues for power bill under Atmanirbhar Scheme. Moratorium from Reserve Bank of India, realization under Atmanirbhar Scheme and LC facility for purchase of coal has facilitated Company to increase plant load factor.

The Company's PPA with got expired on 30th June 2020 which was not renewed due to COVID 19 lockdown. DNH has invoked force majeure in March 2020 resulting in non-payment of capacity charges pertaining to period from March 2020 to June 2020. Company has filed petition with CERC for recovery of capacity charges. After expiry of DNH PPA, untied capacity of 200 MW is sold in exchange market. This has resulted in contraction of margin and non-recovery of fixed costs.

The Company has complied with statutory obligations on timely basis.

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.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no material changes and commitments affecting financial position of the company between 31st March 2021 and the date of Board's Report.

SHARE CAPITAL

The Company's authorized capital stands at Rs.11,000,000,000 divided into 900,000,000 equity shares of Rs.10/- each and 200,000,000 preference shares of Rs.10/- each. The current paid-up capital consists of 87,00,00,000 Equity shares of Rs.10/- each and 170,008,060 Compulsorily Convertible Preference shares of Rs.10/- each.

The Company continues to retain its status as direct subsidiary of GMR Energy Limited, and by virtue of section 2(87) of the Companies Act, 2013 (the Act), it continues to be subsidiary of GMR Infrastructure Limited.

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

Since the Company does not have Subsidiary, Joint Venture or Associate Company, this section is not applicable.

DIVIDEND

The Board do not recommend any dividend for the year 2020-21.

TRANSFER TO RESERVES

During the year there was no transfer of fund to any reserves.

BOARD MEETING

The Board of Directors met six times during the financial year. The intervening gap between two consecutive meetings was in compliance with the provisions of the Act and circulars issued in this regard by the Ministry of Corporate Affairs, during the year. The details are given in the Corporate Governance section of this Report.

FIXED DEPOSITS

During the year under review the Company has neither invited nor accepted any fixed deposits from the public.

INDEPENDENT DIRECTORS

During the year under review, the Company had 2 Independent Directors in terms of the provisions of Section 149 of the Companies Act, 2013 (the Act), namely, Dr. M. Ramachandran and Mr. S.K. Goel.

Both Independent Director possesses appropriate skill, experience, knowledge and criteria of independence and has furnished to the Company a declaration in terms of the provisions of Section 149(7) of the Act stating that his fulfilling the criteria of independence laid down in Section 149(6) of the Act. Each Independent Director is empanelled with databank registered with Ministry of Corporate Affairs under The Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 and the Company has received declaration from both the Independent Directors to that effect.

ANNUAL RETURN

As required pursuant to Section 92(3) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of annual return in Form MGT 7 is available at the Company's webpage at https://www.gmrgroup.in/warora-energy-ltd/.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

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 Act:

a) that in the preparation of the annual financial statements for the year ended 31st March 2021, 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 Note 1 of 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, 2021 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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given any loan to a fellow subsidiary/holding company during the year ended March 31, 2021, for the purpose of providing financial assistance. The Company has not provided any security or guarantee to any other company during the year under review. Further, no investment was made by the Company in the securities of other companies during the year.

AUDITORS & AUDITORS' REPORT

Statutory Auditors:

M/s S.R Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors of the Company were appointed at the AGM held on September 27, 2019 to hold the office for a period of five years, until the conclusion of eth AGM to be held in the year 2024. Accordingly, they continue to be the Auditors of the Company. The Company has received letter from them to the effect that their appointment continues to be within the prescribed limits under Section 141(3)(g) of the Act and they are not disqualified for the remaining tenure of their appointment.

The requirement for ratification of appointment of Statutory Auditors by shareholders at every Annual General Meeting under section 139 of the Act has been removed by the Companies (Amendment) Act, 2017.

The audit report on the annual financial statements of the Company for the year ended on March 31, 2021 does not contain any qualification, reservation or adverse remarks. The notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

No fraud has been reported by the Auditors u/s 143(12) during the FY 2020-21.

Secretarial Auditors:

M/s S. Behera & Co, Practising Company Secretaries, were appointed as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith as **Annexure-I** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditors:

The Board of Directors has appointed M/s Narasimha Murthy & Co. Cost Accountants, to conduct Cost Audit for the financial year 2020-21. The Cost audit for the financial year ended March 31, 2020 does not contain any qualification, reservation or adverse remark. The Cost Audit Report of the Company for the financial year ended March 31, 2020 was filed in XBRL mode on November 19, 2020.
The Cost Audit for the financial year ended March 31, 2021 is under process.

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

(A) **Conservation of energy:**

Following steps are taken on conservation of Energy which optimizes the Auxiliary consumption of Plant:

- Energy conservation through study and implementation of flexible operation methodology.
- Heat rate improvement through replacement of 12 Cooling tower heat exchange elements.
- Reduction in auxiliary power consumption by improving the recovery of RO up to 72%.
- Optimization of Coal handling losses by implementing Just in time methodology in coal handling plant.
- Energy Conservation by installation of Wind Driven Exhaust fan in RO-DM building Roof Top.
- Auxiliary power consumption reduction in River water pumping system by study of pump harmonics and impact on power consumption.

(B) **Technology absorption**:

Efforts, in brief, made towards technology absorption:

- Generator Excitation panel replacement during annual overhauling which improved the dynamic response of the generator.
- Upgradation of Unit 2 DCS (Distributed control system) Operating system windows XP to windows 10 to improve system reliability.
- Installation of auto operational sensor lights at different location of plant.
- Replacement of Conventional exhaust fans with energy efficient exhaust fans.

(C) **Environment Health and safety:**

- Achieved 100% safe man hours and this is 7th consecutive year of '**Zero Lost Time Injury'.**

- Successfully carried out 'Workplace Assessment for Safety and Hygiene' (WASH) assessment in line with the standard developed by M/s Quality Council of India in view of COVID-19. Audit was conducted by M/s BVCI.National Productivity Council of India (NPC) conducted audit on 5S.

- As a part of Emergency preparedness and strengthening safety system, workshop organized during National safety week with the theme of "**Learn from disaster and prepare for a Safer Future**". Various emergencies/ safety disasters of peers, other industry discussed in detail and prepared action plan for prevention of occurrence.

- As a part of cross functional Learning and knowledge sharing of safety initiatives, EHS Darshan - Theme based EHS Training Model Exhibition was organized.

- Initiated Mass plantation of 10,000 plants in and around plant vicinity under the theme of "Connecting People to Nature".

- Implementation of End to End comprehensive EHS management system "SARATHI". Digitalized all 27 modules online also incorporated with Microsoft Outlook and SAP.

- To manage the health and wellness at the workplace, series of programs taken under "Nirmal Jeevan"
    - Better body Better life – Half yearly & Annual Medical Checkups
    - Kausalika - Know your wellness with COO
    - Counseling to employees on Emotional Immunity
    - Yoga Shibir
    - Fun run, Sports activities
    - 15 Mock drills & Fire drills

- World Environment Day - Road Safety Month - National Safety Week celebrated in order to promote and raise awareness.

2. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: - Not applicable

   (a) Details of technology imported- N.A
   (b) Year of import. N.A
   (c) Whether the technology been fully absorbed. N.A
   (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore. N.A

3. Expenditure incurred on Research and Development: NIL

(C)**: Foreign Exchange**

Foreign Exchange Earnings during the Financial Year 2020-21 is Rs.24, 846/-
Foreign Exchange Outflow during the Financial Year 2020-21 is Rs.3,80,56,363/-

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, Central Electricity Regulatory Commission (CERC) and Appellate Tribunal for Electricity (APTEL) has issued the following order:

1. The Company had filed the petition (284/MP/2018) before CERC pursuant to APTEL judgment dated 14.08.2018 passed in Appeal No.111 of 2017 wherein Coal Pass Through (CPT), Busy season surcharge & Development Surcharge, and carrying cost etc. were allowed in favor of the Company and matter was remanded to CERC for passing consequential orders. Based on the direction of the Appellate Tribunal Aggrieved against CERC order dated 16.05.2019, Dadra Nagar Haveli (DNH) has filed an Appeal (283/2019), APTEL vide its Order dated 13.10.2020 dismissed the Appeal. The order disposed of in favour of the Company upholding CERC Order w.r.t. CPT and CIL computation.

2. The Company had filed the petition (284/MP/2018) before CERC pursuant to APTEL judgment dated 14.08.2018 passed in Appeal No.111 of 2017 wherein Coal Pass

Through (CPT), Busy season surcharge & Development Surcharge, and carrying cost etc. were allowed in favor of the Company and matter was remanded to CERC for passing consequential orders. Based on the direction of the Appellate Tribunal Aggrieved against CERC order dated 16.05.2019, Maharashtra State Electricity Distribution Company Limited (MSEDCL) has filed an Appeal (353/2019), APTEL vide its Order dated 11.03.2021 dismissed the Appeal. The order disposed of in favour of the Company upholding CERC Order w.r.t. CPT and CIL computation.

3. Maharashtra State Electricity Distribution Company Limited (MSEDCL) had filed a petition (108/2020) before Maharashtra Electricity Regulatory Commission (MERC) for consideration of discount in Merit Order Dispatch (MOD) computation. MERC vide its Order dated 01.02.2021 dismissed the Petition. The order disposed of in favour of the Company.

INTERNAL FINANCIAL CONTROLS

All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the Company checks and verifies the internal control and monitors them in accordance with policy adopted by the Company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Meena Raghunathan resigned from the directorship of the Company w.e.f. November 21, 2020.

Following appointments were made during the year:
- Dr. Kavitha Gudapati was appointed as a Non-Executive Director w.e.f. February 20, 2021.
- Mr. Srinivas Bommidala was re-appointed as Managing Director w.e.f. April 01, 2021 and
- Mr. Ashis Basu was re-appointed as Whole Time Director w.e.f. April 15, 2021.

Mr. Dhananjay Deshpande is retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

During the year under review, the following officials continued holding the position(s) of KMP:
- Mr. Dhananjay Deshpande as Whole-time Director of the Company.
- Mr. Ashish Vinay Deshpande as Chief Financial Officer (CFO) of the Company.
- Mr. Sanjay Kumar Babu as Company Secretary of the Company.

RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and hence, did not attract 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. The details of transactions are provided in the financial statement (Please refer to Note 30 to the financial statement).

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 the 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.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

GMR Group ensures and maintains the liability insurance for its Directors and Officers of all its subsidiaries. The Group believes that it is appropriate to provide such cover to protect the directors from any innocent error arisen if any, as the Directors carry significant liability under criminal and civil law.

All the Directors of the Company are covered by Directors' & Officers Liability Policy taken by GMR Infrastructure Limited, holding Company with the Insurance Company.

FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Act, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of the Board. The Board evaluates the performance of all Executive, Non-executive and Independent Directors. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions. The evaluation was based on structured questionnaire, covering various aspects of the Board's functioning such as adequacy of the composition of the Board, Board culture, execution and performance of specific duties, obligations and governance.

LISTING

The Non-Convertible Debentures of the Company are listed on the debt segment of BSE Ltd. The annual listing fee for the year 2020-21 has been paid to the Exchange.

SECRETARIAL STANDARDS

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

There was neither any pending proceedings nor any new application made under Insolvency and Bankruptcy Code, 2016 (31 Of 2016) during the year.

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

There was no one-time settlement done during the financial year 2020-21.

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 its premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and 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 Complaints Committee (ICC) and had implemented a detailed policy against sexual harassment at work place. During the year ended 31 March, 2021, no complaint of sexual harassment was received.

Awareness programmes were conducted across the Company to sensitize employees to uphold the dignity of their colleagues at the workplace, particularly with respect to prevention of sexual harassment.

CORPORATE SOCIAL RESPONSIBILITY

A Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board at its meeting held on June 04, 2021. The CSR Policy of the Company is given as **Annexure-II.**

During the year, the Company has spent Rs.125.94 lakh on CSR activities, against the prescribed amount of Rs.238.80 Lakh for the FY 2020-21 as per the terms of Section 135 of the Companies Act, 2013. Due to COVID 19 most of the field activities were suspended/closed for most part of the year, hence budget allocated could not be utilized fully. The same was brought to the notice of the CSR Committee which recognized the challenges for under-spending and recommended to the Board that the unspent amount will be kept in a separate Unspent CSR Account of the company. The same was approved by the Board. The Annual Report on CSR activities is annexed herewith as **Annexure-III**.

DISCLOSURE IN TERMS OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Pursuant to Clause 53 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Company discloses information as under:

Details of Debenture Trustee:

Name of the Debenture Trustee	M/s Axis Trustee Services Limited
Address	Axis House, 2nd Floor, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhakar Marg, Worli, Mumbai-400025. Telephone No-022-24255237
Contact Person-	Mr. Sameer Kabra Assistant General Manager

The audited financial statements i.e balance sheet as at March 31, 2021, profit and loss account and the cash flow statement for the year ended March 31, 2021, auditors' report and Directors report forms part of the Annual Report.

Details of the related party disclosures have been made in the notes to accounts of the audited financial statements.

INFORMATION AS PER RULE 5(1) OF CHAPTER XIII OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

a. The ratio of the remuneration of each Director to the median remuneration of the employees and the performance of the Company for the year 2020-21 is as below:

Mr. Srinivas Bommidala, Managing Director: 29; Mr. Ashis Basu, WTD:22.46 Mr. S.N Barde, WTD :25.44; Mr. Dhananjay Deshpande, WTD:9.18;

The performance of the Company has been already mentioned in financial/operational summary section of the Board's Report.

b. The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year: No Increment

c. The percentage increase in the median remuneration of employees in the financial year: Approximately -5.07%

d. The number of permanent employees on the rolls of the Company as of March 31, 2021 is 195.

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial Remuneration: No Increments in Managerial Remuneration

f. the key parameters for any variable component of remuneration availed by the directors: The increments given on 1st July every year depended on performance ratings and as per Group Corporate Policy

g. It is affirmed that the remuneration is as per the remuneration policy of the Company.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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 as under:

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 of Employee	Particulars of last employment	Equity Share held by the employee in the Company	Relative of any director or manager of the Company, if any.
Srinivas Bommidala	Business Chairman - Energy	27,728,410.27	Permanent	B.Com (28.32)	08.03.2004	58	Bommidala Group	Nil	N.A
Sanjay Barde	CEO - Energy Business	24,321,669.07	Permanent	B.E(42.49)	02.07.2004	64	BSES/RELIANCE ENERGY	Nil	N.A
Ashis Basu	CEO - Energy Corporate	21,475,610.46	Permanent	C.A(34.6)	17.12.2001	59	BALAGARH POWER	Nil	N.A
Mohan S	Sector HR Head - Energy & Itnl. Airports	12,531,239.24	Permanent	MHRM(32.09)	16.08.2010	58	JSW Energy Limited	Nil	N.A

ii. Details of top ten employees in terms of remuneration

Name	Designation	Remuneration received (Rs.)	Nature of Employ-ment Contractual or Permanent	Qualification and Experience (in years)	Date of joining	Age of Employee	Particulars of last employment	Equity Share held by the employee in the Company	Relative of any director or manager of the Company, if any.
Srinivas Bommidala	Business Chairman - Energy	27,728,410.27	Permanent	B.Com (28.32)	08.03.2004	58	Bommidala Group	Nil	N.A
Sanjay Barde	CEO - Energy Business	24,321,669.07	Permanent	B.E(42.49)	02.07.2004	64	BSES/RELIANCE ENERGY	Nil	N.A
Ashis Basu	CEO - Energy Corporate	21,475,610.46	Permanent	C.A(34.6)	17.12.2001	59	BALAGARH POWER	Nil	N.A
Mohan S	Sector HR Head - Energy & Itnl. Airports	12,531,239.24	Permanent	MHRM (32.09)	16.08.2010	58	JSW Energy Limited	Nil	N.A
Dhananjay Deshpande	Chief Operating Officer - GWEL	8,777,311.80	Permanent	MBA (35.3)	24.09.2012	58	Lanco Power Limited	Nil	N.A
Nirjhar Sarkar	Chief Financial Controller - Energy	8,217,640.38	Permanent	PhD (15.12)	17.08.2017	60	Alstom Bharat Forge Project P Ltd	Nil	N.A
Arabinda Pani	Head - Operations & Maintenance	6,542,450.80	Permanent	PGDBM(34.21)	11.03.2015	57	KSK	Nil	N.A
Manmohan Sharma	Head - Working Capital, Cash Flow Mgmt &	5,448,785.85	Permanent	B.Com(25.85)	05.03.2014	48	Suzlon Energy Limited	Nil	N.A
Abhaykumar Janardan Choudhari	Head - C&I and OS	5,274,110.66	Permanent	PGD(28.68)	17.07.2015	51	KSK MAHANADHI POWER COMPANY	Nil	N.A
Vishal Nayer	Head Finance - GWEL, GEMS, Hydro & LNG P	4,781,886.07	Permanent	PGDBM (23.87)	21.02.2017	46	AVANTHA POWER & INFRASTRUCTURE LTD	Nil	N.A

iii. 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. in cr)	Nature of Employment Contractual or Permanent	Qualification and Experience (in years)	Date of joining	Age of Employee	Particulars of last employment	Equity Share held by the employee in the Company	Relative of any director or manager of the Company, if any.

REPORT ON CORPORATE GOVERNANCE

1.
2. The Company has always placed thrust on managing its affairs with diligence, transparency, responsibility and accountability. The Company runs on the broad principles of Corporate Governance and lays emphasis on best practices in achieving its objectives. The Company as a part of GMR Group continues to drive innovations in policies, practices and disclosures on corporate political activities and other key governance areas.

2. BOARD OF DIRECTORS

a) *Composition*: The Board of the Company comprises of the following Directors:

S.No.	Name of the Director	Position	Category
1.	Mr. Srinivas Bommidala	Managing Director	Executive
2.	Mr. Ashis Basu	Whole-time Director	Executive
3.	Mr. S.N. Barde	Whole-time Director	Executive
4.	Mr. Dhananjay Deshpande	Whole-time Director	Executive
5.	Dr. Kavitha Gudapati	Director	Non-Executive
6.	Mr. S. Rajagopal	Director	Non-Executive
7.	Dr. M Ramachandran	Director	Independent Director
8.	Mr. S.K Goel	Director	Independent Director

b) *Meetings of the Board*:

Seven meetings (Six main meetings and One adjourned meeting) of the Board were held on the following dates during the year ended on March 31, 2021:

1. May 22, 2020,
2. Adjourned Meeting held on May 29, 2020,
3. July 24, 2020,
4. September 29, 2020,
5. November 02, 2020,
6. January 19, 2021,
7. March 30, 2021

The details of attendance at Board Meetings either in person or through video conferencing during the financial year 2020-21 and at the Annual General Meeting of the Company are detailed below:

Name of Directors/DIN		Attendance at the Board Meeting(s)		Attendance at last AGM
	Held	Held during tenure	Attended	
Mr. Srinivas Bommidala (DIN:00081464)	7	7	1	Yes

Mr. Ashis Basu (DIN: 01872233)	7	7	2	No
S. N Barde (DIN: 03140784)	7	7	6	No
Mr. Dhananjay Deshpande (DIN:07663196)	7	7	7	No
Mr. Rajagopal S.	7	7	7	No
Ms. Meena Raghunathan (07145001)*	7	5	2	No
Dr. Kavitha Gudapati (DIN: 02506004)#	7	1	0	No
Dr. M Ramachandran (DIN:01573258)	7	7	7	No
Mr. S. K Goel (DIN:00492659)	7	7	7	No

*Resigned from directorship w.e.f. November 21, 2020
#Appointed as a Director w.e.f. February 20, 2021

Separate Meeting of the Independent Directors

The Independent Directors held a Meeting on July 24, 2020, 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 Whole-time Director of the Company, taking into account the views of other Executive Directors and Non-Executive Directors;
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.

3. AUDIT COMMITTEE CONSTITUTION

a) *Composition of the Committee.*

The current composition of the Audit Committee is as follows:

Name	Position	Category
Dr. M Ramachandran	Member	Independent
Mr. S.K Goel	Member	Independent
Mr. S.N. Barde	Member	Executive

The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013. The Company Secretary acts as Secretary to the Audit Committee. All recommendations made by the Audit Committee during the year were accepted by the Board.

b) *Meetings of the Audit Committee*:

Five Meetings (Four Main meetings and One adjourned Meeting) of the Audit Committee were held on the following dates during the year ended on March 31, 2021:

1. May 22, 2020
2. Adjourned Meeting held on May 29, 2020,
3. July 24, 2020,
4. November 02, 2020,
5. January 19, 2021

The Committee reviewed the periodical financial statements and the observations of the Internal Auditors and Statutory Auditors. Whenever the committee reviewed the Internal Audit Report and the financial statements, on invitation, the Statutory Auditors and Internal Auditors attended the Committee Meetings and submitted their observations to the Committee.

The details of attendance at Audit Committee Meetings either in person or through video conferencing during the financial year 2020-21:

Name of Directors/DIN	Attendance at the Audit Committee Meeting(s)		
	Held	Held during tenure	Attended
Mr. S. N Barde	5	5	5
Mr. S. K Goel	5	5	5
Dr. M Ramachandran	5	5	5

4. NOMINATION AND REMUNERATION COMMITTEE

a) *Composition of the Committee.*

The current composition of the Nomination and Remuneration Committee is as follows:

Name	**Category**
Mr. S.K Goel	Independent
Dr. M Ramachandran	Independent
Mr. S.N. Barde	Non-Executive

The composition of the Nomination and Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013.

b) *Meetings of the Nomination and Remuneration Committee*:
During the year ended, a meeting of Nomination and Remuneration Committee was held on July 24, 2020 and March 30, 2021.

The details of attendance at Nomination Remuneration Committee Meetings either in person or through video conferencing during the financial year 2020-21

Name of Directors/DIN	Attendance at the Nomination & Remuneration Committee Meeting(s)		
	Held	Held during tenure	Attended
S. K Goel	2	2	2
Dr. M Ramachandran	2	2	2
Ms. Meena Raghunathan*	2	1	0
Mr. S.N Barde#	2	1	1

*Resigned from directorship w.e.f. November 21, 2020
#Inducted as a member of NRC w.e.f. February 20, 2021

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, adopted by the Board is given as **Annexure-IV.**

There were no other pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a) *Composition of the Committee.*

The current composition of the Corporate Social Responsibility Committee is as follows:

Name	Category
Mr. S.N. Barde	Non-Executive director
Mr. Dhananjay Deshpande	Executive director
Dr. M Ramachandran	Independent director

The composition of the Corporate Social Responsibility Committee meets the requirements of Section 135 of the Companies Act, 2013.

b) Meetings of the Corporate Social Responsibility Committee:

During the year ended, meeting of *Corporate Social Responsibility* Committee meeting was held on July 24, 2020 which was attended by Mr. S.N Barde and Dr. M Ramachandran.

6. EXECUTIVE COMMITTEE

a) *Composition of the Committee.*

The current composition of the Executive Committee is as follows:

Name	Category
Mr. S.N. Barde	Executive director
Mr. Ashis Basu	Executive director

b) *Meetings of the Executive Committee*:

During the year ended, meeting of Executive Committee meeting was held on March 02, 2021 and March 25, 2021.

7. GENERAL BODY MEETINGS

a) Details of location and time of holding the last three AGMs:

Year	Location	Date & Time	Special Items Passed
2017-18	No.701/704, 7th Floor, Naman Centre, A Wing, Bandra Kurla Complex, Bandra, Mumbai, Maharashtra -400 051	August 30, 2018 at 11.00 a.m	○ Appointment of Dr. M Ramachandran as Independent Director ○ Appointment of Mr. Srinivas Bommidala as Director.
2018-19	--------do---------	September 27, 2019 at 11.00 a.m	○ Approval of remuneration of the Cost Auditor ○ Re-appointment of Mr. S.K Goel as an Independent Director of the company
2019-20	New Shakti Bhawan, New Udaan Bhawan Complex, Opp. T-3, IGI Airport, New Delhi-110037	September 30, 2020 at 11.00 am	○ Approval of remuneration of the Cost Auditor ○ Appointment of Mr. S. Rajagopal as an

			Independent Director of the company

b) All special resolutions placed before the shareholders at the above meetings were approved.

8. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report and General Meetings. Information and latest updates and announcement regarding the Company and about the group can be accessed at Group's web site: www.gmrgroup.co.in.

9. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

Date	: September 30, 2021
Time	: 11:00 AM
Venue	**:** New Shakti Bhawan, New Udaan Bhawan Complex, Opp. T-3, IGI Airport, New Delhi-110037
(ii) Financial calendar Year Ending	: March 31, 2021
(iii) Site location	: Warora taluk, Chandrapur District, Maharashtra

ACKNOWLEDGEMENT

Your Directors are thankful to the various Central and State Government Departments and Agencies for their continued help and cooperation. The Directors are grateful to the various stakeholders – customers, members, banks, dealers, vendors and other business partners for the excellent support received from them during the year. Your Directors wish to place on record their sincere appreciation to all employees for their commitment and continued contribution to the Company.

For and on behalf of the Board of Directors

For **GMR Warora Energy Limited**

Srinivas Bommidala
Managing Director
DIN:00061464

For **GMR Warora Energy Limited**

Ashis Basu
Whole-time Director
DIN:01872233

Place: New Delhi
Date: July 26, 2021

<u>Annexure- I</u>

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointmentand Remuneration Managerial Personnel) Rules, 2014]

To,
The Members,
GMR Warora Energy Limited
701, 7th Floor, Naman Centre A-Wing,
BandraKurla Complex, Bandra,
Mumbai -400051, Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GMR Warora Energy Limited (CIN: U40100MH2005PLC155140)** (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 our opinion thereon.

Based on our verification of the registers, records, 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

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

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

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)**

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 Takeovers) Regulations, 2011; **(Not applicable)**

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable)**

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable)**

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable)** and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable)**.

6. The other major laws, as informed and certified by the Management of the Company, which are specifically applicable to the Company based on their sector/ industry are:

   i. Electricity Act, 2003 and the rules made thereunder

   ii. Electricity Supply Act 1948 and the rules made thereunder

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

   iv. Electricity Regulatory Commission Act, 1948.

We have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards issued by The Institute of Company Secretaries of India.

b. The Listing Agreements entered into by the Company with Stock Exchanges read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per representations and clarifications provided by the management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned hereinabove.

WE 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 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on review of compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, we are of the opinion 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.

We further report that during the audit period, the Company has following specific events / actions that having a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- Mr. S. Rajagopal was appointed as an Additional Director of the Company w.e.f. March 27, 2020, approved by the Board of Directors of the Company by passing the circular resolution dated March 27, 2020, further approved by shareholders of the Company at the Annual General Meeting held on September 30, 2020.

- Dr. Kavitha Gudapati was appointed as an Additional Director of the Company w.e.f. February 20, 2021, approved by the Board of Directors of the Company by passing the circular resolution dated February 20, 2021.

For **S.Behera& Co.**
Company Secretaries

Shesdev Behera
Company Secretary in practice
CP. No. 5980
M. No. F-8428
UDIN: F008428C00054165
Date:30.06.2021
Place: New Delhi

Note: **Annexure-'A'**forming an integral part of this Report.

Annexure-'A'

To,
The Members,
GMR Warora Energy Limited
701, 7th Floor, Naman Centre A-Wing,
BandraKurla Complex, Bandra,
Mumbai -400051, Maharashtra

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express as opinion on such secretarial records based on our audit.
2. We have followed the audit practices and process as we considered appropriate to obtain reasonable assurance on the correctness and completeness of the secretarial records. Our verification was conducted on a test basis to ensure that all entries have been made as per statutory requirements; we believe that the processes and practices we followed for this purpose provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation with respect to compliance of laws, rules and regulations and of significant events during the year.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, and standards is the responsibility of the management. Our examination was limited to the verification of secretarial records on test-check basis to the extent applicable to the Company.
6. 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 **S.Behera& Co.**
Company Secretaries

Shesdev Behera
Company Secretary in practice
CP. No. 5980
M. No. F-8428
UDIN: F008428C00054165

Date: 30.06.2021
Place: New Delhi

<u>Annexure-II</u>

Corporate Social Responsibility Policy*

GMR Warora Energy Limited (formerly EMCO 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.

<u>Projects / Activities / Programmes proposed to be undertaken under CSR Policy</u>

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;

**Revised CSR Policy, as approved by the Board of Directors at its meeting held June 04, 2021*

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.

It may be noted that the above activities are indicative and are activities that the Company may at any point of time engages but all such activities may not be taken up by the Company during the financial year. While the activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act 2013, the entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. The items enlisted in the amended Schedule VII, are broad-based and are intended to cover a wide range of activities.

The expenditure incurred for the following activities shall not be treated as CSR activity by the Company:

(i) Activities undertaken in pursuance of the normal course of business;

(ii) Activities undertaken outside India (except for training of Indian sports personnel representing any state or union territory at national level or India at international level);
(iii) Contribution to political parties;
(iv) Activities that benefit exclusively the employees of the Company;
(v) Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
(vi) Expenses incurred by the Company for the fulfillment of any Act / Statute of regulations (such as Labour Laws, Environmental Laws, Land Acquisition Act etc.);

Surplus from CSR Activities

Any surplus arising out of the CSR activity shall:

(i) not form part of business profits of the Company;
(ii) should be ploughed back into the same project from which it has generated or shall be transferred to Unspent CSR Account of the Company, maintained separately for such surplus;
(iii) Should be spent within 3 years from the date of such transfer to the Unsepnt CSR Account or transfer to a Fund specified in Schedule VII within a period of 6 months from the expiry of the financial year as decided by the CSR Committee and as per the Annual Action plan of the Company;
(iv) Should not form part of Excess amount available for set-off with CSR obligation in immediately succeeding financial years.

Monitoring of CSR Activities

At the beginning of each financial year, the CSR Committee of the Board will prepare a list of CSR Projects / Activities / Programmes which the Company proposes to undertake during such financial year, specifying the modalities of execution in the areas / sectors chosen with implementation schedules for approval of the Board.

The CSR Committee of the Board will devise a mechanism for various CSR Projects / Programs / Activities undertaken by the Company including conduct of impact studies of CSR Projects / Programs on a periodic basis, through independent third-party agencies according to the CSR Rules.

The CSR Committee will convene a meeting at least once in every year to approve and review the progress of CSR projects and monitor, review and evaluate the operations of the CSR Programmes at such frequency as it may deem fit to ensure orderly and efficient implementation of the CSR Programmes in accordance with the CSR Policy.–The composition of CSR committee, the CSR Policy and Projects approved by the Board will be uploaded on the Company's/group's website so that it is available in the public domain.

The Company's approach to the above CSR activities or projects will also be based on partnership with the Government or like-minded not for profit organisations, agencies, etc. The Company may carry out an impact assessment to know the results of its CSR activities being undertaken by the Company and review periodically to identify and assess the gaps, if any, in the approach and attend to mid-course corrections.

Annual Action Plan

The CSR activities can be undertaken either specific for one year or can undertake multi-year projects. The Committee in every financial year, will recommend an Annual Action Plan to the Board. This Annual Action plan will detail the following:

(a) The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
(b) The manner of execution of such projects or programs;

(c) The modalities of utilization of funds and implementation schedules for the projects or programs;
(d) Monitoring and reporting mechanism for the projects or programs;
(e) Details of need and impact assessment, if any, for the projects undertaken by the Company: Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

<u>Amendment</u>

Any amendment or modification in the Companies Act, 2013 and any other applicable regulations relating to the CSR provisions / Policy shall automatically be applicable to the Company.

For **GMR Warora Energy Limited**

Srinivas Bommidala
Managing Director
DIN:00061464

For **GMR Warora Energy Limited**

Ashis Basu
Whole-time Director
DIN:01872233

Place: New Delhi
Date: July 26, 2021

<u>Annexure-III</u>

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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.**

GMR Warora Energy Limited (the Company) forming part of GMR Group has adopted the CSR Policy of GMR Group. GMR Group (the 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 / Programs proposed to be undertaken under CSR Policy

As recommended by the CSR Committee of the Board and as per the approval of the Board of directors at their meeting held on July 24, 2020, the Company contributes or carries out its CSR activities or contribute funds to GMRVF for utilization broadly towards the following projects / activities / programs (*preference shall be given to the areas in and around the project, Warora, Chandrapur, Maharashtra)*:

The various projects/activities and programs proposed to be entered under CSR Policy are as under:

Educational Programs

- Education Quality Improvement through initiatives like E- Learning Modules, effective Teaching material and processes, etc. in 4 ZP schools and 15 Anganwadi Center Support
- Computer education in 6 villages to students from class 1 to 7.
- Navodaya coaching centre in 5 villages for class V students.
- Supporting students through coaching & transportation.

Health Hygiene & Sanitation

- Providing health services to community and creating awareness
- Achieving ODF in Ten villages.
- Providing safe drinking water in 18 villages continuing to more than 4500 HHs.
- COVID Humanitarian Response by providing PPE kits, Sanitizer and health services.

Empowerment & Livelihoods

- Vocational training at Warora targeting 220 youths in Assistant Beauty Therapist and Mobile Phone Hardware Repair Technician courses.
- Target 50 women at Warora for tailoring training.
- Individual Income Generation Activities and support to Women Self Help Groups.
- Expanding GCS bank business, floriculture and vegetable cultivation with more than 700 farmers.
- Continuing Veterinary services in 30 villages and targeting 200 Artificial Insemination.
- Skilling and livelihood support to post COVID
- COVID Humanitarian Response: Providing relief material to most vulnerable communities.

Community Development

- Renovation of 2 Check Dams to conserve rain water and increase irrigated agriculture.
- Installation of Water ATM in 4 new villages.
- Supporting construction of more than 150 ISL to make 10 villages ODF free.

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

The composition of the Corporate Social Responsibility Committee is as under:

1. Mr. S.N Barde - whole-time Director
2. Mr. Dhananjay Deshpande - Director
3. Dr. M Ramachandran – Independent Director

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company :- The company related information can be accessed through http://www.gmrgroup.in/energy.

4. 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) :- NA

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

#	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	19-20	0	0
2	20-21	0	0
3	21-22	0	0
	TOTAL	0	0

6. **Average net profit of the company for last three financial years.**

Average net profits of the Company for last three financial years, calculated as per section 198 is as under: (Amount in Crore)

Particulars	**2017-18**	**2018-19**	**2019-20**
Net Profit/(Loss)	192.67	91.99	73.55
Average net profit	119.40		
Amount to be spent (2% of average net profit)	2.388		

7. (a) Two percent of average net profit of the Company as per Section 135(5): Rs.2.388 Crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: 0

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): 2.388 Crore

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

Total Amount Spent for the Financial Year. (in Rs.)	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.
125,93,861.00	112,87,823.00	March 2021	0	0	0

(b) Detail of CSR amount spent against ongoing projects for the financial year:-

1	2	3	4	5	6	7	8	9	10	11	12	13
Sl. 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.		Project duration.	Amount allocated for the project (in Lakhs Rs.).	Amount spent in the current financial Year (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 Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
A	**EDUCATION**											
A.1	Supporting Govt Anganwadi	Item (ii)	Yes	MS	Chandrapur	5	6.10	0	6.1	NO	GMRVF	CSR00000851
A.2	Supporting Govt Schools	Item (ii)	Yes	MS	Chandrapur	5	15.44	12.62	2.82	NO		
A.3	Providing special Tuitions to slow learner students	Item (ii)	Yes	MS	Chandrapur	5	6.21	2.46	3.75	NO		
A.4	Improving quality education through technological intervention	Item (ii)	Yes	MS	Chandrapur	5	5.43	2.42	3.01	NO		
A.5	Supporting community Library and Pratibha Library	Item (ii)	Yes	MS	Chandrapur	5	7.80	5.84	1.96	NO		
B	**HEALTH HYGIENE AND SANITATION**											
B.1	Supporting Primary Health Services through Health Clinic and Health Camps	Item (i & iii)	Yes	MS	Chandrapur	5	20.92	25.63	-4.71	NO		
B.2	Providing Primary Health Services to Old Aged - Mobile Medicare Units	Item (i & iii)	Yes	MS	Chandrapur	5	22.00	16.21	5.79	NO		

B.3	Supporting Pregnant and Lactating Mothers – Nutrition Centers	Item (i ; ii & iii)	Yes	MS	Chandrapur	5	4.20	2.64	1.56	NO		
B.4	Supporting community on maintaining sanitation and hygiene	Item (i ; ii & iii)	Yes	MS	Chandrapur	5	3.60	6.02	-2.42	NO		
C	**EMPPOWERMENT AND LIVELIHOODS**											
C.1	Vocational Training to the unemployed youth	Item (ii)	Yes	MS	Chandrapur	5	23.72	10.56	13.16	NO		
C.2	Supporting community enterprises	Item (ii)	Yes	MS	Chandrapur	5	13.80	15.18	-1.38	NO		
C.3	Supporting community based organization	Item (ii)	Yes	MS	Chandrapur	5	2.002	0.02	1.982	NO		
D	**COMMUNITY DEVELOPMENT**											
D.1	Developing community structures	Item (iv)	Yes	MS	Chandrapur	5	96.21	20.63	75.58	YES		
	Program expenses						227.43	120.23	107.22			
	Overhead expenses						11.37	5.71	5.66			
	TOTAL						238.80	125.94	112.88			

(c) Details of CSR amount spent against other than ongoing projects for the financial year: N.A.
(d) Amount spent in Administrative overheads: 5. 71 Lakhs
(e) Amount spent on Impact Assessment, if applicable: N.A.
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 125.94 Lakhs
(g) Excess amount for Set off, if any

S. No.	Particulars	Amount(in Lakh Rs.)
(i)	Two percent of average net profit of the company as per section 135(5) for Financial Year 19-20	238.80
(ii)	Total amount spent for the Financial Year 20-21	125.94
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-112.87
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.000
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.000

9(a)Details of Unspent CSR amount for the preceding three financial years: N.A.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A.

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, (asset-wise details): N.A.
    (a) Date of creation or acquisition of the capital asset(s).
    (b) Amount of CSR spent for creation or acquisition of capital asset.
    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's report:** Due to COVID 19 most of the field activities were suspended/closed for most part of the year, hence budget allocated could not be utilized fully. The same was brought to the notice of the CSR Committee which recognized the challenges for under-spending and recommended to the Board that the unspent amount will be kept in a separate Unspent CSR Account of the company. The same was approved by the Board.

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 Warora Energy Limited**

Srinivas Bommidala
Managing Director
DIN:00061464

For **GMR Warora Energy Limited**

Ashis Basu
Whole-time Director
DIN:01872233

Place: New Delhi
Date: July 26, 2021

Annexure-IV

NOMINATION AND REMUNERATION POLICY

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 provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosures requirement), the Committee shall carry out the evaluation of Directors periodically. Further the Nomination & Remuneration Committee shall specify the manner for effective evaluation of performance of the Board, its Committee and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

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 1% 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.

For **GMR Warora Energy Limited**

Srinivas Bommidala
Managing Director
DIN:00061464

For **GMR Warora Energy Limited**

Ashis Basu
Whole-time Director
DIN:01872233

Place: New Delhi
Date: July 26, 2021

12th Floor,
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru – 560 001, India
Tel: +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of GMR Warora Energy Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of GMR Warora Energy Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the Ind AS 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 audit opinion on the Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.1 to the accompanying Ind AS financial statements as at and for the year ended March 31, 2021, which indicate that the Company has incurred losses during the current year, has accumulated losses of Rs. 7,038.61 million, its net worth has been substantially eroded and its current liabilities exceed current assets by Rs. 1,697.07 million as at March 31, 2021. These conditions, together with the impact of the ongoing COVID-19 pandemic as explained in note 39 including invocation of the Resolution Framework for COVID-19 related stress by the Company as per the guidelines issued by the Reserve Bank of India ('RBI'), non-renewal of long term power purchase agreement with one of its key customer which expired during June 2020 and significant delays in the realization of outstanding receivables as detailed in notes 11(c) and 11(d) indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not qualified in respect of this matter.

S.R. Batliboi & Associates LLP
Bengaluru

Emphasis of Matters

We draw attention to the following matters in the notes to the accompanying Ind AS financial statements for the year ended March 31, 2021:

a. Notes 11(c) and 11(d) in connection with the realization of trade receivables and unbilled revenue (including claims towards change in law events, increased coal cost pass through and carrying costs thereof and capacity charges outstanding from one of its customers during the period of lockdown based on declared capacity) of Rs. 7,147.26 million of the Company, which are pending settlement/ realization as on March 31, 2021. The management of the Company based on its internal assessment as detailed in notes 11(c) and 11(d) and certain interim favourable regulatory orders for claims made by the Company is of the view that the aforesaid balances are fully recoverable as at March 31, 2021.

b. Note 26(i) in connection with the dispute pertaining to transmission charges with Maharashtra State Electricity Distribution Company Limited ('MSEDCL'). The Company has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by the Company. Accordingly, the Company has not accounted the aforesaid transmission charges in its accompanying Ind AS financial statements for the respective years from March 17, 2014 up to March 31, 2021 based on a favourable Order received by the Company from APTEL. MSEDCL have preferred an appeal with Hon'ble Supreme Court of India against the aforesaid APTEL order and the matter is pending conclusion.

c. Note 38 in connection with the amounts due to certain vendors which are outstanding beyond permissible time period under the Foreign Exchange Management Act ('FEMA'). Pending filing for condonation of delay with competent authority no adjustments are made to the accompanying Ind AS financial statements for the year ended March 31, 2021.

d. Note 39 in connection with the impact of the outbreak of COVID-19 on the business operations, liquidity position, recoverability of assets, achievement of key assumptions considered in the valuation assessment of the carrying value of the assets and future cash flows of the Company and the invocation of the Resolution Framework for COVID-19 related stress by the Company post obtaining requisite majority approval of lenders as per the guidelines issued by the Reserve Bank of India ('RBI') in respect of all the borrowing facilities availed by the Company. In view of the highly uncertain economic environment, a definitive assessment of impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material Uncertainty Related to Going Concern' and 'Emphasis of Matters' sections we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly,

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our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
1.Revenue Recognition and realization in relation to regulatory claims *(as described in Notes 7, 11 and 20 of the Ind AS financial statements)*	
The Company is eligible for claims under various Change in Law / coal cost pass through events which are having cost implications on generation and supply of power such as duties and taxes, incremental cost of power generation, etc., due to purchase of alternative coal in terms of the framework of Power Purchase Agreements entered by the Company with the various Discoms and carrying cost thereof. Such claims are accounted by the Company upon approval thereof by the Regulatory Authorities. The recognition and measurement of such claims on account of change in law/ coal cost pass through events and carrying costs thereof, involves management judgement and estimation of operational / cost parameters based on qualitative parameters and are subject to final acceptance of the claims by the respective Discoms. In view of the complexity and judgement involved in estimation of the amounts of such claims and recoverability thereof, the same is considered as a key audit matter.	Our audit procedures in response to this key audit matter included: i. We assessed and tested the design and operating effectiveness of the Company's internal financial controls over the revenue recognition process. ii. We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers). iii. We obtained an understanding of the key controls management has in place to monitor change in law events, status of appeals seeking claims and approval orders passed by various regulatory authorities. iv. We evaluated management workings that set out all the outstanding claims for approval placed by the Company with regulatory authorities and the basis adopted by the management in determining such claims. v. We examined management assumptions / judgement relating to various parameters for measuring / estimating the amount of such claims. vi. We verified the reasonableness of the underlying parameters and assumptions / judgement used for measuring / estimating the amounts of claims as per regulatory orders through verification of historical information and other available internal and external data.

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Key audit matters	How our audit addressed the key audit matter
	vii. For tariff orders received by the Company and challenged by the customer we have also assessed the management's evaluation of the likely outcome of the dispute based on past precedents and interim favourable orders from the regulators. viii. We tested on sample basis, the accuracy of the underlying data used for computation of such claims. ix. We assessed the reasonableness of management's assessment of recoverability of the outstanding receivables and recoverability of the overdue / aged receivables through inquiry with management, and analysis of collection trends in respect of receivables.
2. Impairment testing for Property, plant and equipment ('PPE')*(as described in Note 3 of the Ind AS financial statements)*	
The Company has PPE (including intangible assets, Right of Use assets and capital work in progress) amounting to Rs 30,932.10 million as at March 31, 2021. To assess if there is an impairment in the carrying value of PPE, management conducts impairment tests annually or whenever there are changes in circumstances or events which indicate that, the carrying value of PPE may require evaluation to verify recoverability. An impairment loss is recognized if the recoverable amount of PPE is lower than the carrying value. The recoverable amount of the PPE is evaluated by calculating the value in use based on discounted cash flow models. Significant judgements are required to determine the key assumptions used in the discounted cash flow models. The determination of recoverable amounts of carrying value of property, plant and equipment of the Company relies on the management's estimates of future cash flows and their judgement with respect to entering into Power Purchase Agreement ('PPA')	Our audit procedures in response to this key audit matter included: i. We assessed whether the Company's accounting policy with respect to impairment is in accordance with Ind AS 36 "Impairment of assets". ii. We carried out assessment of the forecasts of future cash flows prepared by the management, evaluating the key assumptions and compared the estimates to externally available industry, economic and financial data; iii. We perused the report issued by the external valuer ("expert") engaged by the management. In making this assessment, we also assessed the professional competence, objectivity and capabilities of the expert engaged by the management; iv. We assessed the valuation methodology and the key assumptions used in the cash flow forecasts with the support of our in-house valuation experts and performed sensitivity analysis on key assumptions;

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Key audit matters	How our audit addressed the key audit matter
such as fully utilizing the untied capacity of 200 MW resulting from the expiry of existing PPA with one of its customers in June 2020, conclusion and timely realisation of claims with Discoms currently under dispute for various change in law events as detailed in notes 11(c) and (d), enhancement in the operational performance of the plant including ramp up in generation and availability of coal with higher gross calorific value at competitive rates, decline in interest rates, restructuring of loans as detailed in note 39(b) etc, which the management believes reasonably reflect the future expectations and is of the view that the carrying value of the PPE is appropriate. Due to the inherent subjectivity involved in forecasting and discounting future cash flows, the level of management's judgement involved and the significance of the carrying value of property, plant and equipment on the Ind AS financial statements of the Company as at March 31, 2021 we have considered this as a key audit matter.	v. We discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same to assess their reasonableness. vi. We tested the arithmetical accuracy of the computation of projections used for the purpose of the valuation. vii. We reviewed the related disclosures in the Ind AS financial statements as required by the relevant accounting standards.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Board's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also

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

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above and the matters described in the Emphasis of Matter paragraphs above, 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 as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;

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(h) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32(II) to the accompanying Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207

UDIN: 21061207AAAACO6624
Place of Signature: Bengaluru
Date: June 04, 2021

Annexure I referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: GMR Warora Energy Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management the title deeds (including the title deeds of the immovable property mortgaged with the lenders as security for the borrowings and confirmed by the lenders) of immovable properties included in property, plant and equipment are held in the name of the Company except one item of immovable property aggregating Rs. 8.90 million as at March 31, 2021 for which title deed were not available with the Company and hence we are unable to comment on the same.

(ii) The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us by the management of the Company, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us by the management of the Company, there are no loans, investments, guarantees, and securities given in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, professional tax, cess and other material statutory dues as applicable to the Company, have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases.

(b) According to the information and explanations given to us by the management of the Company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess, electricity duty and other material statutory dues as applicable to the Company, were outstanding at the year end, for a period of more than six months from the date they became payable.

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(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (in INR million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Short Deduction of TDS	0.03	Financial year 2013-2014	Commissioner of Income Tax (Appeals)

(viii) According to the information and explanations given to us by the management of the Company, the Company has delayed in repayment of loans or borrowings to financial institutions and banks during the year and Rs. 537.50 million of such dues were in arrears as on the balance sheet date. The lender wise details are tabulated as under:

Particulars	Amount of the default as at the Balance sheet date (in INR million)	Period of default (No. of days)
Principal repayments to banks	487.50	0-30
Principal repayments to a financial institution	50.00	0-30

The Company has not defaulted in repayment of dues to debenture holders during the year. Further, the Company did not have any outstanding loans or borrowing in respect to government during the year. Also refer notes 15(1) and 15(7).

(ix) According to the information and explanations given to us by the management of the Company, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. In our opinion and according to the information and explanations given to us by the management of the Company, the Company has utilized the monies raised by way of term loans during the year for the purposes for which they were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management of the Company, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given to us by the management of the Company, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

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

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(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given to us by the management of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act during the year and hence, reporting requirements under clause 3(xv) of the Order are not applicable to the Company and, hence not commented upon.

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

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W/E300004
Chartered Accountants

S.R. Batliboi & Associates LLP Bengaluru

per Sandeep Karnani
Partner
Membership Number: 061207

UDIN: 21061207AAAACO6624
Place: Bengaluru
Date: June 04, 2021

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE Ind AS FINANCIAL STATEMENTS OF GMR WARORA ENERGY LIMTED

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

We have audited the internal financial controls with reference to Ind AS financial statements of GMR Warora Energy ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("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 its 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 Companies Act, 2013 ("Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, 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.

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 these Ind AS financial statements.

S.R. Batliboi & Associates LLP
Bengaluru

Meaning of Internal Financial Controls with Reference to these Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to these Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these Ind AS financial statements and such internal financial controls with reference to these Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP Bengaluru

per Sandeep Karnani
Partner
Membership Number: 061207

UDIN: 21061207AAAACO6624
Place of Signature: Bengaluru
Date: June 04, 2021

GMR Warora Energy Limited
Corporate Identity Number (CIN) :U40100MH2005PLC155140
Balance Sheet as at March 31, 2021

(Rs. in million)

	Notes	March 31, 2021	March 31, 2020
I ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	30,575.92	31,660.11
(b) Capital work in progress		12.92	18.76
(c) Intangible assets	4	4.14	7.35
(d) Right-of-use assets	32	339.12	404.21
(e) Investments (Rs. 2,500 (March 31, 2020 : Rs. 2,500))	5	0.00	0.00
(f) Financial assets:			
(i) Loans	6	102.52	104.91
(ii) Other financial assets	7	147.86	112.59
(g) Non-current tax assets (net)		9.81	15.59
(h) Other non-current assets	9	20.59	42.60
		31,212.88	**32,366.12**
(2) Current assets			
(a) Inventories	10	368.66	1,205.57
(b) Financial assets:			
(i) Trade receivables	11	6,434.88	4,513.53
(ii) Cash and cash equivalents	12	95.57	40.56
(iii) Loans	6	15.21	32.86
(iv) Other financial assets	7	805.80	1,205.12
(c) Other current assets	9	244.22	388.34
		7,964.34	**7,385.98**
Total assets (1 + 2)		**39,177.22**	**39,752.10**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	13	8,700.00	8,700.00
(b) Other equity	14	(4,921.11)	(4,290.11)
Total equity		**3,778.89**	**4,409.89**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	25,480.07	26,103.48
(ii) Lease liabilities	32	-	48.13
(b) Provisions	17	61.55	57.14
(c) Deferred tax liabilities (net)	8(a)	195.30	401.41
		25,736.92	**26,610.16**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	3,222.33	3,064.57
(ii) Lease liabilities	32	-	19.08
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18	55.27	30.05
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	1,122.47	1,718.10
(iv) Other financial liabilities	16	4,887.03	3,520.39
(b) Other current liabilities	19	39.53	34.82
(c) Provisions	17	59.62	69.88
(d) Liabilities for current tax (net)		275.16	275.16
		9,661.41	**8,732.05**
Total liabilities		**35,398.33**	**35,342.21**
Total equity and liabilities (1+2+3)		**39,177.22**	**39,752.10**

Summary of significant accounting policies	2.2		

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W / E300004

per Sandeep Karnani
Partner
Membership number: 061207

Place: Bengaluru
Date: June 04, 2021

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

Srinivas Bommidala
Managing Director
DIN: 00061464

Dhanajay Vasantrao Deshpande
Whole-time Director
DIN : 07663196

Ashish Vinay Deshpande
Chief Financial Officer

Sanjay Kumar Babu
Company Secretary
Membership number: F-8649

Place: New Delhi
Date: June 04, 2021

GMR Warora Energy Limited
Corporate Identity Number (CIN) :U40100MH2005PLC155140
Statement of Profit and Loss for the year ended March 31, 2021

(Rs. in million)

		Notes	March 31, 2021	March 31, 2020
I	**Revenue**			
	Revenue from operations	20	14,773.27	18,442.86
	Other income	21(a)	54.36	46.12
	Finance income	21(b)	5.89	8.99
	Total income		**14,833.52**	**18,497.97**
II	**Expenses**			
	Consumption of fuel	22	8,442.92	9,311.68
	Purchase of traded goods		-	604.83
	Employee benefit expenses	23	407.38	447.49
	Finance costs	24	3,905.85	4,085.94
	Depreciation and amortisation expenses	25	1,197.91	1,212.38
	Transmission charges	26	740.65	1,122.78
	Other expenses	27	978.97	977.37
	Total expenses		**15,673.68**	**17,762.47**
III	**Profit / (loss) before tax (I +/- II)**		**(840.16)**	**735.50**
IV	**Tax expenses:**			
	(a) Current tax	8(b)	-	-
	(b) Deferred tax charge / (credit) (net)	8(b)	(206.88)	2,873.57
	Total tax expenses		**(206.88)**	**2,873.57**
V	**(Loss) / profit for the year (III +/- IV)**		**(633.28)**	**(2,138.07)**
VI	**Other comprehensive income/ (loss)**			
(A)	(i) Items that will not be reclassified to profit or loss			
	- Re-measurement gains/ (losses) on defined benefit plans	31	3.05	(1.10)
	(ii) Income tax effect		(0.77)	0.28
(B)	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax effect		-	-
	Total other comprehensive income/ (loss) for the year		**2.28**	**(0.82)**
VII	**Total comprehensive income for the year (V +/- VI)**		**(631.00)**	**(2,138.89)**
VIII	**Earnings per share (nominal value of share Rs. 10 each (March 31, 2020 : Rs.10 each))**			
	(a) Basic EPS (in Rs. per share)	28	(0.61)	(2.06)
	(b) Diluted EPS (in Rs. per share)	28	(0.61)	(2.06)
	Summary of significant accounting policies	2.2		

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W / E300004

per Sandeep Karnani
Partner
Membership number: 06120

Place: Bengaluru
Date: June 04, 2021

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

Srinivas Bommidala
Managing Director
DIN: 00061464

Dhanajay Vasantrao Deshpande
Whole-time Director
DIN : 07663196

Ashish Vinay Deshpande
Chief Financial Officer

Sanjay Kumar Babu
Company Secretary
Membership number: F-8649

Place: New Delhi
Date: June 04, 2021

GMR Warora Energy Limited
Corporate Identity Number (CIN) :U40100MH2005PLC155140
Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital:
Equity shares of Rs. 10 each issued, subscribed and fully paid

	Number	(Rs. in million)
At April 01, 2019	87,00,00,000	8,700.00
Add: Issued during the year	-	-
At March 31, 2020	87,00,00,000	8,700.00
Add: Issued during the year	-	-
At March 31, 2021	87,00,00,000	8,700.00

b. Other equity

(Rs. in million)

	Attributable to equity holders				
	0.0001% Non-cumulative Non Participating Compulsorily Covertible Preference shares ('CCPS') (refer notes 14 and 30)	Reserves and surplus			Total other equity
		Securities premium (refer note 14)	Debenture redemption reserve (refer note 14)	Retained earnings (refer note 14)	
For the year ended March 31, 2021					
As at April 01, 2020	1,700.08	229.92	187.50	(6,407.61)	(4,290.11)
(Loss) / profit for the year	-	-	-	(633.28)	(633.28)
Other comprehensive income for the year*	-	-	-	2.28	2.28
Total comprehensive income	-	-	-	(631.00)	(631.00)
As at March 31, 2021	1,700.08	229.92	187.50	(7,038.61)	(4,921.11)
For the year ended March 31, 2020					
As at April 01, 2019	1,700.08	229.92	187.50	(4,268.72)	(2,151.22)
(Loss) / profit for the year	-	-	-	(2,138.07)	(2,138.07)
Other comprehensive income for the year*				(0.82)	(0.82)
Total comprehensive income	-	-	-	(2,138.89)	(2,138.89)
As at March 31, 2020	1,700.08	229.92	187.50	(6,407.61)	(4,290.11)

* As required under Ind AS compliant Schedule III, the Company has recognized measurement gains / (losses) of defined benefit plans as part of retained earnings

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W / E300004

per Sandeep Karnani
Partner
Membership number: 061207

Place: Bengaluru
Date: June 04, 2021

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

Srinivas Bommidala
Managing Director
DIN: 00061464

Dhananjay Vasantrao Deshpande
Whole-time Director
DIN : 07663196

Ashish Vinay Deshpande
Chief Financial Officer

Sanjay Kumar Babu
Company Secretary
Membership number: F-8619

Place: New Delhi
Date: June 04, 2021

GMR Warora Energy Limited
Corporate Identity Number (CIN): U40100MH2005PLC155140
Statement of cash flows for the year ended March 31, 2021

(Rs. in million)

Particulars	March 31, 2021	March 31, 2020
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Profit before tax	(840.16)	735.50
Non-cash adjustments to reconcile (loss)/ profit before tax to net cash flows:		
Depreciation and amortisation expenses	1,197.91	1,212.38
Loss on sale of property, plant and equipment (net)	1.66	4.10
Impairment allowance (including trade advances written off)	124.78	62.76
Net foreign exhange differences	(14.71)	-
Net gain on de-recognition of right-of-use assets and lease liabilities	(8.39)	-
Provisions/liabilities no longer required, written back	(11.29)	(8.61)
Finance costs	3,905.85	4,085.94
Interest income on bank deposits	(5.89)	(8.99)
Operating profit before working capital changes	4,349.76	6,083.08
Movements in working capital :		
Decrease / (increase) in inventories	836.91	(464.28)
(Increase) / decrease in trade receivables	(1,980.75)	94.33
Decrease / (increase) in non-current and current other financial assets and other assets	519.74	958.91
(Decrease) / increase in trade payables	(558.00)	(620.96)
Increase / (decrease) in non-current and current other financial liabilities, other liabilities and provisions	25.03	27.89
Cash generated from operations	**3,192.69**	**6,078.97**
Direct taxes (paid) / refund	5.78	12.69
Net cash flow from / (used in) operating activities (A)	**3,198.47**	**6,091.66**
CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including capital work in progress, capital advances and intangible assets	(191.85)	(233.35)
Proceeds from sale of property, plant and equipment	4.70	-
Investment in bank deposits (having original maturity of more than three months) and other bank balances	(35.27)	133.71
Interest income received	6.26	11.41
Net cash flow (used in) / from investing activities (B)	**(216.16)**	**(88.23)**
CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,112.80)	(2,002.52)
Payment of lease liabilities	(9.50)	(17.68)
Proceeds from short-term borrowings (net of repayment)	157.76	87.29
Finance costs paid	(1,962.76)	(4,111.27)
Net cash flow (used in) / from in financing activities (C)	**(2,927.30)**	**(6,044.18)**
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	**55.01**	**(40.75)**
Cash and cash equivalents as at the beginning of the year	40.56	81.31
Cash and cash equivalents as at the end of the year	**95.57**	**40.56**
COMPONENTS OF CASH AND CASH EQUIVALENTS (refer note 12)		
Cash on hand	0.02	0.13
Balances with banks	95.55	40.43
Total cash and cash equivalents (refer note 12)	**95.57**	**40.56**

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S.R. Batliboi & Associates LLP
Bengaluru

GMR Warora Energy Limited
Corporate Identity Number (CIN): U40100MH2005PLC155140
Statement of cash flows for the year ended March 31, 2021

Changes in liabilities arising from financing activities

(Rs. in million)

Particulars	Lease liabilities (refer note 32)	Borrowings (refer note 15)
As at April 01, 2020	67.21	**31,551.83**
Cash flow changes		
Repayment of long-term borrowings	-	(1,112.80)
Proceeds from short-term borrowings (net of repayment)	-	157.76
Payment of lease liabilities (refer note 32)	(9.50)	-
Non-cash changes		
Conversion of interest expenses into Funded Interest Term Loans (refer note 15)	-	1,651.53
De-recognition of lease liabilities (refer note 32)	(61.60)	-
Interest on borrowings measured at amortised cost	-	14.34
Accretion of interest on lease liabilities (refer note 32)	3.89	-
As at March 31, 2021	-	**32,262.66**
As at April 01, 2019	-	**33,451.59**
Cash flow changes		
Repayment of long-term borrowings	-	(2,002.52)
Proceeds from short-term borrowings (net of repayment)	-	87.29
Payment of lease liabilities (refer note 32)	(17.68)	-
Non-cash changes		
Recognition of lease liabilities (refer note 32)	76.39	-
Interest on borrowings measured at amortised cost	-	15.47
Accretion of interest on lease liabilities (refer note 32)	8.50	-
As at March 31, 2020	67.21	**31,551.83**

Summary of significant accounting policies 2.2

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W / E300004

per Sandeep Karnani
Partner
Membership number: 061207

Place: Bengaluru
Date: June 04, 2021

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

Srinivas Bommidala
Managing Director
DIN: 00061464

Dhanajay Vasantrao Deshpande
Whole-time Director
DIN : 07663196

Ashish Vinay Deshpande
Chief Financial Officer

Sanjay Kumar Babu
Company Secretary
Membership number: F-8649

Place: Bengaluru
Date: June 04, 2021

GMR Warora Energy Limited
Corporate Identity Number (CIN): U40100MH2005PLC155140
Notes to the Ind AS financial statements for the year ended March 31, 2021

1. Corporate information

GMR Warora Energy Limited ('the Company') (Formerly known as EMCO Energy Limited) is a public company incorporated under the provisions of the Companies Act 1956, having its registered office at 701/704 , 7th floor, Naman Centre, A wing, Bandra Kurla Complex, Mumbai – 400 051. The Company is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600 MW situated at Warora.

1.1 Going Concern

The Company has incurred loss during the current year and has accumulated losses of Rs. 7,038.61 million as at March 31, 2021 which has resulted in substantial erosion of the net worth of the Company and its current liabilities exceed current assets by Rs. 1,697.07 million. There have been delays in repayment of dues to the lenders on account of the delay in the receipt of receivables from its customers as detailed in note 11, thereby resulting in lowering of credit ratings for the Company's borrowings. Further, as detailed in note 39 in view of the ongoing COVID-19 pandemic and expiry of the PPA with one of the customer availing 200 MW of power in June 2020 and a consequent cancellation of the fuel supply agreement, there could be impact on the future business operations, financial position and future cash flows of the Company. However, the Company has made profits before taxes for the year ended March 31, 2020 and March 31, 2019 and have favourable interim orders towards the aforementioned claims. Further as detailed in note 39(b), the Company, basis the requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVID-19 related stress prescribed by the Reserve Bank of India ('RBI') on December 30, 2020 and consequently, all the lenders of the Company have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021. Accordingly, the management of the Company based on the future business plans and forecasted cash flows is of the opinion that the Company will generate sufficient profits in the future years, realise its receivables and meet its debt obligations. Accordingly, the Ind AS financial statements of the Company continue to be prepared on a going concern basis which the Company contemplates realisation of current assets and settlement of current liabilities in an orderly manner.

2. Significant accounting policies

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

2.1. Basis of preparation

A. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013 (the 'Act') as amended from time to time and presentation requirements of Division II of Schedule III to the Act, (Ind AS compliant Schedule III), as applicable to the financial statements.

B. Functional and presentation currency

The functional and presentation currency of the Company is Indian Rupee ('Rs') which is the currency of the primary economic environment in which the Company operates. All values are disclosed to the nearest Million with two decimals (INR 000,000.00), except where otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost convention and on accrual basis , except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

S.R. Batliboi & Associates LLP Bengaluru

2.2 Summary of significant accounting policies:

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

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

b. Fair value measurement of financial instruments

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

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

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

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

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

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

Bengaluru

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

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

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

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

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

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

c. Revenue recognition

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

Description of performance obligations are as follows:

(i) Income from sale of Electrical Energy:

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

Revenue from energy units sold as per the terms of the PPA and Letter Of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis and includes unbilled revenue accrued up to the end of the accounting year.

Revenue earned in excess of billings has been included under "other financial assets" as unbilled revenue and billings in excess of revenue earned have been disclosed under "other liabilities" as unearned revenue.

Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to customers based on the units of energy delivered and the rate agreed with the customers. Revenue/ charges from unscheduled interchange for the deviation in generation with respect to scheduled generation are recognized/ charged at rates notified by Central Electricity Regulatory Commission ('CERC') from time to time, as revenue from sale of energy. Further, revenue is recognized/adjusted towards truing up in terms of the applicable CERC regulations.

Customers are billed on a monthly basis and are given credit period of 30 days for payment. Revenue in respect of claims on account of change in law events including coal cost pass through, carrying cost and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

S.R. Batliboi & Associates LLP Bengaluru

GMR Warora Energy Limited

Contract assets

A contract asset is the right to consideration in exchange for goods and services transferred to the customer (which consist of unbilled revenue). If the Company performs its obligations by transferring goods and services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

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

Trade receivables

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

Contract liabilities

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

Interest income

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

Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

d. Taxes on income

Current income tax

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

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

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Deferred tax

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

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

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

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

e. Property, plant and equipment

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

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

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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 & Equipment. Major inspection costs relating to Boiler, Turbine and Generator overhauls are identified as separate component and are depreciated over 5 years. Spare parts are capitalized when they

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meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months and having a value of more than 500,000.

On Transition to Ind AS, the Company has availed the optional exemption on "Long term Foreign currency Monetary items" and has accordingly continued with the policy to adjust the exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset recognised in the financial statements for the year ended March 31, 2016 (as per previous GAAP) to the cost of the tangible asset and depreciates the same over the remaining life of the asset. In accordance with the Ministry of Corporate Affairs ('MCA') circular dated August 09, 2012, exchange differences adjusted to the cost of tangible fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences. As per amendment vide Notification No GSR 913 (E) dated December 29, 2011 the option of recognising such differences in the original cost was available only till the accounting period ending March 31, 2020.

f. Depreciation on Property, plant and equipment

The management has estimated the useful life of assets individually costing Rs. 5,000 or less to be less than one year, which is lower than those indicated in Schedule II.

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.
Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

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

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

Depreciation on Property, plant and equipment is provided on the Straight Line Method over the useful lives of the assets which is as follows:

Category of the asset	Estimated useful life (in years)
Plant and equipment – Power plant	40
Plant and equipment – Others	5-15
Buildings (on leasehold land)	3-60
Office equipment	5-15
Furniture and fixtures	10
Vehicles	8-10
Computers	3

g. Intangible assets

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

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

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h. Amortisation of intangible assets

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised. Software is amortised based on the useful life of six years on a straight-line basis as estimated by the management.

i. Borrowing costs

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

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

j. Leases

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

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Company has obtained land on lease for a term of 95 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

ii. Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

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

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to that extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

l. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets, and other non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and

(ii)in case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less costs of disposal and the value in use.

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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

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

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

m. Provisions and contingent liabilities

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

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

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.

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

Provisions and contingent liability are reviewed at each balance sheet.

Decommissioning liability:
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 rate that reflects the risks specific to the decommissioning liability. 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.

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n. Retirement and other employee benefits

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

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

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

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

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

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

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

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

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

The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.
Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

o. Financial instruments

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

All financial assets and financial liabilities are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

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

Effective interest method

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

(a) Financial assets

Financial assets at amortised cost

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

Financial assets measured at fair value

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

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

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

Impairment of financial assets

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

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

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

De-recognition of financial assets

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

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

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

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

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

(b) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

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

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

b. De-recognition

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

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

p. Convertible preference shares/ debentures

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

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

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The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for conversion right. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares / debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

q. 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 that are readily convertible to a known amount of cash.

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

r. Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

s. Foreign currencies

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

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

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-"First time adoption of Indian Accounting Standard" are recognised directly in equity or added/ deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

t. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss. Refer note 35.

u. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

2.3 Impact of implementation of new standards/ amendments

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.

A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

'These amendments are applicable prospectively for annual periods beginning on or after 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's financial statements.

Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the Ind AS financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after 1 April 2020. These amendments have no impact on the Ind AS financial statements of the Company as it does not have any interest rate hedge relationships.

Bengaluru

3 Property, plant and equipment

(Rs. in million)

Particulars	Freehold land	Buildings on leasehold land	Leasehold land	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Computers	Total
Gross block (at cost/ deemed cost)									
As at April 01, 2019	105.94	4,581.52	361.00	32,989.45	49.19	132.29	6.51	11.68	38,237.58
Additions	11.25	13.86	-	123.94	0.35	1.62	2.24	0.80	154.06
Disposals	-	(4.10)	-	-	-	-	-	-	(4.10)
Other adjustments[2]	-	-	-	38.78	-	-	-	-	38.78
Reclassified on account of adoption of Ind AS 116 (refer note 32)	-	-	(361.00)	-	-	-	-	-	(361.00)
As at March 31, 2020	**117.19**	**4,591.28**	-	**33,152.17**	**49.54**	**133.91**	**8.75**	**12.48**	**38,065.32**
Additions	22.05	14.14	-	50.85	-	0.85	-	17.10	104.99
Disposals	-	-	-	(8.26)	-	(0.68)	-	(0.12)	(9.06)
As at March 31, 2021	**139.24**	**4,605.42**	-	**33,194.76**	**49.54**	**134.08**	**8.75**	**29.46**	**38,161.25**
Accumulated depreciation									
As at April 01, 2019	-	722.81	13.88	4,429.21	11.90	40.65	0.91	7.03	5,226.39
Charge for the year	-	150.10	-	1,012.78	5.45	20.86	0.91	2.60	1,192.70
Reclassified on account of adoption of Ind AS 116 (refer note 32)	-	-	(13.88)	-	-	-	-	-	(13.88)
As at March 31, 2020	-	**872.91**	-	**5,441.99**	**17.35**	**61.51**	**1.82**	**9.63**	**6,405.21**
Charge for the year	-	149.75	-	1,003.85	5.01	21.17	0.82	2.22	1,182.82
Disposals	-	-	-	(2.01)	-	(0.58)	-	(0.11)	(2.70)
As at March 31, 2021	-	**1,022.66**	-	**6,443.83**	**22.36**	**82.10**	**2.64**	**11.74**	**7,585.33**
Net block									
As at March 31, 2021	**139.24**	**3,582.76**	-	**26,750.93**	**27.18**	**51.98**	**6.11**	**17.72**	**30,575.92**
As at March 31, 2020	**117.19**	**3,718.37**	-	**27,710.18**	**32.19**	**72.40**	**6.93**	**2.85**	**31,660.11**

Note:

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

2 The MCA, Government of India ('GoI') vide its Notification No GSR 225 (E) dated March 31, 2009 prescribed certain changes to AS - 11 on 'The Effects of Changes in Foreign Exchange Rates'. The Company has, pursuant to adoption of such prescribed changes to the said Standard, exercised the option of recognizing the exchange differences arising in reporting of foreign currency monetary items at rates different from those at which they were recorded earlier, in the original cost of such depreciable assets in so far such exchange differences arose on foreign currency monetary items relating to the acquisition of depreciable assets. Exchange differences are capitalized as per paragraph D13AA of Ind AS 101 'First time adoption' availing the optional exemption that allows first time adopter to continue capitalization of exchange differences in respect of long term foreign currency monetary items recognized in the financial statements for the period ending immediately beginning of the first Ind AS financial reporting period as per the previous GAAP. As per amendment vide Notification No GSR 913 (E) dated December 29, 2011 the option of recognising such differences in the original cost was available only till the accounting period ending March 31, 2020. Accordingly, foreign exchange loss of Rs. Nil (March 31, 2020: Rs. 38.78 million (loss)) in respect of exchange differences arising on foreign currency monetary items relating to the acquisition of depreciable assets have been adjusted against property, plant and equipment.

3 The management of the Company carried out a valuation assessment of its Property, Plant and Equipment ('PPE') during the year ended March 31, 2021 by an external expert. The valuation assessment includes certain key assumptions such as fully utilizing the untied capacity of 200 MW resulting from the expiry of existing PPA with one of its customers in June 2020, conclusion and timely realisation of claims with Discoms currently under dispute for various change in law events as detailed in notes 11(c) and (d), enhancement in the operational performance of the plant including ramp up in generation and availability of coal with higher gross calorific value at competitive rates, decline in interest rates, restructuring of loans as detailed in note 39(b) etc, which the management believes reasonably reflect the future expectations and is of the view that the carrying value of the PPE is appropriate and accordingly has not made any adjustments to the carrying values of PPE as at March 31, 2021.

4 Refer note 15 in regard to details of pledge of the property, plant and equipment in connection with borrowings from the lenders.

5 Leasehold land includes amount paid as compensation to the land owners.

6 The Company in the financial year 2016-17 has capitalized freehold land amounting to Rs. 8.90 million based on agreement to sell pending execution of sale deed. The sale deed has not been executed as at March 31, 2021.

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GMR Warora Energy Limited
Corporate Identity Number (CIN): U40100MH2005PLC155140
Notes to the Ind AS financial statements for the year ended March 31, 2021

4 Intangible assets

(Rs. in million)

Particulars	Computer software	Total
Gross block (at cost/ deemed cost)		
As at April 01, 2019	11.19	11.19
Additions	1.85	1.85
As at March 31, 2020	**13.04**	**13.04**
Additions	-	-
As at March 31, 2021	**13.04**	**13.04**
Accumulated amortisation		
As at April 01, 2019	5.31	5.31
Charge for the year	0.38	0.38
As at March 31, 2020	**5.69**	5.69
Charge for the year	3.21	3.21
As at March 31, 2021	**8.90**	**8.90**
Net block		
As at March 31, 2021	4.14	4.14
As at March 31, 2020	7.35	7.35

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

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5 Financial assets - Investments

(Rs. in million)

	March 31, 2021	March 31, 2020
Investment carried at cost		
Unquoted Government securities		
National Savings Certificate*	0.00	0.00
	0.00	**0.00**

* The investment is amounting to Rs 2,500 (March 31, 2020: Rs 2,500)

6 Loans

(Rs. in million)

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Unsecured, considered good				
Carried at amortised cost				
Security deposits with related parties (refer note below)	6.12	6.12	15.21	32.86
Security deposits with others	96.40	98.79	-	-
Total	**102.52**	**104.91**	**15.21**	**32.86**
Security deposits with related parties (refer note 30):				
Raxa Security Services Limited ('RSSL')	3.39	3.39	-	-
GMR Energy Trading Limited ('GETL')	2.73	2.73	-	-
GMR Corporate Affairs Private Limited ('GCAPL')	-	-	15.21	32.86
	6.12	**6.12**	**15.21**	**32.86**
Security deposits with related parties which have significant increase in credit risk				
Security deposits with related parties			6.67	
	-	-	**6.67**	-
Less: Security deposits with related parties which have significant increase in credit risk (refer note 33)	-	-	(6.67)	-
Total	**6.12**	**6.12**	**15.21**	**32.86**

7 Other financial assets
Carried at amortised cost
(Unsecured, considered good unless otherwise stated)

(Rs. in million)

		Non-current		Current	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Unbilled revenue: (refer note 11(c))					
Unbilled revenue from related parties (refer note 30)		-	-	357.78	146.36
Other unbilled revenue		-	-	354.60	698.84
		-	-	**712.38**	**845.20**
Unbilled revenue from related parties which have significant increase in credit risk					
Unbilled revenue from related parties				49.61	
		-	-	**49.61**	-
Impairment Allowance (allowance for bad and doubtful debts)					
Less: Unbilled revenue from related parties which have significant increase in credit risk (refer note 33)		-	-	(49.61)	-
	(A)	-	-	**712.38**	**845.20**
Transmission charges receivable:					
Receivables from related parties (refer note 30)		-	-	45.24	110.35
Other receivables (refer note 26)		-	-	45.13	246.15
	(B)	-	-	**90.37**	**356.50**
Non-current bank balance (refer note 12)		147.86	112.59	-	-
Interest accrued on fixed deposits		-	-	0.49	0.86
Other receivables from related parties (refer note 30)		-	-	2.56	2.56
	(C)	**147.86**	**112.59**	**3.05**	**3.42**
Total other financial assets	(A+B+C)	**147.86**	**112.59**	**805.80**	**1,205.12**

8(a) Deferred tax asset/(liablity) (net)

(Rs. in million)

	March 31, 2021	March 31, 2020
Deferred tax liability		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	(5,051.14)	(4,947.65)
Fair valuation of borrowing at inception and subsequently recorded at amortized cost	(21.73)	(25.18)
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	42.12	28.81
Losses / unabsorbed depreciation available for offsetting against future taxable income	4,748.23	4,486.47
Others	87.22	56.14
Total	**(195.30)**	**(401.41)**

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8(b). Income Tax

The Company is subject to income tax in India on the basis of financial statements
Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains Unabsorbed depreciation can be carried forward for an indefinite period

Income tax expenses in the statement of profit and loss consist of the following:

(Rs. in million)

	March 31, 2021	March 31, 2020
(a) Current tax	-	-
(b) Deferred tax charge / (credit) (net)	(206.88)	2,873.57
Total taxes	**(206.88)**	**2,873.57**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

(Rs. in million)

	March 31, 2021	March 31, 2020
(Loss) / profit before tax	(840.16)	735.50
Computed tax charge on applicable tax rates in India	**(211.45)**	**185.11**
Deferred tax charge created on additional depreciation written off pursuant to introduction of section 115BAA of the Income-tax Act, 1961	-	2,414.12
MAT credit entitlement written off pursuant to introduction of aforementioned section	-	275.16
Tax effect of change in tax rate from 34.94% to 25.17% (refer note below)	-	(59.63)
Tax effect on permanent differences	6.01	5.86
Others	(1.44)	52.95
Total tax expenses	**(206.88)**	**2,873.57**

Note:

1 On September 20, 2019, the Taxation Laws (Amendment) Ordinance, 2019 ('ordinance') was passed introducing section 115BAA of the Income-tax Act, 1961 which allowed domestic Companies to opt for an alternative tax regime from FY 2019-20 As per the regime, Companies are allowed to pay reduced income tax @ 22% (plus surcharge and cess) subject to foregoing of certain exemptions which were earlier allowed Central Board of Direct taxes vide circular no 29/2019 clarified that Companies opting for lower rates of taxes will not be allowed to offset brought forward losses on account of additional depreciation and carry forward MAT credit Pursuant to the aforesaid amendment, the Company had opted for lower rate of tax and accordingly has reversed deferred tax asset on additional depreciation claimed by the Company and MAT credit existing as at March 31, 2019 Further the Company has restated the deferred tax assets and liabilities as on April 01, 2019 at the rate of 25.17%

9 Other assets

(Rs. in million)

		Non-current		Current	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Capital advances					
Unsecured, considered good		0.44	0.44	-	-
	(A)	**0.44**	**0.44**	-	-
Advances other than capital advances					
Unsecured, considered good					
Receivable from related parties (refer note 30)		-	-	1.01	1.04
Receivable from others		-	-	171.74	353.77
		-	-	**172.75**	**354.81**
Advances other than capital advances which have significant increase in credit risk					
Advances other than capital advances		-	-	9.10	-
		-	-	**9.10**	-
Less: Advances other than capital advances which have significant increase in credit risk		-	-	(9.10)	-
	(B)	-	-	**172.75**	**354.81**
Other advances (Unsecured, considered good)					
Prepaid expenses		16.55	33.34	71.47	33.53
Balance with statutory / government authorities		3.60	8.82	-	-
	(C)	**20.15**	**42.16**	**71.47**	**33.53**
Total other assets	(A+B+C)	**20.59**	**42.60**	**244.22**	**388.34**

10 Inventories (valued at lower of cost and net realizable value)

(Rs. in million)

	March 31, 2021	March 31, 2020
Raw materials	27.10	855.16
Goods in transit	26.83	58.67
Stores and spares (net of provision for inventory obsolescence of Rs. 2.40 million (March 31, 2020: Rs. Nil))	314.73	291.74
Total inventories	**368.66**	**1,205.57**

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GMR Warora Energy Limited

11. Trade receivables

(Rs. in million)

		March 31, 2021	March 31, 2020
Carried at amortised cost			
Unsecured, considered good			
Receivable from related parties (refer note 30)		1,809.10	1,757.13
Other trade receivables		4,625.78	2,756.40
	(A)	**6,434.88**	**4,513.53**
Trade Receivables which have significant increase in credit risk			
Other trade receivables		96.75	37.35
	(B)	**96.75**	**37.35**
Impairment Allowance (allowance for bad and doubtful debts)			
Less: Trade Receivables which have significant increase in credit risk (refer note 33)	(C)	(96.75)	(37.35)
Total trade receivables	(A+B+C)	**6,434.88**	**4,513.53**
Receivable from related parties:			
GETL		1,809.10	1,757.13
Total trade receivables		**1,809.10**	**1,757.13**

Notes:

a. Trade receivables are interest bearing @ 12% p.a and are generally on terms up to 30 days.

b. 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.

c The Company has claimed compensation for various "change in law" events including coal cost pass through, duties and taxes, carrying cost etc. from its customers under the Power Purchase Agreements ('PPA') and filed petitions with the regulatory authorities for settlement of such claims in favour of the Company. Based on certain interim favourable orders by Central Electricity Regulatory Commission ('CERC') the management is confident of settlement of claims (including interest thereon) made by the Company in its favour and has accordingly accounted Rs. 9,227.09 million till the period ended March 31, 2021 (including Rs. 817.57 million accounted during the year ended March 31, 2021). The Company has trade receivables and unbilled revenue of Rs. 7,147.26 million as at March 31, 2021, including Rs. 3,163.70 million receivable towards the aforementioned claims. The management of the Company based on its internal assessment and certain interim favourable regulatory orders, is of the view that the aforesaid balances are fully recoverable as at March 31, 2021 and accordingly, has not made any adjustments in the Ind AS financial statements for the year ended March 31, 2021.

d The Company received notices from one of its customer disputing payment of capacity charges of Rs 1,320.06 million for the period March 23, 2020 to June 30, 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. The Company responded and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer is of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof. Also, the PPA with the customer expired in June 2020. Further, during the year ended March 31, 2021, the Company filed petition with CERC for settlement of the dispute. The management of the Company based on its internal assessment, legal expert advice and petition filed with CERC, is of the view that the aforesaid capacity charges are fully recoverable and have accordingly recognised the same as revenue during the year ended March 31, 2021.

12. Cash and cash equivalents

(Rs. in million)

		Non-current		Current	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balances with banks					
- On current accounts		-	-	95.55	40.43
Cash on hand		-	-	0.02	0.13
	(A)	-	-	**95.57**	**40.56**
Other bank balances					
-Restricted balances with banks[1]		147.86	112.59	-	-
	(B)	**147.86**	**112.59**	-	-
Amount disclosed under other financial assets (refer note 7)		(147.86)	(112.59)	-	-
	(C)	**(147.86)**	**(112.59)**	-	-
Total	(A+B+C)	-	-	**95.57**	**40.56**

1. A charge has been created over the deposits of Rs. 147.86 million (March 31, 2020: Rs. 112.59 million) towards various bank guarantees, long-term and short-term borrowings availed by the Company.

2. Balances with banks on current accounts does not earn interest.

3. For the purpose of statement of cash flows, cash and cash equivalents is same as above.

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GMR Warora Energy Limited

13. Equity Share Capital

	Equity Shares		Preference Shares	
	In Numbers	(Rs. in million)	In Numbers	(Rs. in million)
Authorised share capital:				
As at April 01, 2019	90,00,00,000	9,000.00	20,00,00,000	2,000.00
Increase/(decrease) during the year	-	-	-	-
As at March 31, 2020	90,00,00,000	9,000.00	20,00,00,000	2,000.00
Increase/(decrease) during the year	-	-	-	-
As at March 31, 2021	90,00,00,000	9,000.00	20,00,00,000	2,000.00

a. Issued share capital

(i) Equity shares of Rs. 10 each issued, subscribed and fully paid (refer note 30)

	In Numbers	(Rs. in million)
As at April 01, 2019	87,00,00,000	8,700.00
Changes during the year	-	-
As at March 31, 2020	87,00,00,000	8,700.00
Changes during the year	-	-
As at March 31, 2021	87,00,00,000	8,700.00

(ii) 0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference shares ('CCPS')

	In Numbers	(Rs. in million)
As at April 01, 2019	17,00,08,060	1,700.08
Changes during the year	-	-
As at March 31, 2020	17,00,08,060	1,700.08
Changes during the year	-	-
As at March 31, 2021	17,00,08,060	1,700.08

b. Terms/rights attached to equity shares

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

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

c. Terms/Rights Attached to 0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference Shares (CCPS):

During the year ended March 31, 2019, the Company had converted 75,000,000 NCPS of Rs. 10/- each fully paid-up at par aggregating to Rs. 750.00 million in to 75,000,000 number of 0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference Shares ('CCPS') of Rs. 10 each fully paid up at par aggregating to Rs. 750.00 million.

Further, during the year ended March 31, 2019, pursuant to the approval of the Board of Directors, the Company had issued 95,008,060 CCPS of Rs. 10/- each at a premium of Rs. 2.42/- per share to GMR Energy Limited (total face value of Rs. 950.08 Million) by way of conversion of the sub-ordinated debts and inter-corporate deposits.

CCPS carries preferential dividend at the rate of 0.001% p.a. subject to availability of profits and lenders' consent. The preferential dividend is non-cumulative and shall be due only when declared by the Board. Each CCPS shall have one vote at the meeting of CCPS holders.

Further, in case the dividend on CCPS is not paid for two years or more, the holders of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Company (including the holders of equity shares) in terms of section 47 of the Companies Act 2013.

Each CCPS will be converted into equity shares at any time at the option of the holder of CCPS or the Company. Subject to compliance with applicable laws, each CCPS shall automatically be converted into equity shares at the expiry of 15 years from the CCPS respective issue dates.

The number of equity shares issuable pursuant to the conversion of CCPS shall be in the ratio of 1:1.

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GMR Warora Energy Limited

d. Shares held by Holding /Ultimate Holding Company and/ or their subsidiaries/ associates.
Out of the equity share issued by the Company, share held by its Holding company are as below:

Name of Shareholder	March 31, 2021		March 31, 2020	
	No. of shares held	(Rs. in million)	No. of shares held	(Rs. in million)
GMR Energy Limited - Holding Company Equity shares of Rs. 10 each, fully paid up	87,00,00,000	8,700.00	87,00,00,000	8,700.00
GMR Energy Limited - Holding Company 0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference Shares (CCPS)	17,00,08,060	1,700.08	17,00,08,060	1,700.08

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

Name of Shareholder	March 31, 2021		March 31, 2020	
	No. of shares held	% holding in class	No. of shares held	% holding in class
GMR Energy Limited - Holding Company Equity shares of Rs. 10 each, fully paid up	87,00,00,000	100.00%	87,00,00,000	100.00%
GMR Energy Limited - Holding Company 0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference Shares (CCPS)	17,00,08,060	100.00%	17,00,08,060	100.00%

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

g. Shares reserved for issue under option:
For details of shares reserved for issue on conversion of CCPS, please refer note 13 (c).

h. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.
Refer note 13 (c).

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GMR Warora Energy Limited
Corporate Identity Number (CIN) :U40100MH2005PLC155140
Notes to the Ind AS financial statements for the year ended March 31, 2021

14. Other equity

Debenture redemption reserve[1]			**(Rs. in million)**
Balance at the beginning and end of the year		(A)	187.50
Securities premium[2]			
Balance at the beginning and end of the year		(B)	229.92
Retained earnings[3]			
Balance as at April 01, 2019			(4,268.72)
(Loss)/ profit for the year			(2,138.07)
Re-measurement gains / (losses) on defined benefit plans			(0.82)
Balance as at March 31, 2020			**(6,407.61)**
(Loss)/ profit for the year			(633.28)
Re-measurement gains / (losses) on defined benefit plans			2.28
Balance as at March 31, 2021		(C)	**(7,038.61)**
0.001% Non-Cumulative Non-Participating Compulsorily Convertible Preference shares ('CCPS') (refer notes 13(c) and 30)			
Balance at the beginning and end of the year		(D)	1,700.08
Total other equity	(A+B+C+D)		
Balance as at April 01, 2019			**(2,151.22)**
Balance as at March 31, 2020			**(4,290.11)**
Balance as at March 31, 2021			**(4,921.11)**

1. The Company had issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued over the life of the debentures issued.

2. Securities premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

3. Retained earnings are profits/(losses) of the Company till date net of appropriations.

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GMR Warora Energy Limited

15 Financial liabilities - Borrowings (at amortised cost)

(Rs. in million)

	Non-current		Current	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Long-term borrowings:				
Debentures				
750 (March 31, 2020: 750) Non-convertible debentures of Rs.1,000,000 each (secured)[1]	-	-	748.24	747.63
Term loans				
From banks				
Indian rupee term loans (secured)[2,3(a),3(b),3(c),3(d),6,7]	25,350.20	25,811.26	2,562.02	1,486.15
From financial institutions				
Indian rupee term loans (secured)[4,6,7]	129.87	292.22	250.00	150.00
Short-term borrowings:				
Cash credit loan from bank (secured)[5,7]	-	-	3,222.33	3,064.57
	25,480.07	**26,103.48**	**6,782.59**	**5,448.35**
The above amount includes				
Secured borrowings	25,480.07	26,103.48	6,782.59	5,448.35
Unsecured borrowings	-	-	-	-
Less: Amount clubbed under "Other financial liabilities" (refer note 16)	-	-	(3,560.26)	(2,383.78)
Total financial liabilities - borrowings	**25,480.07**	**26,103.48**	**3,222.33**	**3,064.57**

1. During the year ended March 31, 2015, the Company had issued 750 secured, rated, listed, redeemable, Non Convertible Debentures (NCD) of the face value of Rs. 1,000,000/- each which are listed on Bombay Stock Exchange. The secured NCD carries coupon rate of 12.00% per annum (March 31, 2020: 14.40%) payable semi-annually. Additionally, these debentures carry an additional coupon rate to the extent of 0.25% p.a. payable for every notch below agreed rating of NCD.

Apart from the securities mentioned in note 15(6) below, these debentures are secured by way of (i) pledge of shares of at least 51% of the total equity shareholding together with all accretions thereon of the Company held by the Holding Company (ii) corporate guarantee of the Holding Company (iii) pledge of 37.50 million shares of GMR Bajoli Holi Hydropower Private Limited ('GBHHPL') held by the Holding Company. The securities as stated in (i) and (ii) above and note 15(6) shall rank pari-passu inter-se amongst the rupee term loan lenders, working capital lenders and bond holders as per the base case business plan as approved by the lenders. These debentures were redeemable in 3 equal instalments commencing from September 2022.

The Debenture holders had a put option for full facility amount exercisable on or by September 25, 2019. During the year ended March 31, 2020, the debenture holders had exercised the put option for immediate repayment of the full amount. However, the debenture holders had agreed to defer the repayment for a period of 1 year till September 25, 2020 based on the request of the Company. The aforesaid deferral of repayment has been further extended by the debenture holders for a period of 1 year up to September 25, 2021 based on the request of the Company.

2. Indian rupee term loan from banks of Rs. 25,942.67 million (March 31, 2020: Rs. 25,295.18 million) carries interest @ Lead Banker's 1 Year Marginal Cost of Funds based Lending Rates ('MCLR') plus spread of 3.15% p.a. (March 31, 2020: Lead Banker's 1 Year MCLR plus spread of 3.15% p.a.) and interest is payable on a monthly basis. Apart from the securities mentioned in note 15(6) below, these indian rupee term loans are secured by way of pledge of shares of at least 51% of the total equity shareholding together with all accretions thereon of the Company held by the Holding Company. 72% of the loan was repayable in fifty four structured quarterly instalments commencing June, 2016 and ending on September 30, 2029 and remaining 28% of loan was repayable in a single bullet by way of refinancing in September, 2029.

During the year, the Reserve Bank of India ('RBI') had granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution during the period March 2020 till August 2020 ('RBI Moratorium Relief'). Accordingly, with respect to principal repayments, the revised repayment schedules have been drawn and the tenor of the aforesaid loans have been increased by six months, i.e., up to March 2030, except for one bank wherein the tenor has been increased by three months i.e up to December 2029. Further, interest expenses of Rs. 1,503.70 million for the said moratorium period has been converted into Funded Interest Term Loans (FITLs) and is payable in two equal quarterly instalments at the end of the tenor of the loan.

3(a). Indian rupee term loan from a bank of Rs. 168.65 million (March 31, 2020: Rs. 261.90 million) carries interest @ lender's 1 Year MCLR plus spread of 4.05% p.a.(March 31, 2020: lender's 1 Year MCLR plus spread of 3.00% p.a.) and interest is payable on a monthly basis. The loan was repayable in 20 equal quarterly instalments commencing from July 31, 2016 and ending on April 30, 2021. Pursuant to the RBI Moratorium Relief as stated in note 15(2) above, the revised repayment schedules have been drawn and the tenor of the aforesaid loan has been increased by 6 months i.e., up to October 31, 2021 and interest expenses of Rs. 16.72 million has been converted into FITL which is payable in equal quarterly instalments commencing from October 31, 2020 and ending on October 31, 2021.

3(b). Indian rupee term loan from a bank of Rs. 843.95 million (March 31, 2020: Rs. 816.29 million) carries interest @ base rate of lender plus spread of 4.15% p.a. (March 31, 2020 base rate of lender plus spread of 4.15% p.a.) and interest is payable on a monthly basis. The loan is repayable in 31 structured quarterly instalments commencing from September 30, 2017 and ending on March 31, 2025. Pursuant to the RBI Moratorium Relief as stated in note 15(2) above, the revised repayment schedules have been drawn and the tenor of the aforesaid loan has been increased by 6 months i.e., up to September 30, 2025 and interest expenses of Rs. 51.07 million has converted into FITL which is payable in quarterly instalments commencing from September 30, 2020 and ending on September 30, 2025.

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3(c). Indian rupee term loan from a bank of Rs. 956.95 million (March 31, 2020: Rs. 924.04 million) carries interest @ base rate of lender plus spread of 2.30% p.a. (March 31, 2020: base rate of lender plus spread of 2.30% p.a.) and interest is payable on a monthly basis. The loan is repayable in 74 structured quarterly instalments commencing from June 30, 2016 and ending on March 31, 2034. Pursuant to the RBI Moratorium Relief as stated in note 15(2) above, the revised repayment schedules have been drawn and the tenor of the aforesaid loan has been increased by 6 months i.e., up to September 30, 2034 and interest expenses of Rs. 49.73 million has converted into FITL which is payable in quarterly instalments commencing from September 30, 2020 and ending on September 30, 2034.

3(d). Apart from the securities mentioned in note 15(6) below, the above loans mentioned in paras 3(a), 3(b) and 3(c) are secured by first ranking pari passu or subservient charge/ mortgage /hypothecation over the below described assets in favour of lender or security trustee, as applicable:
(i) exclusive pledge of equity shares of GIL such that the shares pledge provides a cover of 2.0 times over the outstanding loan amount,
(ii) pledge of shares of at least 23% of the total equity shareholding together with all accretions thereon of the Company held by the Holding Company,
(iii) pledge of 26% of the equity shares of GMR Vemagiri Energy Limited ('GVPGL') held by the Holding Company.

4. Indian rupee term loan from a financial institution of Rs. 379.87 million (March 31, 2020: Rs. 442.22 million) carries interest @ rate of 13.00% p.a. (March 31, 2020: 13.00% p.a.) and interest is payable on a monthly basis. Apart from the securities mentioned in note 15(6) below, these indian rupee term loans are secured by way of pledge of shares of at least 51% of the total equity shareholding together with all accretions thereon of the Company held by the Holding Company. The loan is repayable in 20 equal quarterly instalments commencing from June 30, 2017 and ending on March 31, 2022. Pursuant to the RBI Moratorium Relief as stated in note 15(2) above, the revised repayment schedules have been drawn and the tenor of the aforesaid loan has been increased by 6 months i.e., up to September 30, 2022 and interest expenses of Rs. 30.31 million has converted into FITL which is payable in two equal quarterly instalments on June 30, 2022 and September 30, 2022.

5. Apart from the securities mentioned in note 15(6) below, Cash Credit loans from bank are secured by way of pledge of shares of at least 51% of the total equity shareholding together with all accretions thereon of the Company held by the Holding Company. Cash Credit Loans are repayable on demand and carries an interest rate ranging between 11.10% to 11.75% (March 31, 2020: 11.10% to 11.75%).

6. The above borrowings are secured by way of:
(i) first pari-passu charge by way of mortgage on all immovable properties (owned and leased subject to provisions of extant laws in relation to Revenue Land) together with all the buildings and structures and appurtenances thereon, present and future, of the Company, pertaining to the project.
(ii) first pari-passu charge by way of hypothecation of all the Company's movable property including movable plant and machinery, spares, tools, accessories, furniture, fixtures, vehicles and other movable assets both present and future of the Borrower pertaining to the Project.
(iii) first charge cum assignment of all project related documents, contracts, rights, interests, insurance policies, permits/approvals and all benefits incidental to the project.
(iv) first charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future, intangibles, goodwill, present and future of the Company.
(v) first charge by way of hypothecation on all the current assets of the Company present and future.
(vi) first charge on all the Project's bank accounts including but not limited to DSRA and the Trust & Retention Account (TRA) opened in a designated bank, where all cash inflows of the Project shall be deposited and all proceeds shall be utilised in a manner that the priority is decided by the lenders.
(vii) first charge cum assignment of all the Company's rights and interests under Letter of Credit or such other security to be provided by the procurer of power under the terms of the PPA in favour of the Company, guarantee or performance bond provided by any party for any contract in favour of the Company pertaining to the Project.

7. As at March 31, 2021, the Company defaulted in the principal repayment and payment of interest, details of which are as under:

Nature	Particulars	March 31, 2021 (Rs. in million)	Period of Default (No. of Days)
Repayment of Principal	Indian Rupee term loans from banks	487.50	0-30
	Indian Rupee term loans from financial institution	50.00	0-30
Payment of Interest	Indian Rupee term loans from banks	521.07	0-60
	Indian Rupee term loans from financial institution	8.15	0-60
	Short-term borrowings	10.71	0-30

Further, the Company is not in compliance with the financial covenants as stated in the loan agreements and as detailed in note 39(b), the Company, basis the requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVID-19 related stress prescribed by the Reserve Bank of India ('RBI') on December 30, 2020 and consequently, all the lenders of the Company have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021.

8. Also, refer note 33(c)(iii).

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16 Other financial liabilities

(Rs. in million)

	Current	
	March 31, 2021	March 31, 2020
Other financial liabilities recognised at amortised cost		
Current maturities of long-term borrowings (refer note 15)	3,560.26	2,383.78
Interest accrued on borrowings (refer note 15 (8))	541.97	273.04
Accrued salaries and benefits	127.51	99.06
Payable towards capital goods (including retention money) - related parties (refer note 30)	31.19	29.58
Payable towards capital goods (including retention money) - others (including Rs. 12.07 million (March 31, 2020: Rs. 16.80 million) as dues of micro enterprises and small enterprises) (refer note 18(2))	626.10	734.93
Total other financial liabilities	**4,887.03**	**3,520.39**

17 Provisions

(Rs. in million)

	Long-term		Short-term	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for employee benefits				
-Provision for compensated absences	-	-	55.38	58.88
-Provision for gratuity (refer note 31)	0.59	0.58	4.24	4.14
Provision for prompt payment rebates[1]	-	-	-	6.86
Provision for asset retirement obligation/ decommissioning liability[1]	60.96	56.56	-	-
	61.55	**57.14**	**59.62**	**69.88**

Note:

1. Details of rebates and asset retirement obligation/ decommissioning liability

(Rs. in million)

	Provision for prompt payment rebate	Provision for asset retirement obligations / decommissioning liability	Total
As at April 01, 2019	**2.81**	**52.45**	**55.26**
Provision made during the year	248.47	-	248.47
Provision utilised/reversed during the year	(244.42)	-	(244.42)
Notional interest on account of unwinding of financial liabilities	-	4.11	4.11
As at March 31, 2020	**6.86**	**56.56**	**63.42**
Provision utilised/reversed during the year	(6.86)	-	(6.86)
Notional interest on account of unwinding of financial liabilities	-	4.40	4.40
As at March 31, 2021	**-**	**60.96**	**60.96**
Balances as at March 31, 2020			
Current	6.86	-	6.86
Non-current	-	56.56	56.56
Balances as at March 31, 2021			
Non-current	-	60.96	60.96

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18 Financial liabilities - Trade payables

		(Rs. in million)	
		Current	
		March 31, 2021	March 31, 2020
Carried at amortised cost			
Total outstanding dues of micro enterprises and small enterprises[1,2]	(a)	55.27	30.05
Total outstanding dues of creditors other than micro enterprises and small enterprises[1]			
- Trade payables to related parties (refer note 30)		515.94	426.89
- Trade payables to others		606.53	1,291.21
	(b)	**1,122.47**	**1,718.10**
Total trade payables	(a+b)	**1,177.74**	**1,748.15**

1. Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing.
- For explanations on the Company's credit risk management processes, refer note 33.
- The dues to related parties are unsecured.

2. Trade payables include due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2016). Amount due to suppliers under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with and filings made by the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act 2006 is not expected to be material. The disclosure pursuant to the said Act is as under:

	(Rs. in million)	
	March 31, 2021	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprises (Includes Rs. 12.07 million (March 31, 2020 Rs. 16.80 million) disclosed under other financial liabilities: payable towards capital goods - others)	67.34	46.85
- Interest thereon	6.79	4.91
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	2.57	3.34
The amount of interest accrued and remaining unpaid at the end of each accounting year.	9.36	8.25
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 under Section 23 of the MSMED Act, 2006.	18.47	9.11

19 Other liabilities

	(Rs. in million)	
	Current	
	March 31, 2021	March 31, 2020
Advances from customers (refer note 30)	0.44	1.38
Statutory dues payable	39.09	33.44
Total other liabilities	**39.53**	**34.82**

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20 Revenue from operations

	March 31, 2021	March 31, 2020
		(Rs. in million)
Income from sale of electrical energy (refer notes 11(c), 11(d) and 30)	14,773.27	18,442.86
	14,773.27	**18,442.86**

- Sale of electrical energy is net of prompt payment rebate of Rs. Nil (March 31, 2020 Rs. 248.47 million).

Notes to revenue from operations:

a) Income from sale of electrical energy is recognised net of cash discount / rebates over time for each unit of electricity delivered.

b) Reconciliation of revenue recognised in the statement of profit and loss with contracted price (Rs. in million)

Particulars	March 31, 2021	March 31, 2020
Income from sale of electrical energy	14,773.27	18,442.86
Add: Rebates	-	248.47
Total Revenue as per Contracted Price	**14,773.27**	**18,691.33**

c) Contract balances: (Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
- Current (gross)	6,531.63	4,550.88
- Impairment allowance	(96.75)	(37.35)
Contract assets		
Unbilled revenue		
- Current (gross)	761.99	845.20
- Impairment allowance	(49.61)	-
Contract liabilities		
Advance from customers		
- Current	0.44	1.38

Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

21(a) Other income

	March 31, 2021	March 31, 2020
		(Rs. in million)
Gain on account of foreign exchange fluctuations (net)	14.71	-
Net gain on de-recognition of right-of-use assets and lease liabilities (refer note 32)	8.39	-
Provisions/liabilities no longer required, written back	11.29	8.61
Miscellaneous income	19.97	37.51
	54.36	**46.12**

21(b) Finance income

	March 31, 2021	March 31, 2020
		(Rs. in million)
Interest income on bank deposits	5.89	8.99
	5.89	**8.99**

22 Consumption of fuel

	March 31, 2021	March 31, 2020
		(Rs. in million)
Inventory at the beginning of the year (including Goods in transit)	913.83	444.47
Add: Purchases	7,583.02	9,781.04
	8,496.85	10,225.51
Less: Inventory at the end of the year (including Goods in transit)	(53.93)	(913.83)
	8,442.92	**9,311.68**

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GMR Warora Energy Limited

23 Employee benefit expenses

(Rs. in million)

	March 31, 2021	March 31, 2020
Salaries, wages and bonus	375 00	408 76
Contribution to provident and other funds (refer note 31)	25 05	28 30
Gratuity expenses (refer note 31)	4 66	4 58
Staff welfare expenses	2 67	5 85
	407.38	**447.49**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective Based on a preliminary assessment, the entity believes the impact of the change will not be significant

24 Finance costs

(Rs. in million)

	March 31, 2021	March 31, 2020
Interest expenses (refer notes 15, 30 and 32(I))	3,824 86	3,996 44
Other borrowing costs	80 99	89 50
	3,905.85	**4,085.94**

25 Depreciation and amortisation expenses

(Rs. in million)

	March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment (refer note 3)	1,182 82	1,192 70
Depreciation of right-of-use assets (refer note 32)	11 88	19 30
Amortisation of intangible assets (refer note 4)	3 21	0 38
	1,197.91	**1,212.38**

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GMR Warora Energy Limited

26 Transmission charges

	(Rs. in million)	
	March 31, 2021	March 31, 2020
Transmission and distribution charges (net of reimbursement as stated below)[(i)] (refer note 30)	740.65	1,122.78
	740.65	**1,122.78**

Note:

(i) The Company has a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power for an aggregate contracted capacity of 200 MW. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed the Company to construct separate lines for evacuation of power through State Transmission Utility ('STU') though the Company was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, the Company preferred an appeal with Appellate Tribunal for Electricity ('APTEL'). APTEL vide its interim Order dated February 11, 2014 directed the Company to start scheduling the power from the Company's bus bar and bear transmission charges of inter-state transmission system towards supply of power. The Company in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 8, 2015 upheld the Company's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by the Company as per its interim order. Accordingly, as at March 31, 2021, the Company has raised claim of Rs. 6,115.79 million towards reimbursement of transmission charges from March 17, 2014 till March 31, 2021. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and the matter is pending conclusion. Pursuant to notification No. L-1/250/2019/CERC, the transmission charges (other than the deviation charges) is being directly billed to the respective customers (DISCOMS) by Power Grid Corporation of India Limited and accordingly the Company has not received transmission charges (other than the deviation charges) related invoices for the period December'2020 to March'2021. Though there is a change in the invoicing mechanism, the final obligation towards the transmission charges will be decided based on the order of the Hon'ble Supreme Court of India as stated above.

In view of the favourable Order from APTEL, rejection of stay petition of MSEDCL by the Hon'ble Supreme Court of India, receipt of substantial amounts towards reimbursement of transmission charges and legal expert advice, the Company has recognized the reimbursement of transmission charges of Rs. 6,115.79 million from March 17, 2014 to March 31, 2021 (including Rs. 758.13 million for the year ended March 31, 2021) as reduction in the cost of transmission in the Statement of profit and loss. Further the cost of transmission with effect from December 2020, directly invoiced by Power Grid Corporation of India Limited to DISCOMS has been disclosed as contingent liability pending the final outcome of the matter in the Hon'ble Supreme Court of India.

27 Other expenses

	(Rs. in million)	
	March 31, 2021	March 31, 2020
Repairs and maintenance (refer note 30)	490.89	442.52
Legal and professional fees (includes payment to auditor (refer details below) and (refer note 30))	127.06	127.86
Consumption of stores and spares	96.68	104.13
Insurance	46.86	67.44
Rates and taxes	4.85	19.30
Impairment allowance (including trade advances written off) (refer note 30)	124.78	62.76
Lease rent (refer notes 30 and 32)	12.95	20.64
Corporate social responsibility expenses (refer notes 30 and 35)	23.88	23.29
Electricity and water expenses (refer note 30)	21.09	23.49
Loss on account of foreign exchange fluctuations (net)	-	2.68
Loss on sale of property, plant and equipment (net)	1.66	4.10
Miscellaneous expenses	28.27	79.16
Total other expenses	**978.97**	**977.37**

a) Payment to auditors (exclusive of applicable taxes)

	(Rs. in million)	
	March 31, 2021	March 31, 2020
As auditor:		
Audit fee (including fees for internal controls over financial reporting and quarterly limited reviews)	3.00	3.00
In other capacity		
Other services (including certification fees)	2.20	0.49
Reimbursement of expenses	0.21	0.19
	5.41	**3.68**

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GMR Warora Energy Limited
Corporate Identity Number (CIN) :U40100MH2005PLC155140
Notes to the Ind AS financial statements for the year ended March 31, 2021

28. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit/ loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. Further, equity shares that will be issued upon mandatory conversion of CCPS are included in the calculation of basic EPS from the date the contract is entered into.

Diluted EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential ordinary shares into equity shares.

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

(Rs. in million)

Particulars	March 31, 2021	March 31, 2020
Face value of equity shares (Rs. per share)	10	10
(Loss)/ profit attributable to equity shareholders	(633.28)	(2,138.07)
Weighted average number of equity shares (including CCPS) for calculation of:		
Basic earning per share (EPS)	1,04,00,08,060	1,04,00,08,060
Diluted earning per share (EPS)	1,04,00,08,060	1,04,00,08,060
Earning per share (EPS)		
(a) Basic EPS (in Rs. per share)	(0.61)	(2.06)
(b) Diluted EPS (in Rs. per share)	(0.61)	(2.06)

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29. Significant accounting judgements, estimates and assumptions

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

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include impairment of non-financial assets including property, plant and equipment, provision for employee benefits and other provisions, recoverability of deferred tax assets, revenue recognition from change in law and coal pass through and realisation thereof, commitments and contingencies, useful life of property, plant and equipment.

(i) Significant judgements

a. Going concern assessment

The Company has incurred losses including cash losses during the year, which has resulted in substantial erosion of the Company's net worth and its current liabilities exceed its current assets. For the reasons stated in note 1.1, the Ind AS financial statements continues to be prepared on a going concern basis.

b. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount of property, plant and equipment is higher of its fair value less costs of disposal and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. The valuation assessment includes certain key assumptions such as fully utilizing the untied capacity of 200 MW resulting from the expiry of existing PPA with one of its customers in June 2020, conclusion and timely realisation of claims with Discoms currently under dispute for various change in law events as detailed in notes 11(c) and (d), enhancement in the operational performance of the plant including ramp up in generation and availability of coal with higher gross calorific value at competitive rates, decline in interest rates, restructuring of loans as detailed in note 39(b). Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets. Also refer note 39.

b. Revenue recognition and receivables thereof

The Company is eligible for claims under various Change in Law events which are having cost implications on generation and supply of power such as duties and taxes, incremental cost of power generation, etc., due to purchase of alternative coal in terms of frame work of Power Purchase Agreements entered by the Company with various Discoms and carrying cost thereof. Such claims are accounted 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 or final closure of the matter with the customers.

The recognition and measurement of such claims on account of change in law events and carrying costs thereof, involves management judgement and estimation of operational / cost parameters based on qualitative parameters and are subject to final acceptance of the claims by the respective Discoms.

The Company estimates the credit allownace as per practical expedient based on historical credit loss experience as enumerated in note 33. Also refer note 39

i) 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.

a. Taxes

Deferred tax assets for unutilised tax losses and tax depreciation are recognised to the extent that it is probable that taxable profit will be available against which the same can be utilised. 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. Deferred tax asset is recognised to the extent of the corresponding deferred tax liability. Refer note 8 for further disclosures.

b. 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 determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

Further details about gratuity obligations are given in note 31

c. 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.

d. Useful lives of property, plant and equipment

In case of the power plant assets, useful life of the components of property, plant and equipment taking into account the nature of the assets, the estimated usage of the asset, the operating condition of the asset, anticipated technological changes, manufacturer warranties and maintenance support. Further, depreciation on components is provided based on the useful life of each such component based on technical assessment, if materially different from that of the main asset.

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30. Related parties

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
Enterprises that control the Company	GMR Energy Limited [GEL], the Holding Company
Transactions with enterprises that jointly control the Holding Company and its subsidiaries and joint ventures / associates where transactions have taken place during the current year / previous year	GMR Enterprises Private Limited [GEPL] GMR Infrastructure Limited [GIL] Raxa Security Services Limited [RSSL] GMR Corporate Affairs Private Limited [GCAPL] GMR Energy Trading Limited [GETL] Delhi International Airport Limited [DIAL] GMR Infrastructure (Singapore) PTE Limited [GISPL] GMR Power Corporation Limited [GPCL] GMR Pochanpalli Expressways Limited [GPEL] GMR Kamalanga Energy Limited [GKEL] GMR Aviation Private Limited [GAPL]
Enterprise where key management personnel or their relative exercise significant influence and where transactions have taken place d uring the year / previous year.	GMR Varalakshmi Foundation [GVF]
Key management personnel and their relatives	Mr. Srinivas Bommidala - Managing Director Mr. Ashis Basu - Whole Time Director Mr. Sanjay Narayan Barde - Whole Time Director Mr. Dhananjay Vasantrao Deshpande - Whole Time Director Mrs. Meena Raghunathan - Director [resigned w.e.f. November 21, 2020] Mrs. Kavitha Gudapati - Director [appointed w.e.f., February 20, 2021] Mr. Subodh Kumar Goel - Independent Director Dr. Mundayat Ramachandran - Independent Director Mr. Srinivasachari Rajagopal - Director [appointed w.e.f., March 27, 2020] Mr. Ashish Vinay Deshpande - Chief Financial Officer Mr. Sanjay Kumar Babu - Company Secretary

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30 b) Summary of transactions and outstanding balances with above related parties are as follows:

(Rs. in million)

Particulars	March 31, 2021	March 31, 2020
i) Purchase of coal		
- GISPL	-	11.29
ii) Payment of lease rentals (including electricity charges)		
- DIAL	12.95	26.36
iii) Repairs and maintenance (including coal handling expenses)		
- GEL	221.36	204.25
- GPCL	-	0.48
- GCAPL	-	8.02
iv) Finance Cost (including delayed payment charges on power purchases)		
-GETL	-	57.83
v) Purchase of electrical energy		
- GETL	-	604.83
vi) Legal and professional fees		
- GIL	52.77	62.09
vii) Income from sale of electrical energy		
- GETL	8,173.97	4,952.86
viii) Rebate for prompt payment		
- GETL	-	27.69
ix) Corporate social responsibility expenses (refer note 35)		
- GVF	9.43	13.69
x) Reimbursement of expenses to		
- GETL (transmission charges on open exchange sales)	326.15	68.46
- GAPL	-	0.71
xi) Reimbursement of transmission charges from		
- GETL (transmission charges on PPA sales)	251.80	380.86
xii) Security service charges		
- RSSL	46.25	51.95
xiii) Impairment allowance		
- GETL	49.61	-
- GCAPL	6.67	-
xiv) Net gain on de-recognition of right-of-use assets and lease liabilities		
- DIAL	8.39	-
xv) Other expenses		
- GPEL (Rs. 9,310 (March 31, 2020: Rs. Nil)	0.01	-
xvi) Expenses include the following remuneration to the Key Management Personnel		
a) Remuneration to key managerial personnel		
Mr. Srinivas Bommidala	29.13	30.98
Mr. Ashis Basu	22.20	23.50
Mr. Sanjay Narayan Barde	25.99	27.69
Mr. Dhananjay Vasantrao Deshpande	8.78	9.73
Mr. Ashish Vinay Deshpande	3.91	3.58
b) Sitting fees to Directors:		
Mr. Subodh Kumar Goel	0.17	0.19
Mr. Srinivasachari Rajagopal	0.09	-
Dr. Mundayat Ramachandran	0.17	0.19

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30 c) Outstanding balances as at the year ended: (Rs. in million)

Particulars	March 31, 2021	March 31, 2020
i) Security deposits (net of impairment allowance)		
- GCAPL	15.21	32.86
- RSSL	3.39	3.39
- GETL	2.73	2.73
ii) Trade receivables		
- GETL	1,809.10	1,757.13
iii) Payable towards capital goods and retention money		
- GEL	17.23	15.62
- GIL	13.96	13.96
iv) Unbilled revenue (net of impairment allowance)		
- GETL	357.78	146.36
v) Transmission and other receivables (including other advances)		
- GKEL	2.56	2.56
- GETL	45.24	110.35
- GISPL	1.01	1.04
vi) Trade payables		
- GEL	59.87	29.38
- GVF	6.10	5.18
- GIL	237.61	185.06
- RSSL	30.51	17.43
- GEPL	128.56	128.56
- GCAPL	-	10.98
- GPCL	0.16	0.16
- DIAL	50.32	47.40
- GCRPL	2.48	2.40
- GREL	0.33	0.33
- GPEL (Rs. 1,149 (March 31, 2020: Rs. Nil))	0.00	-
vii) Corporate Guarantees received from		
- GEL	750.00	750.00
viii) Advances from customers		
- GETL	-	1.38
ix) Equity share capital		
- GEL	8,700.00	8,700.00
x) CCPS		
- GEL	1,700.08	1,700.08
xi) Payable to Key managerial personnel		
Mr. Srinivas Bomiddala	19.40	19.40
Mr. GBS Raju	16.59	16.59

Notes:

a. Remuneration to key managerial personal does not include provision for gratuity, leave encashment expenses, superannuation and premium for personal accidental policy, as the same are determined for the Company as a whole.

b. Certain assets and shares of related parties have been pledged against borrowings of the Company. Refer note 15.

c. Certain Key management personnel have extended personal guarantees as security towards borrowings of the Company. Refer note 15.

d. Refer note 31 for details of transfer of defined benefit obligation and plan assets by the Company to certain related parties on account of transfer of certain employees.

e. Certain assets of the Company have been pledged against the borrowings of certain related parties.

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31. Employee benefits

Defined benefit plan

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

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

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

i. Net benefit expenses (recognized in the statement of profit and loss)

(Rs in million)

Particulars	March 31, 2021	March 31, 2020
Current service cost	4.34	4.46
Net interest cost on defined benefit obligations/ (assets)	0.32	0.12
Net benefit expenses	**4.66**	**4.58**

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

(Rs in million)

Particulars	March 31, 2021	March 31, 2020
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(3.10)	0.45
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	-	2.32
Actuarial (gain)/ loss arising during the year	**(3.10)**	**2.77**
Return on plan assets (greater)/ less than discount rate	0.05	(1.67)
Actuarial (gain)/ loss recognised in OCI	**(3.05)**	**1.10**

iii. Net defined benefit asset/ (liability)

(Rs in million)

Particulars	March 31, 2021	March 31, 2020
Defined benefit obligation	(37.92)	(37.63)
Fair value of plan assets	33.09	32.91
Plan (liability)/ asset	**(4.83)**	**(4.72)**

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

(Rs in million)

Particulars	March 31, 2021	March 31, 2020
Opening defined benefit obligation	37.63	36.14
Current service cost	4.34	4.46
Interest cost on the defined benefit obligation	2.49	2.62
Benefits paid	(2.10)	(3.61)
Acquisition cost/ (credit)	(1.34)	(4.74)
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(3.10)	0.45
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	-	2.32
Closing defined benefit obligation	**37.92**	**37.64**

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

(Rs in million)

Particulars	March 31, 2021	March 31, 2020
Opening fair value of plan assets	32.91	36.91
Interest income on plan assets	2.17	2.50
Contributions by employer	1.50	0.18
Benefits paid	(2.10)	(3.61)
Return on plan assets (lesser)/ greater than discount rate	(0.05)	1.67
Acquisition cost/ (credit)	(1.34)	(4.74)
Closing fair value of plan assets	**33.09**	**32.91**

The Company expects to contribute Rs. 4.24 million (March 31, 2020: Rs. 4.14 million) towards gratuity fund in FY 2021-22.

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vi. The following pay-outs are expected in future years:

(Rs in million)

Particulars	March 31, 2021
March 31, 2022	4.24
March 31, 2023	4.25
March 31, 2024	8.10
March 31, 2025	3.01
March 31, 2026	2.76
March 31, 2027 to March 31, 2031	21.33

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2020: 10 years).

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

Particulars	March 31, 2021	March 31, 2020
Investments with insurer	100%	100%

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

Particulars	March 31, 2021	March 31, 2020
Discount rate (in %)	6.80%	6.80%
Salary escalation (in %)	6.00%	6.00%
Employee turnover	5.00%	5.00%
Mortality rate	Refer note 4 below	Refer note 4 below

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.

2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

4. As per Indian Assured Lives Mortality (2006-08) Ultimate (March 31, 2020 : Indian Assured Lives Mortality (2006-08) Ultimate)

5. Plan characteristics and associated risks:
The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

b. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

ix. A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:

(Rs in million)

	March 31, 2021	March 31, 2020
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(2.84)	(2.86)
Impact on defined benefit obligation due to 1% decrease in discount rate	3.31	3.34
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	3.13	3.07
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(2.74)	(2.67)
Attrition Rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	0.21	0.20
Impact on defined benefit obligation due to 1% decrease in attrition rate	(0.23)	(0.23)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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32. Lease, commitments and contingencies

I Leases

<u>Operating lease</u>: Company as a lessee

The Company has certain non-cancellable lease contracts in respect of leases for land and cancellable operating lease agreement for guest house and office spaces. Leases of land have lease term of 95 years.The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are certain variable lease payments which are further discussed below.

The Company also has certain short-term leases for guest houses. The Company applies the 'short-term leases' recognition exemptions for these leases.

In case of land, the Company had been allotted lands under lease with a term of 95 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 service charges in the form of variable payments during the lease tenure. The lease can be further renewed for a period of 15 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(Rs. in million)

Particulars	Leasehold Land	Office Buildings	Total
As at April 01, 2019 (refer note 3)	347.12	76.39	423.51
Depreciation expenses	(4.00)	(15.30)	(19.30)
As at April 01, 2020	**343.12**	**61.09**	**404.21**
Depreciation expenses	(4.00)	(7.88)	(11.88)
De-recognition of right-of-use asset*	-	(53.21)	(53.21)
As at March 31, 2021	**339.12**	-	**339.12**

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

(Rs. in million)

Particulars	Lease rental
As at April 01, 2019	**76.39**
Accretion of interest	8.50
Payments	(17.68)
As at April 01, 2020	**67.21**
Additions	-
Accretion of interest	3.89
Payments	(9.50)
De-recognition of lease liability*	(61.60)
As at March 31, 2021	-

*Lease arrangement with DIAL has been terminated w.e.f. October 01, 2020. Accordingly, the Company has derecognized the lease liability of Rs. 61.60 million and Right-of-use Assets of Rs. 53.21 million and has recognized a gain of Rs. 8.39 million in the Statement of Profit and Loss.

(Rs. in million)

Particulars	Amount
As at March 31, 2020	
Current	19.08
Non-current	48.13

The maturity analysis of lease liabilities are disclosed in note 33.

The effective interest rate for lease liabilities is 12%.

The following are the amounts recognised in profit or loss:

(Rs. in million)

Particulars	March 31, 2021	March 31, 2020
Depreciation expenses of right-of-use assets	11.88	19.30
Interest expense on lease liabilities	3.89	8.50
Expense relating to short-term leases (included in other expenses)	12.95	20.64
Total amount recognised in profit or loss	**28.72**	**48.44**

The Company had total cash outflows for leases of Rs. 22.45 million (March 31, 2020: Rs. 38.32 million) in the year ended March 31, 2021.

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II Contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

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

(Rs. in million)

Particulars	As at	
	March 31, 2021	March 31, 2020
Bank guarantees outstanding	1,127.68	1,465.58
Matters relating to direct taxes under dispute[5]	73.76	73.76
Others[2]	100.03	100.03

Others in addition to above

1 The Company is subject to legal proceeding and claims relating to acquisition of land and other matters, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and is not carrying provisions for all the above mentioned amounts in its books of account, as the Company's management is confident of successfully litigating the matters and these are disclosed as contingent liability, where applicable in its Ind AS financial statements. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

2 The Company had experienced certain delays and incurred cost overruns in the completion of construction of transmission lines during the project phase . During the year ended March 31, 2017, the vendor had invoked arbitration clause under the contract and claimed damages of Rs 100.00 million (approximately). Based on internal legal assessment, the management of the Company is confident that the claims raised by the vendors are not tenable and hence no adjustments have been made in the Ind AS financial statements

3 The aforesaid amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include similar demands for any subsequent years and further interest and penalty leviable, if any, at the time of final outcome of the appeals

4 There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28th, 2019, on Provident Fund on the inclusion of allowances for the purpose of Provident Fund contribution as well its applicability of effective date. The Company has complied with the said judgement on prospective basis. The management is awaiting more clarity on its retrospective applicability.

5 Certain demands from the income tax authorities have been set off against the brought forward business loss and depreciation of previous years on which the Company has recognised deferred tax asset and accordingly the amount disclosed as contingent liability represents the demands before setting off such brought forward loss and depreciation.

6 Refer note 26 with regard to dispute with MSEDCL on transmission charges pending the final outcome of the matter in the Hon'ble Supreme Court of India.

7 The management believes that the ultimate outcome of the above matters will not have any material adverse effect on the Company's financial position and result of operations

III Commitments

a. Capital commitments (Rs. in million)

Particulars	As at	
	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	28.86	7.56
Other commitments	293.84	268.84

b. Other commitments

The Company has entered into fuel supply agreement whereby the Company has committed to purchase and supplier has committed to sell contracted quantity of fuel for defined period as defined in the fuel supply agreements.

The Company entered into PPAs with customers, pursuant to which it has committed to sell power of contracted capacity as defined in the respective PPAs, make available minimum PLF over the period of tariff year as defined in the respective PPAs. The PPAs contain provision for disincentives and penalties in case of certain defaults.

The Company has entered into long-term maintenance agreements with sub-contractors whereby it has committed to pay fixed charges in addition to variable charges based on operating performance as defined in the agreements. The entities have also committed to pay incentives on attainment of certain parameters by the sub contractors.

In terms of the prescribed new environmental norms notified as per Environment (Protection) Amendment Rules, 2015, GWEL is required to install the Flue Gas Desulphurization Systems (FGD) to control emission from the power plant by 2024.

Refer note 32 (I) for commitments related to lease arrangements.

Refer note 35 for commitments related to Corporate Social Responsibility expenses.

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33. Disclosures on Financial instruments

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.2 (b) and 2.2 (o), to the Ind AS financial statements.

(a) Financial assets and liabilities
The management assessed that cash and bank balances, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Non-current financial assets and liabilities are discounted using an appropriate discounting rate where the time value of money is material. There are no financial instruments which are measured at fair value through statement of profit and loss or fair value through Other Comprehensive Income as at March 31, 2021 and March 31, 2020.

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020:

(Rs. in million)

Particulars	Carrying value and fair value	
	March 31, 2021	March 31, 2020
Financial assets		
Amortised cost		
(i) Trade receivables	6,434.88	4,513.53
(ii) Cash and cash equivalents	95.57	40.56
(iii) Loans	117.73	137.77
(iv) Other financial assets	953.66	1,317.71
Total assets	**7,601.84**	**6,009.57**
Financial liabilities		
Amortised cost		
(i) Borrowings	32,262.66	31,551.83
(ii) Lease liabilities	-	67.21
(iii) Trade payables	1,177.74	1,748.15
(iv) Other financial liabilities	1,326.77	1,136.61
Total liabilities	**34,767.17**	**34,503.80**

(b) Fair value hierarchy

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

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

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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
March 31, 2021				
Non-current financial liabilities				
Borrowings	25,480.07	-	25,480.07	-
Current financial liabilities				
Borrowings (including current maturities of long-term borrowings)	6,782.59	-	6,782.59	-
March 31, 2020				
Non-current financial liabilities				
Borrowings	26,103.48	-	26,103.48	-
Current financial liabilities				
Borrowings (including current maturities of long-term borrowings)	5,448.35	-	5,448.35	-

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

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

(iii) Apart from the above table, there are no Level 1 and Level 2 items. There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2021 and March 31, 2020.

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(c) Financial risk management objectives and policies

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

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

i) Financial risk

The Company's principal financial liabilities comprise loans and borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations towards operations and capital expenditure. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents derived from its operations.

The general risk management program of the Company focuses on the unpredictability of the financial markets and attempts to minimize their potential negative influence on the financial performance of the Company. The Company continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

ii) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity price risk and liquidity risk. Future specific market movements cannot be normally predicted with reasonable accuracy.
The commodity exposure is mainly on account of fuel, a substantial part of which is a pass through cost as per the management and certain favourable court orders and hence the commodity price exposure is not likely to have a material financial impact on the Company.

(a) Market risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. Thus profits and cash flows from financing activities are dependent on market interest rates. Further, any decline in the credit rating of the Company will have an adverse impact on the interest rates.

The interest rate profile of the Company's interest-bearing financial instruments as reported by the management of the Company is as follows:

(Rs. in million)

Particulars	March 31, 2021	March 31, 2020
Fixed rate instruments:		
Financial liabilities	379.87	442.22
Variable rate instruments:		
Financial liabilities	31,882.79	31,109.61

Interest rate sensitivity

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

(Rs. in million)

Particulars	Increase in basis points	Effect on profit before tax
March 31, 2021		
INR	+50	(159.41)
	-50	159.41
March 31, 2020		
INR	+50	(155.55)
	-50	155.55

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

(b) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's investing and financing activities. The Company's exposure to foreign currency changes from operating activities is not material.

The following table shows foreign currency exposure at the end of reporting period:

Particulars	Currency	Amount in foreign currency (million)	Amount in Rs. (million)
Trade payables	USD	0.07	4.99
		(0.07)	(5.20)
Other financial liabilities	USD	5.25	383.83
		(5.75)	(435.23)

Notes:
1. Previous year's figures are shown in brackets above.

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Foreign currency sensitivity

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

(Rs. in million)

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2021	5%	19.44
March 31, 2020	5%	22.02

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2021 and March 31, 2020. The period end balances are not necessarily representative of the average debt outstanding during the period.

ii) Credit risk

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 7,601.84 million and Rs. 6,009.57 million as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of loans, trade receivables, cash and cash equivalent and other financial assets of the Company.

Credit concentration:

As at March 31, 2021, 100% of trade receivables pertain to sales to State Distribution Companies under Long Term Power Purchase Agreement ("PPA") for sale of electrical energy directly or indirectly through a related party.

Expected Credit Loss (ECL)

The Company is having majority of receivables against sale of electrical energy to State Electricity Distribution Companies which are Government undertakings.

The Company is regularly receiving its normal power sale dues from Discoms and in case of any disagreement / amount under dispute; the same is recognised as per the binding regulatory orders which carries interest as per the terms of PPAs. Hence they are secured from credit losses in the future. Also refer notes 11(c) and 11(d) with regard to delay in receipts from customers and refer note 26 as regards dispute in relation to reimbursement of transmission charges from MSEDCL.

With respect to trade receivables, unbilled revenue, loans and other financial assets, the Company has constituted the terms to review the said balances on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables and receivables without any regulatory order based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

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

The following table summarises the changes in the loss allowance measured using expected credit loss:

(Rs. in millions)

Particulars	March 31, 2021	March 31, 2020
Opening balance	**37.35**	**-**
Amount provided/(reversed) during the year	115.68	37.35
Closing balance	**153.03**	**37.35**

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Bengaluru

iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposit, which carry no or low market risk.

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

The Company has delayed in the repayment of principal and interest as at March 31, 2021. Further, the Company is not in compliance with the financial covenants as stated in the loan agreements and as detailed in note 39(b), the Company, basis the requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVID-19 related stress prescribed by the Reserve Bank of India ('RBI') on December 30, 2020 and consequently, all the lenders of the Company have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021. Also refer note 15(7) and 39(b).

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

(Rs. in million)

Particulars	0-1 years	1 to 5 years	> 5 years	Total
March 31, 2021				
Borrowings[2]	6,784.35	8,850.82	16,715.59	32,350.76
Other financial liabilities[1]	1,326.77	-	-	1,326.77
Trade payables	1,177.74	-	-	1,177.74
	9,288.86	**8,850.82**	**16,715.59**	**34,855.27**
March 31, 2020				
Borrowings[2]	5,450.72	8,379.90	17,823.63	31,654.25
Other financial liabilities[1]	1,136.61	-	-	1,136.61
Lease liabilities (refer note 32)	19.08	66.01	-	85.09
Trade payables	1,748.15	-	-	1,748.15
	8,354.56	**8,445.91**	**17,823.63**	**34,624.10**

Notes:

1. The above excludes interest and other finance charges to be paid on the borrowings and other financial liabilities, by the Company.

2. Reconciliation with carrying amounts:

(Rs. in million)

	As at March 31, 2021	As at March 31, 2020
Total amount repayable as per repayment terms	32,350.76	31,654.25
Less: Impact of recognition of borrowing at amortised cost using effective interest method	(88.10)	(102.42)
Net carrying value	**32,262.66**	**31,551.83**

3. Also refer notes 1.1 and 39(b).

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34. Capital management

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

The Company determines the amount of capital required on the basis of annual business plan and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings, issue of non-convertible debt securities and support from the Holding Company.

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total borrowings. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with. The Company has delayed in the repayment of principal and interest as at March 31, 2021. Further, the Company is not in compliance with the financial covenants as stated in the loan agreements and as detailed in note 39(b), the Company, basis the requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVID-19 related stress prescribed by the Reserve Bank of India ('RBI') on December 30, 2020 and consequently, all the lenders of the Company have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021. Also refer note 15(7) and 39(b).

(Rs. in million)

Particulars	March 31, 2021	March 31, 2020
Borrowings (refer note 15)	32,262.66	31,551.83
Less: Cash and cash equivalents (refer note 12)	95.57	40.56
Total debts (A)	**32,167.09**	**31,511.27**
Capital components		
Equity share capital (refer note 13)	8,700.00	8,700.00
CCPS (refer note 13(c))	1,700.08	1,700.08
Other equity (refer note 14)	(6,621.19)	(5,990.19)
Total capital (B)	**3,778.89**	**4,409.89**
Capital and borrowings C= (A+B)	**35,945.98**	**35,921.16**
Gearing ratio (%) D= (A/C)	89.49%	**87.72%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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35 Corporate Social Responsibility expenses

(Rs. in million)

	March 31, 2021	March 31, 2020
(a) Gross amount required to be spent by the Company during the year	23.88	23.29

(b) Amount spent during the year ending on March 31, 2021:

	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	5.48	18.40	23.88

(c) Amount spent during the year ending on March 31, 2020:

	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	12.91	10.38	23.29

(d) Details related to spent/ unpent obligations:

(Rs. in million)

	March 31, 2021	March 31, 2020
(i) Contribution to related party/ third parties	5.48	12.91
(ii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	18.40	10.38
	23.88	**23.29**

36 The Company is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the IT Act ('regulations') to determine whether the transactions entered during the year ended March 31, 2021, with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associate enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

37 Segment Information:

The Company's activities during the year mainly revolve around power generation and related activities. Considering the nature of Company's business and operations, as well as based on reviews of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS 108 "Operating Segments" prescribed under Companies (Indian Accounting standards) Rules, 2015. The Company's operations are mainly confined within India and as such there are no reportable geographical segments.

38 As at March 31, 2021 the amount payable in foreign currency to certain vendors of USD 5.25 million is outstanding for more than 3 years. The Company is in the process of filing necessary documents with the RBI and is confident that such delays will not require any adjustments to the Ind AS financial statements of the Company for the year ended March 31, 2021.

39 (a) The spread of COVID-19 has severely impacted businesses operations around the globe including India. The Company is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. Hence, the Company has ensured continuity in power supply during the period of lockdown. However, as detailed in note 11(d) above, the Company received notices of force majeure from one of its customer disputing payment of capacity charges post March 23, 2020 till June 30, 2020. The Company had responded and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. However, the customer continues to dispute the aforesaid payment of capacity charges. Further, the customers continue to delay the payment of various change in law/ coal cost pass through and other claims as detailed in note 11(c) above thereby causing significant stress on the cash flows of the Company. The RBI had granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution during the period March 2020 till August 2020 to mitigate the stress on cash flows during the period of COVID-19. The Company has availed the moratorium and the interest during the said moratorium period has been converted into Funded Interest Term Loans (FITL) payable as per the revised repayment schedules. Further as detailed in note 39(b), the Company, basis the requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVID-19 related stress prescribed by the Reserve Bank of India ('RBI') on December 30, 2020 and consequently, all the lenders of the Company have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021. Also refer note 1.1.

(b)The Reserve Bank of India ('RBI') has issued the Resolution Framework for COVID-19 related stress vide its Circular dated August 6, 2020 "Resolution Framework for COVID-19 related stress". The Company is facing financial stress due to COVID-19 pandemic and other factors as detailed in notes 1.1, 11(c) and 11(d), and accordingly has invoked the aforesaid Resolution Framework by obtaining requisite approvals of majority of lenders as per the guidelines issued by the RBI on December 30, 2020 in respect of all the borrowing facilities (including fund based, non-fund based and investment in non-convertible debentures) availed by the Company as on the invocation date. In this regard, all the lenders of the Company have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021 and a Resolution Plan is to be implemented within 180 days from the invocation date in accordance with the framework issued by RBI. Pursuant to the said framework, the lenders have formed a Core Committee, headed by the Lead Banker and have initiated the process of formulation, review, deliberation, selection and implementation of the Resolution Plan. Considering that the time limit of 180 days for implementation of the Resolution plan has not yet expired and various procedures such as the evaluation of techno-economic viability, financial viability, valuations, draft Resolution Plan etc are still under progress as on the reporting date, the Company owing to the uncertainty involved in regard to the final outcome of the successful implementation of the Resolution Plan at this juncture has not made any adjustments to the Ind AS financial statements for the year ended March 31, 2021 with regard to the said Resolution Framework.

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

S.R. Batliboi & Associates LLP
Bengaluru

GMR Warora Energy Limited
Corporate Identity Number (CIN) :U40100MH2005PLC155140
Notes to the Ind AS financial statements for the year ended March 31, 2021

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W / E300004

per Sandeep Karnani
Partner
Membership number: 061207

Place: Bengaluru
Date: June 04, 2021

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

Srinivas Bommidala
Managing Director
DIN: 00061464

Dhanajay Vasantrao Deshpande
Whole-time Director
DIN: 07663196

Ashish Vinay Deshpande
Chief Financial Officer

Sanjay Kumar Babu
Company Secretary
Membership Number: F-8649

Place: New Delhi
Date: June 04, 2021