CHATURVEDI & SHAH LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMR ENERGY TRADING LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **GMR ENERGY TRADING LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2020, the statement of Profit and Loss (including the Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 38 in the accompanying standalone financial statements with regard to management's evaluation of impact of Covid-19 on the future performance of the Company.

Our opinion is not modified in respect of the above matter.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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Branch : Bengaluru

Other Matter

The entire audit finalisation process was carried from remote locations i.e. other than the office of the Company where books of account and other records are kept, based on the data/details or financial information provided to us through digital medium, owing to complete lockdown imposed by the Central Government to restrict the spread of COVID19. Thus, our physical attendance at site was impracticable under the circumstances. Being constrained, we resorted to and relied upon the results of the alternative audit procedures to obtain sufficient and appropriate audit evidence for significant matters in course of our audit.

Our opinion is not modified in respect of above matter.

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 A', a statement on the matters specified in the Paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, based on our audit 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 Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) on the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

In our opinion and to the best of our information and according to the information and explanations given to us by the Company, the remuneration paid by the Company to its managerial personnel during the year, is in accordance with the provisions of section 197 of the Act.

h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 to the extent quantifiable in its standalone financial statements – Refer Note No. 30 to the standalone financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note No. 31 to the Standalone financial statements; and

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

for **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration Number: 101720W/W100355

Lalit R Mhalsekar
Partner
Membership Number: 103418

UDIN: 20103418AAAACC4624

Place: Mumbai
Date: May 15, 2020

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

In terms of the Annexure "A" referred to in our report to the members of the **GMR ENERGY TRADING LIMITED** ("the Company") on the standalone financial statements for the year ended March 31, 2020, we report that:

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets and Intangible assets.

b) According to the information and explanation given to us, the Property Plant and Equipments (PPE) have not been physically verified by the Management during the year due to limitations imposed by the Covid-19 Pandemic, in terms of the managements planned programme of verifying PPE once in three years.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any freehold immovable properties and the company does not have any lease/sublease deed on leasehold land registered in the name of the Company.

ii) The company is involved in the business of energy trading and as such there are no inventories maintained by the Company. Therefore, Paragraph 3(ii) of the order is not applicable to the company.

iii) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLP's or other parties listed in the register maintained under Section 189 of the Act. Consequently requirements of Paragraph 3(iii)(a),(b) and (c) of the Order are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act to the extent applicable, in respect of grant of loans. The Company has not made any investments nor has given guarantees and securities.

v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, provision of Paragraph 3(v) of the Order is not applicable to the Company. There are no orders from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi) The central government has not prescribed maintenance of cost records to the company under sub-section (1) of Section 148 of the Act. Consequently, reporting of Paragraph 3(vi) of the Order is not applicable to the Company.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has generally been regular in depositing the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including income-tax, goods and service tax, cess and other material statutory dues applicable to it with the appropriate authorities though delays have been noticed in depositing of Tax Deducted at Source, Employees Provident Fund and Professional Tax. As explained to us, during the year, the Company did not have any dues on account of duty of excise, duty of customs and employee state insurance.

According to the information and explanations given to us, no undisputed statutory dues were outstanding for a period of more than six months, as on the last day of the financial year except the following :

Name of the Statute / Relevant Authority	Nature of Dues	Year to which it pertains	Amount Payable (Amount Rs. in Lakhs)	Remarks
Karnataka Tax and Profession, Trade, Callings and Employment Act, 1976	Professional Tax	FY 2017-18	0.01	Not Yet paid
		FY 2019-20 (upto Aug-19)	0.01	Not Yet paid
Income Tax Act, 1961	Tax Deduction at source	FY 2018-19	0.29	Paid on May 07, 2020
		FY 2019-20 (June 2019)	2.63	Paid on May 07, 2020
		FY 2019-20 (August-19)	0.04	Paid on May 07, 2020

b) According to the information and explanation given to us and records of the Company, there are no dues of income tax, goods and service tax, sales tax, service tax, duty of customs, value added tax or cess or other material statutory dues which have not been deposited on account of any dispute.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

viii) According to the information and explanation given to us and records of the Company, the Company has not defaulted in repayment of loans or borrowing to a financial institution, Bank except the following :

Sl. No	Name of the Bank	Amount of loans or borrowings not repaid as at March 31, 2020 (Rs. in Lakhs)	Due date of payment
01.	Yes Bank Limited*	200.00	18-March-2020
02.	Yes Bank Limited*	85.00	19-March-2020

* The Company has informed that its holding company has applied for moratorium with Yes Bank Limited in terms of the RBI Circular on Covid-19-Regulatory Package vide circular No. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, in respect of which the Company is yet to receive the revised repayment schedule from Yes Bank Limited.

Further, the Company has not issued any debentures to any party and has not taken any loans from Government as at March 31, 2020.

ix) According to the information and explanation given to us and records of the Company, during the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The company during the year has not taken term loans from banks and financial institutions hence question of utilization of term loans does not arise.

x) During the course of examination of books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across with any material fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.

xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the adequate approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Paragraph 3(xii) of the Order is not applicable.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company, during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, Paragraph 3(xiv) of the Order is not applicable.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act. Accordingly, Paragraph 3(xv) of the Order is not applicable.

xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration Number: 101720W/W100355

Mhalsekar

Lalit R Mhalsekar
Partner
Membership Number: 103418

UDIN: 20103418AAAACL4624

Place: Mumbai
Date: May 15, 2020

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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 over financial reporting with reference to standalone financial statements of **GMR Energy Trading Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to standalone 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") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone 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 system over financial reporting with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to standalone 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 judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

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CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to standalone 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

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

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to standalone financial statements and such internal financial controls over financial reporting with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration Number: 101720W/W100355

Lalit R Mhalsekar
Partner
Membership Number: 103418

UDIN: 20103418AAAACC4624

Place: Mumbai
Date: May 15, 2020

GMR Energy Trading Limited

CIN : U31200KA2008PLC045304

Balance sheet as at March 31, 2020

Rupees in Lakhs

Particulars	Notes	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property plant and equipment	3	94.11	49.30
Intangible assets	4		
Right of use Assets	4	720.86	
Financial assets			
Loans	5	24,235.50	15,242.56
Other financial assets	6	373.93	
Deferred tax assets (Net)	18		
Income tax asset (net)	18	735.41	747.79
		26,159.81	14,039.65
Current assets			
Financial assets			
Trade receivables	7	23,849.02	44,587.60
Cash and cash equivalents	8	8,997.86	2,201.42
Bank balances other than cash and cash equivalents	8	891.50	
Loans	5	18,215.89	26,478.45
Other financial assets	6	12,711.84	2,241.19
Other current assets	9	113.94	2,821.25
		64,780.05	78,329.74
TOTAL ASSETS		**90,939.86**	**92,369.39**
EQUITY AND LIABILITIES			
Equity			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	27,160.21	27,909.45
Lease Liability	1.3(vii)	674.20	
Provisions	17	102.71	64.80
		27,917.12	**27,974.25**
Current liabilities			
Financial Liabilities			
Borrowings	13	16,081.97	14,338.11
Lease Liability	1.3(vii)	338.96	
Trade Payable	14		
Due to micro small and medium enterprises		4.82	12.01
Due to others		24,104.09	35,945.97
Other financial liabilities	15	1,620.80	1,729.13
Other current liabilities	16	853.35	711.95
Provisions	17	13,766.48	4,694.04
		56,770.47	**58,431.23**
Total liabilities		**84,687.59**	**86,405.57**
TOTAL EQUITY AND LIABILITIES		**90,939.86**	**92,369.39**
Significant accounting policies	2		

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number : 101720W/W100355

Lalit R Mhalsekar

Partner

Membership No.: 103418

Place: Mumbai

Date: May 15, 2020

For and on behalf of the Board of Directors

GMR Energy Trading Limited

Ashok Kumar Prusty

Whole-time Director

DIN: 07603471

Ashis Basu

Director

DIN: 01872233

Ritesh Jain

Chief Financial Officer

Membership No.: 063384

Place: New Delhi

Date: May 15, 2020

Monika Jaiswal

Company Secretary

Membership No.: A-47354

GMR Energy Trading Limited

CIN : U40100KA2008PLC045104

Statement of profit and loss for the year ended March 31, 2020

Rupees in Lakhs

Particulars	Notes	March 31, 2020	March 31, 2019
INCOME			
Revenue from operations	19	36,504.92	33,388.30
Other income	20	4,742.10	5,186.88
Total income		41,247.02	38,575.18
EXPENSES			
Purchase of traded goods	21	33,674.88	29,343.51
Employee benefit expenses	22	882.45	1,064.00
Depreciation and amortisation expenses	23	196.43	17.96
Finance costs	24	4,901.66	5,634.71
Other expenses	25	1,262.90	3,084.96
Total Expenses		40,918.33	39,145.14
Profit / (Loss) before tax		328.69	(569.96)
Tax Expenses			
Current tax	18	37.34	17.05
Deferred tax	18	0.74	
Income tax expenses		38.08	17.05
Profit / (Loss) for the year		290.61	(587.01)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss in subsequent periods	26		
Re-measurement gains/(losses) on defined benefit plans		(2.95)	0.01
Income tax effect		0.74	
Other comprehensive income for the year (net of tax)		(2.21)	0.01
Total comprehensive income for the year		288.40	(587.00)
Earnings per equity share:	29		
(Face value of equity shares of Rs 10 each)			
(1) Basic		0.39	(0.79)
(2) Diluted		0.39	(0.79)
Significant accounting policies	1		

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number : 101720W/W100355

Lalit R Mhalsekar
Partner
Membership No.: 103418

Place: Mumbai
Date: May 15, 2020

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

Ashok Kumar Prusty
Whole-time Director
DIN: 07603471

Ashis Basu
Director
DIN: [illegible]

Ritesh Jain
Chief Financial Officer
Membership No.: 063384

Manisha Tripathi
Company Secretary
Membership No.: A-47334

Place: New Delhi
Date: May 15, 2020

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Statement of changes in Equity for the year ended March 31, 2020

Rupees in Lakhs

Particulars	Equity Share Capital	Other equity	Total equity
		Retained Earnings	
Balance as at April 1, 2018	7,400.00	(849.13)	6,550.87
Changes in equity for the year ended March 31, 2019			
Issue of equity shares	-		-
Profit / (Loss) for the year	-	(587.01)	(587.01)
Other comprehensive income			
Re-measurement gains/(loss) on defined benefit plans (net of taxes)	-	0.01	0.01
Balance as at March 31, 2019	7,400.00	(1,436.13)	5,963.87
Changes in equity for the year ended March 31, 2020			
Issue of equity shares	-	-	-
Profit / (Loss) for the year		290.61	290.61
Other comprehensive income			
Re-measurement gains/(loss) on defined benefit plans (net of taxes)	-	(2.21)	(2.21)
Balance as at March 31, 2020	7,400.00	(1,147.73)	6,252.27

The accompanying notes form an integral part of financial statements

As per our report of even date attached

As per our report of even date attached
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number : 101720W/W100355

Lalit R Mhalsekar
Lalit R Mhalsekar
Partner
Membership No.: 103418

Place: Mumbai
Date: May 15, 2020

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

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

Ashok Kumar Pruthy
Ashok Kumar Pruthy
Whole-time Director
DIN: 07602871

Ashis Basu
Director
DIN: 01872218

R-Jain
Ritesh Jain
Chief Financial Officer
Membership No.: 063384

Manisha Tripathi
Company Secretary
Membership No.: A-47534

Place: New Delhi
Date: May 15, 2020

GMR ENERGY TRADING LIMITED * GMR

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Statement of Cash flows for the year ended March 31, 2020

Rupees in Lakhs

Particulars	Note No	March 31, 2020	March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before Tax		328.69	(569.96)
Non-Cash Adjustments to reconcile profit/(loss) before tax to net cash flows			
Finance Costs		4,901.66	5,634.71
Depreciation and amortisation		196.43	17.96
Finance Income		(4,693.38)	(4,992.08)
Loss/ (Profit) on sale of Investments in mutual funds		-	(35.73)
Provision/payable no longer payable written back (net)		(48.66)	(152.21)
Interest accrued on Inter Corporate Loans written off		-	1,032.21
Provision for Doubtful advances/receivables		401.35	649.68
Security Deposit given to related party Written off		-	12.17
Operating profit /(loss) before working capital changes		1,086.09	1,596.75
Adjustment for changes in working capital :			
Decrease / (increase) in trade receivables, loans and other financial assets		5,552.67	17,072.17
Decrease / (increase) Other Current Assets		2,694.58	2,994.34
Increase/ (Decrease) in trade payables and other financial liabilities		(12,785.67)	(31,111.34)
Increase/ (Decrease) in other liabilities and provisions		9,249.20	(4,399.36)
Cash generated from operations		**5,796.87**	**(13,847.44)**
Less: Taxes paid (net)		(5.14)	(436.93)
Net cash from / (used in) operating activities		**5,791.73**	**(14,284.37)**
B CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(60.66)	(4.65)
Sale / (Purchase) of Investments in mutual funds		-	1,481.61
Inter Corporate Deposit and Loans (given) /recovered		5,110.56	5,447.71
Decrease / (Increase) in Margin money and deposits		(891.50)	-
Interest received		772.96	2,269.86
Net Cash from/ (used in) investing activities		4,931.36	9,194.53
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from / (Repayment) of current borrowings		1,743.86	(2,828.89)
Proceeds from / (Repayment) of non current borrowings		(485.00)	1,500.00
Payment of interest on Lease Liability		(8.93)	-
Interest and finance charges paid		(5,176.58)	(5,977.72)
Net Cash flow from / (used in) financing activities		(3,926.65)	(7,306.61)
D Net Increase/(Decrease) in Cash and Cash Equivalents [A+B+C]		6,796.44	(12,396.45)
Add: Cash and Cash Equivalents at the beginning of the year		2,201.42	14,597.87
Cash and Cash Equivalents as at the end of the year		**8,997.86**	2,201.42
Components of Cash and Cash Equivalents:	8		
Cash in hand			
Balance with Banks			
- In current accounts		8,397.86	2,201.42
- Deposits with maturity less than three months		600.00	-
Cash and Cash Equivalents at the end of year		**8,997.86**	2,201.42

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN: U31200KA2008PLC045104

Statement of Cash flows for the year ended March 31, 2020

Notes:

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows.

2 Changes in liabilities arising from financing activities

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Non-Current Borrowings		
Opening Balance (including current maturity of long term borrowings)	28,679.49	26,978.53
Proceeds / (repayment) of long term borrowings	(485.00)	1,500.00
Processing fees paid		
Non-cash fair value changes	220.72	200.96
Closing balance (including current maturity of long term borrowings)	28,415.21	28,679.49
Current Borrowings		
Opening Balance	14,338.11	17,167.00
Proceeds / (repayment) of short term borrowings (net) *	1,743.86	(2,828.89)
Non-cash fair value changes		
Closing balance	16,081.97	14,338.11
Lease Liability		
Opening Balance	-	-
Recognised during the year	901.44	-
Unwinding of interest on lease liability	100.25	
Payments made during the year	(8.93)	-
Closing balance	992.76	-

* - during the year the company has renewed the inter corporate loan availed of Rs. Nil (March 31, 2019 : Rs 2,628.19 Lakh) which has not been considered under proceeds / repayment of short term borrowings disclosed above.

3 The previous year figures have been regrouped and rearranged wherever necessary.

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number : 101720W/W100355

Lalit R Mhalsekar
Partner
Membership No.: 103418

Place: Mumbai
Date: May 15, 2020

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

Ashok Kumar Pruthi
Whole-time Director
DIN: 07660427

Ashis Basu
Director
DIN: 01872233

Ritesh Jain
Chief Financial Officer
Membership No.: 063384

Manisha Tripathi
Company Secretary
Membership No.: A-47334

Place: New Delhi
Date: May 15, 2020

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

1 Company Overview and Significant Accounting Policies:

1.1 Company overview:

GMR Energy Trading Limited is a public company incorporated under the provisions of the Companies Act, 1956 and has its registered office in India at 25/1, Skip House Museum Road, Bangaluru-560025, Karnataka, India. The Company is primarily engaged in the business of trading of electricity across the country. Central Electricity Regulatory Commission (CERC) has granted Category 'I' certificate to the Company for the purpose of power trading, which allows the Company to trade power units without any quantitative restrictions. The Company sources power from different public and private sectors utilities and supplies to various consumers being public and private sectors power utilities.

Information on other related party relationships of the Company is provided in Note no. 34.

The Ind AS financial statements of the Company for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the directors on May 15, 2020.

1.2 Basis of preparation

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These financial statements are called Ind AS Financial statements.

The standalone Ind AS financial statements are presented in 'Indian Rupees' (INR) which is also the Company's functional currency and all values are disclosed to the nearest Lakhs with two decimals (INR 00,000.00), except when otherwise indicated.

1.3 Significant accounting policies

i) Use of estimates

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

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

ii) Revenue Recognition

The Company derives its revenue primarily from arrangement of sale and purchase of power by entering into back to back power supply / purchase agreements and on merchant basis.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. Revenue is recognized upon transfer of control of promised products or services to customers. To recognize revenue, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The revenue is recognised when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from sale of power is recognised net of estimated rebates and other similar allowances when the units of electricity is delivered at the delivery point as per the terms of the Power Purchase Agreement (PPA) and Letter of Intent (LOI) [collectively hereinafter referred to as 'the PPAs']. Revenue from such contracts is recognised over time for each unit of electricity delivered at the predetermined rate. As the customer simultaneously receives and consumes the benefits of the Company's performance obligation, it best depicts the value to the customer and complete satisfaction of performance obligation. . Revenue includes unbilled revenue accrued up to the end of the accounting year. Transmission services scheduled through the transmission provider is considered as a separate performance obligation if the same is in terms of the Contract and Transaction price is separately recoverable.

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

1 Company Overview and Significant Accounting Policies:

1.3 Significant accounting policies

ii) Revenue Recognition

In the arrangements the Company is acting as an agent, the revenue is recognised on net basis when the units of electricity are delivered to power procurers because this is when the Company transfers control over its services and the customer benefits from the Company's such agency services.

The Company determines its revenue on certain contracts net of power purchase cost based on the following factors :

a) another party is primarily responsible for fulfilling the contract as the Company does not have the ability to direct the use of power supplied or obtain benefits from supply of power.

b) the customer does not have inventory risk before or after the power has been delivered to customers as the power is directly supplied to customer or does not have an obligation to sell the power if the power procurer has not scheduled/consumed the power.

c) the Company has no discretion in establishing the prices for supply of power. The Company's consideration in these contracts is only based on the difference between sales price charged to procurer and purchase price given to supplier unless as a trading margin.

For other contract which does not qualify the conditions mentioned above, revenue is determined on gross basis. The revenue from contracts for purchase and sale of power for the purposes of netting off is continuously reviewed based on the changes in the terms of the pre-existing contract or new contracts considering the guidelines in Ind AS 115 and accordingly disclosed in the period of change in terms of the contract.

Revenue from trading of energy where the Company is entitled only to guaranteed trading margin is recognised to the extent of guaranteed margin where the risk and rewards of the transaction lies with the third parties as in the case of exchange sales.

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

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

Revenue from sale of trading in renewable energy certificates are recognised to the extent of trading margin and incentives received as the Company is considered as an agent in the transaction in view of the parameters specified as per Ind AS 115 as explained above.

Delay payment charges for power supply on grounds of prudence are recognised when recovery is virtually certain. Compensation recoverable from customers/suppliers for default in purchase / sale of power is accrued as determined under the terms of the respective agreements and acknowledged by customers / suppliers.

Contract Balances

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

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

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

1 Company Overview and Significant Accounting Policies:

1.3 Significant accounting policies

ii) Revenue Recognition

Other 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 but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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

(iii) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

iv) Property, Plant & Equipment

Property, Plant and Equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the assets to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

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.

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.

The Company on transition to Ind AS, has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 ('the transition date') measured as per the previous GAAP in terms of paragraphs D7AA & D13AA of Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' and use that carrying value as the deemed cost of the property, plant and equipment after making adjustments for finance lease (paragraph D9 of Ind AS 101) and transaction cost of long term borrowings as per Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 5 (Revised).

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

1 Company Overview and Significant Accounting Policies:

1.3 Significant accounting policies

iv) Property, Plant & Equipment

Depreciation and amortisation:

Depreciable amount for assets is the cost of asset less its estimated residual value.

Depreciation on tangible assets are provided using straight line method over the useful life of the assets as technically estimated by the Management in terms of Schedule II to the Companies Act, 2013.

Particulars	Useful Life in Years
Office Equipments	5
Computer and IT Equipments	3
Furnitures and Fixtures	10
Motor Vehicles	8

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

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

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

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

Capital Work in Progress:

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

v) Intangible assets

Intangible assets that are 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. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect 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.

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

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

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

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

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1 Company Overview and Significant Accounting Policies:

1.3 Significant accounting policies

vi) **Borrowing cost**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the Borrowings cost eligible for capitalisation.

vii) **Leases**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019 where applicable.

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 assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves—

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

a) **Right-of-use assets**

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets, as follows:

- Buildings and office Space - 5 Years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

1 Company Overview and Significant Accounting Policies:

1.3 Significant accounting policies

viii) Leases

b) **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 in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease payments have been classified as cash used in Financing activities.

c) **Short term Leases**

The Company applies the short-term lease recognition exemption to its short-term leases of buildings, 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.

The weighted average of discount rate applied to lease liabilities as at April 1, 2019 is 12%.
On adoption of Ind AS 116, the Company has recognized right-of use assets and corresponding lease liability of Rs. 901.44 Lakhs.

The adoption of the new standard has not resulted in any impact in the opening retained earnings as at April 01, 2019.

Disclosures relating to Leases :

i. **Carrying Amount of the Leasehold Land at the end of the year**

Particulars	Rupees in Lakhs March 31, 2020
Office Space under Lease :	
Additions to right-of-use assets	901.44
Depreciation charge for right-of-use assets	180.58
The carrying amount of right-of-use assets	**720.86**

ii. **Disclosure of Carrying amount of Lease liabilities during the year :**

Particulars	Rupees in Lakhs March 31, 2020
Lease Liability towards office space under Lease :	
Lease Liability recognised during the year	901.44
Add : Interest expense recognised on lease liabilities	100.25
Less : Cash Outflows towards lease liability	(8.93)
Closing Balance of Lease Liability	**992.76**

iii. The Company has recognised expense relating to short-term leases which are not considered as right of use Assets amounting to Rs. 82.23 Lakhs

iv. **Maturity Profile of Lease liabilities as at March 31, 2020 :**

Particulars	Rupees in Lakhs March 31, 2019
a. Not Later than One Year	338.56
b. Later than one year and not later than five years	654.20
c. Later than five years	-
Total	992.76

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED GMR

1 Company Overview and Significant Accounting Policies:

1.3 Significant accounting policies

vii) Leases

Company as a lessor :

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

viii) 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 Right of Use 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. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

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

i. in the case of an individual asset, at the higher of the fair value less cost of disposal and the value in use; and

ii. in the 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 cost of disposal and the value in use.

(In determining fair value less cost 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 fair value indicators).

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

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.

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

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

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

Intangible assets with indefinite useful lives (if available) are tested for impairment annually as at December 31st at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

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(s) Provisions and Contingent Liabilities

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

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

Provisions and contingent liability are reviewed at each balance sheet.

(t) Retirement and other Employee Benefits

a. Short term Employee Benefits :

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

Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Post- Employment Benefit Plans :

i. Defined Contribution Scheme :

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

ii. Defined Benefit Plans :

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

The Gratuity of the Company is funded plan and 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.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

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x) **Retirement and other Employee Benefits**

iii. Other Long term Employee Benefits

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

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

xi) **Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at transaction price 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.

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 approximates the fair value due to the shorter maturity of these instruments.

Impairment of financial assets

The Company applies the expected credit loss model ('ECL') for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other financial assets.

The Company assesses at each balance sheet date as to whether any of its financial assets are impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial assets has increased significantly since initial recognition.

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xi) Financial Instruments

De-recognition of financial assets

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

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

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

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

b. Financial liabilities and Equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial Liabilities

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

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

Financial liabilities at Fair Value Through Profit and Loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liabilities held for trading or it is designated as at FVTPL.

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

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

• the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

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

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

Financial liabilities at amortised cost

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

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

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

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xi) Financial Instruments

De-recognition of Financial liabilities

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

Offsetting of financial instruments

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

Derivative financial instruments

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

Embedded Derivative financial Instruments

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

xii) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and in hand and the short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank Overdrafts are shown within borrowings under Current Liabilities in the Balance Sheet.

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

xiii) **Cash dividend and non-cash distribution to equity holders of the parent**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. 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.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

xiv) **Foreign currencies**

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

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

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

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1.3 **Significant accounting policies**

xv) **Fair value measurement**

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, regardless whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account while pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosures purposes in these financial statements is determined on above basis, except measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36, 'Impairment of Assets'. 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 participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

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

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

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

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xvi) Taxes on income

Tax expense comprises current and deferred tax.

Current income 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. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred 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 and liabilities are not recognised if the temporary difference arises from the initial recognition (other than business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

When assessesing whether taxable profits will be available against which it can utilise a deductible temporary difference, it considers whether tax laws restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. If tax law imposes no such restrictions, an entity assesses a deductible temporary difference in combination with all of its other deductible temporary differences. However, if tax law restricts the utilisation of losses to deduction against income of a specific type, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type.

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

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

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

Direct Tax Contingencies.

There are no direct tax disputes with income tax authorities as at the Balance Sheet date.

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(xvi) Earnings per share

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

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

(xvii) Corporate Social Responsibility Expenditure ('CSR Expenditure')

The Company charges its CSR Expenditure during the year, to the Statement of Profit and Loss.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosures of contingent liabilities. Actual results could differ from those estimates.

The estimate and the 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. Revisions to accounting estimates are recognised in the period in which, estimate is revised and future periods are affected.

Significant judgements and the estimates relating to provision for power banking, revenue from operations, taxes, fair value measurement of financial instruments, provisions, defined benefit plans, property plant and equipments and Expected Credit Loss on Trade Receivables, Loans and Other Financial Assets are as follows:

A. Critical Accounting Estimates and Assumptions :

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

I. Provision for power banking arrangement

The Company has entered into banking transactions for supply of power. As per the terms of the contract, the Company obtains power for sale to third party from the power generator ('supplier') which is required to returned by the Company to the supplier at a future date. The Company recognises revenue towards the said power sold to the third party at the time of supply of power by the supplier. The Company being a trader is required to enter into contract with another power generator for supplying the power to be returned at a future date to the original supplier. The Company has estimated a provision towards purchase of power to be made at a future date to close the open positions in banking arrangements based on the rates available with the Company in the Letter of intent for supply of power at a future date or estimated rates which are based on contracts settled during the financial year at or around the same time of return as per the best estimates of the operational team. The Company has also considered the impact of Covid-19 Global Pandemic on the amount of provision made and is of the view that the provision made will be adequate and the Company will be able to tie up for the required quantum of power to be returned with the power producers and does not expect any penalties under the contract or the contract to be onerous. Also refer Note No. 17.

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1.4 Significant accounting judgements, estimates and assumptions

A. Critical Accounting Estimates and Assumptions :

II. Revenue Recognition

a. The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b. Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as cash discounts, performance incentives/penalties and costs incurred towards undertaking the transaction. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

III. Taxes

Deferred Tax Assets is recognised to the extent that it is probable that taxable profit will be available against which the same can be utilised. In assessing the probability, the Company considers whether the entity has sufficient taxable temporary differences, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961. Deferred tax assets recognised to the extent of the corresponding deferred tax liability. Also Refer Note No. 18.

IV. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 27 and 28.

V. Provisions

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

VI. Defined benefit plans (gratuity benefits)

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

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

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at the interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Further details about gratuity obligations are given in note no. 33(b).

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

1 Company Overview and Significant Accounting Policies:

1.4 Significant accounting judgements, estimates and assumptions

B. Significant judgements

i. Property Plant and Equipment and Intangible Assets

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. As described in Note No. 1.3(iv) above, the Company reviews the estimated useful lives of property plant and equipments at the end of each annual reporting period. Refer Note No. 2 and 3.

ii. Revenue From Operations

The Company, as per the terms of Power Purchase Agreements ('PPA') and Letter of Intents ('LOI') entered with the customer and power generator identifies and assesses periodically whether it is a principal or agent in the transactions based on the parameters such as whether it is primarily responsible for fulfilling the contract; bears inventory risks; establishing the price for the specified good or service etc., Based on such assessment the Company has identified itself as an agent in certain power trading transactions and has accounted only the margin as income in its books. With respect to other transactions, the Company based on the terms of the LOI/PPA is of the view, that it meets all the parameters required to consider itself as a principal in the arrangement and has recognised the revenue and purchase cost under such arrangements at gross. Refer Note No. 19

iii. Determination of the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

iv. Contingent liabilities

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

v. Expected Credit Loss on Trade Receivables, Loans and Other Financial Assets :

The Company with respect to trade receivables and unbilled revenue determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to customer the company deals with. In calculating expected credit loss, the Company has also considered other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

With respect to loans and security deposits given to Group Companies, the Company has not provided for any credit loss allowance, considering the assurances through support letters given by the Holding Company of the respective Group Company borrowers to pay the amount, inspite of cases of delay in payments by the Group Companies other than those provided for based on its accounting policies. The Company has also assessed the credibility of the Group Companies and that of their respective Holding Company and is of the view that it does not expect any financial loss in respect of the said loans and deposits.

vi. Carrying value of Trade Payable, Trade Receivables and Advance from Customers

The Company undertakes regular billing to customers and obtains invoices from vendors towards sale of power. The Company has a robust system in place with respect to tracking of receivables and payables . The Company calls for confirmation from vendors and customers periodically and during the year has not received confirmation from major customers and vendors and is of the view that the payables and receivables as lying in the books are of the value stated and no further adjustments are considered necessary.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

1 Company Overview and Significant Accounting Policies:

1.5 New and amended Ind AS effective as on April 1, 2019

i. **Ind AS 116 Leases:** Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Company did not have any long term lease contracts as at the initial application date i.e., April 01, 2020 which would require the Company to record lease liability and right of use asset in terms of Ind AS 116.

The following is a summary of practical expedients elected by the Company on initial recognition :

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

On adoption of Ind AS 116,

a) The Company has recognized right-of use assets and corresponding lease liability of Rs.901.44 Lakhs

b) There has no reclassification from Property Plant and Equipment to Right of use Assets.

c) There is no impact in opening retained earnings on account of adoption of the new standard.

ii. Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. There is no plan amendments, curtailments and settlements during year and accordingly there is no impact on opening retained earnings on account of the amendment.

iii. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates \

There is no financial impact of the amendment on the opening retained earnings, financial position, results of operation and cash flow.

iv. Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. There is no financial impact of the amendment on the opening retained earnings, financial position, results of operation and cash flow.

v. **Prepayment Features with Negative Compensation, Amendments to Ind AS 109, Financial Instruments :**

This amendment enables entities to measure certain pre-payable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract'.

That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

There is no financial impact of the amendment on the opening retained earnings, financial position, results of operation and cash flow.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED GMR

1 Company Overview and Significant Accounting Policies:

1.5 New and amended Ind AS effective as on April 1, 2019

vi. **Annual Improvements to Ind AS :**

- Ind AS 23, 'Borrowing Cost'- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
- Ind AS 103, 'Business Combination'- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.
- Ind AS 111, 'Joint arrangements'- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.
- Ind AS 12, 'Income Taxes'- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

Previously, it was unclear whether the income tax consequences of dividend should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

There is no financial impact of the annual improvements on the opening retained earnings, financial position, results of operation and cash flow.

1.6 Introduction of new standards and amendments to existing standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2020

2 Property, plant and Equipment

Rupees in Lakhs

Particulars	Leasehold Improvements	Office Equipments	Computer & IT Equipments	Furniture and Fixtures	Vehicles	Total
Gross Block						
As at April 01, 2018	-	8.78	15.52	1.15	59.04	84.49
Additions	-	0.61	4.04	-	-	4.65
Disposals	-	-	-	-	-	-
As at March 31, 2019	-	9.39	19.56	1.15	59.04	89.14
Additions	44.99	5.87	1.18	8.62	-	60.66
Disposals	-	-	-	-	-	-
As at March 31, 2020	44.99	15.26	20.74	9.77	59.04	149.80
Accumulated Depreciation						
As at April 01, 2018	-	4.17	6.90	0.88	10.16	22.11
Additions	-	2.32	5.05	0.03	10.33	17.73
Disposals	-	-	-	-	-	-
As at March 31, 2019	-	6.49	11.95	0.91	20.49	39.84
Additions	0.61	1.26	3.71	0.07	10.20	15.85
Disposals	-	-	-	-	-	-
As at March 31, 2020	0.61	7.75	15.66	0.98	30.69	55.69
Net block						
As at April 01, 2018	-	4.61	8.62	0.27	48.88	62.38
As at March 31, 2019	-	2.90	7.61	0.24	38.55	49.30
As at March 31, 2020	44.38	7.51	5.08	8.79	28.35	94.11

Note:

a. **Deemed Cost:** The Company for the Financial Year 2016-17, had adopted Indian Accounting Standards ('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 has elected to avail the exemption as per Para D7AA of Ind AS 101, 'First-time Adoption of Indian Accounting Standards' to use its previous GAAP carrying value as at April 01, 2015 being the opening balance sheet date for the purpose of first time adoption of Indian Accounting Standards. Accordingly the value of gross block disclosed above includes carrying value of assets at the transition date (i.e., April 01, 2015) which is considered as deemed cost.

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

c. For charges created on property, plant and equipment refer note no.12(i).

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U51200KA2008PLC045104

Notes to the financial statements as on March 31, 2020

3 Intangible assets

Rupees in Lakhs

Particulars	Computer Software	Total
Gross block		
As at April 01, 2018	1.49	1.49
Additions	-	-
Disposals	-	-
As at March 31, 2019	1.49	1.49
Additions	-	-
Disposals	-	-
As at March 31, 2020	1.49	1.49
Accumulated Amortisation		
As at April 01, 2018	1.26	1.26
Charge for the year	0.23	0.23
Disposals	-	-
As at March 31, 2019	1.49	1.49
Charge for the year	-	-
Disposals	-	-
As at March 31, 2020	1.49	1.49
Net block		
As at April 01, 2018	0.23	0.23
As at March 31, 2019	-	-
As at March 31, 2020	-	-

Note :

a. **Deemed Cost:** The Company for the Financial Year 2016-17, had adopted Indian Accounting Standards ('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 has elected to avail the exemption as per Para D7AA of Ind AS 101, 'First-time Adoption of Indian Accounting Standards' to use its previous GAAP carrying value as at April 01, 2015 being the opening balance sheet date for the purpose of first time adoption of Indian Accounting Standards. Accordingly the value of gross block disclosed above includes carrying value of assets at the transition date (i.e., April 01, 2015) which is considered as deemed cost.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

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Notes to the financial statements as on March 31, 2020

4 Right of use Assets

Rupees in Lakhs

Particulars	Buildings	Total
Gross block		
As at April 01, 2018	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2019	-	-
Additions	901.44	901.44
Disposals	-	-
As at March 31, 2020	901.44	901.44
Accumulated Depreciation		
As at April 01, 2018	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2019	-	-
Charge for the year	180.58	180.58
Disposals	-	-
As at March 31, 2020	180.58	180.58
Net block		
As at April 01, 2018	-	-
As at March 31, 2019	-	-
As at March 31, 2020	720.86	720.86

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2020

5 Loans

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Non-current		
Considered Good - Unsecured		
Security deposit		
related parties*	-	8,500.00
Others	66.00	66.00
Loan to related parties - Inter Corporate loan[refer note (b) below]*	24,169.50	4,676.56
Considered Good - Secured		
Loans which have significant increase in Credit Risk [refer note (c) below].	-	-
Loans Receivables - credit impaired [refer note (c) below].	-	-
Total non-current balance of loans (A)	**24,235.50**	**13,242.56**
Current		
Considered Good - Unsecured		
Security deposit		
related parties [refer note b. below]*	8,557.61	57.61
Others	258.28	551.38
Other loans		
Considered Good - Unsecured		
Loan to related parties - Inter Corporate loan [refer note b. below]*	3,400.00	25,818.30
Loans to employees	-	1.14
Considered Good - Secured		
Loans which have significant increase in Credit Risk [refer note (c) below].	-	-
Loans Receivables - credit impaired [refer note (c) below].	-	-
Total current balance of loans (B)	12,215.89	26,428.43
Total loans (A+B)	**36,451.39**	**39,670.99**

* Refer Note No. 34 for related parties transactions.

Note:

a) The fair value of Non current and current loans are not materially different from the carrying value presented.

b) The Company has given short term inter corporate loans to GMR Generation Assets Limited ('GGAL') amounting to Rs. 24,169.50 Lakhs carrying interest at 11.40% p.a to be paid along with principal. The interest accrued on loan given to GGAL as at March 31, 2020 is at Rs. 463.56 Lakhs. The Company during the year has given an undertaking to the lender of GGAL that it will not declare an event of default against GGAL under the Group facilities on account of delay in payment of principal and interest until the lender's facility with GGAL that are outstanding would be cleared which as per the sanction letter is expected in FY 2024-25. In terms of the said undertaking, the Company has amended its agreement with GGAL agreeing to principalise the interest upto the date of giving the undertaking to Bank i.e., January 22, 2020. In terms of the amended agreement, the parties have agreed to principalise the interest accrued as part of the loan as at each Balance sheet date on the first day of next financial year and the entire loan along with interest shall be paid within six months from the date of settlement of dues of the lender by GGAL. The Company accordingly has disclosed the Inter corporate loan given to GGAL along with interest as Non-current in the financial statements for the current year in terms of the said undertaking.

The Company had also during the Financial Year 2017-18, advanced security deposit amounting to Rs. 8,500.00 Lakhs to Kakinada SEZ Limited ('KSEZ') for development of commercial office space/complex for its own use and / or lease / renting purposes at the Kakinada SEZ. The deposit carries an interest rate of 12.25% p.a which has been revised to 13.20% p.a during the year to be serviced monthly The security deposit was to be adjusted against future lease rentals or returned back by KSEZ. The Company has a right to call upon the deposit in case office complex is not completed and / or definitive agreement is not signed within 3 years from the date of advancement ie., March 07, 2021. The Company has been informed that currently there is no major work been undertaken by KSEZ at the site and approvals for development of the site are pending to be received from the State Authorities as at the Balance Sheet date. KSEZ has also not serviced interest on the said deposit since the inception which as at March 31, 2020 is outstanding at Rs. 2,181.03 Lakhs.

MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

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Notes to the financial statements as on March 31, 2020

The Company further during the previous year had given inter corporate loan to GMR Bajoli Holi Hydro Power Private Limited ('GBHHPPL') amounting to Rs. 31.70 Lakhs carrying an interest rate of 12.50% per annum. The interest accrued on the said loan was to be paid by GBHHPPL along with principal within a period of one year. During the year, GBHHPPL has repaid the principal amount in full and interest accrued on the said loan amounting to Rs. 255.66 Lakhs is outstanding as at the Balance Sheet date. Further during the year, the Company has also advanced a loan of Rs. 3,400.00 Lakhs to GBHHPPL, the interest accrued on said loan as at March 31, 2020 is Rs. 111.14 Lakhs

The Company has obtained support letters from GMR Infrastructure Limited ('GIL') to provide financial support to GGAL, KSEZ and GBHHPPL so as to enable the Group Companies to meet their respective liabilities as and when they fall due. Further the Company has received communication from KSEZ that there are developments happening during the year for monetization of its large tracts of land parcels and the same are in process at various stages with the prospective buyers. KSEZ is also in the process of signing definitive agreements with prospective investors for its subsidiary which would be used to repay the interest accrued and principal by June 2020. The Company has also obtained a valuation report from KSEZ as undertaken by an external valuer confirming the value of KSEZ assets being sufficient to meet its liabilities.

The Company has assessed the loan recoverability considering the support letters given by GIL and the developments taken place during the year with respect to its loans / deposits and based on the above is of the view, that there has not been a significant increase in credit risk of the loan and expects the loan recovery along with the interest accrued within the expected timelines and is of the view that the provision for loss allowance made in the financials is adequate and no further provision is considered necessary with respect to the above said loans / deposits.

c) There are no loan receivables which have significant increase in credit risk or are credit impaired based on the assessment made by the Company.

6 Other financial assets

Rupees in Lakhs

Particulars		March 31, 2020	March 31, 2019
Non-current			
Carried at amortised cost			
Interest accrued on Intercorporate loans given related parties [refer note no. 5(b) and 34].		463.56	-
Less : Provision for Loss Allowance [refer Note No. 5(b) above and 34]		(89.63)	-
Sub Total	(A)	373.93	-
Current			
Unsecured			
Carried at amortised cost			
Unbilled revenue [refer note no. 34].	(a)	10,335.34	972.99
Interest accrued on Intercorporate loans and security deposits from related parties [refer note no. 34].		2,547.92	1,308.04
Less : Provision for Loss Allowance [refer Note No. 5(b) above and 34].		(183.38)	-
	(b)	2,364.54	1,308.04
Interest Accrued on Deposits with Banks	(c)	11.96	-
Other advances recoverable			
- considered good		-	-
- considered doubtful [refer note no. 30(b.)]		581.41	581.41
		581.41	581.41
Less: Provision for doubtful recoverables		(581.41)	(581.41)
	(d)	-	-
Sub Total	(B)=(a) + (b) +(c) +(d)	12,711.84	2,281.03
Total	(A+B)	13,085.77	2,281.03

Note :

(a) The fair value of the above financial asset is not materially different from the carrying value presented.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2020

7 Trade receivables

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Considered Good - Unsecured		
Receivable from others	24,944.26	44,587.60
Related parties [refer Note No.34]	4,904.76	-
Considered Good - Secured		
Receivables which have significant increase in Credit Risk [refer Note (e) below].	-	-
Receivables which are credit impaired [refer Note (e) below].	105.60	-
Less : Impairment allowance (allowance for bad and doubtful debts)	(105.60)	-
	-	-
Total	**29,849.02**	**44,587.60**
Breakup of security details		
Secured considerd good	-	-
Unsecured considerd good	29,849.02	44,587.60
Credit risk		
Doubtful	105.60	-
Total	29,954.62	44,587.60

Note :

a) Trade receivables are pledged against the term loan availed from banks, loans from others, Working Capital loans and Cash Credit facility provided by banks. For details refer note no. 12(i) and 13(i) and (ii).

b) The credit period on sale of power is upto 60 Days. Thereafter interest is chargeable at 1.25% per month on the outstanding balance.

c) **Credit concentration:**

As on balance sheet date Trade receivables (excluding unbilled revenue) from State Electricity Distribution Companies (DISCOMS) constitutes 75.93% (March 31, 2019 : 90.77%), Group Companies constitute 16.37% and other parties under Short term / Medium term power purchase agreement are 7.70% (March 31, 2019 : 9.23%).

d) **Expected credit loss (ECL)**

The Company is having majority of receivables from State Electricity Distribution Companies which are Government undertakings and Group Companies and are hence secured from losses. The Company is generally regular in recovering its receivables towards power sale due from its customers. In case of recoverable amounts disputed, the receivables are pending recovery on account of the matter disputed pending final outcome at the respective courts/tribunals, which are recognized on conservative basis. These amounts, when settled will be recovered with interest as per the terms of Letter of Intents (LOIs)/ Power Purchase Agreements (PPAs) and are hence secured from credit losses. Allowances, if any, for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty, an analysis of the counterparty's current financial position and forward looking information. In case of trade receivables arising out of transactions wherein the Company has considered itself as an agent in the transaction, the credit loss incurred will be recovered from the power supplier and accordingly the Company believes that it is secured from credit losses. The Management does not foresee any expected credit loss in the near future on the trade receivables other than those which are already provided in the books which requires provisioning currently.

e) There are no trade receivables which are credit impaired or which have a significant increase in credit risk based on the assessment made by the Company other than those disclosed above.

f) 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.

g) The fair value of trade receivables are not materially different from the carrying value presented.

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

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Notes to the financial statements as on March 31, 2020

8 Cash and cash equivalents

Particulars	March 31, 2020	March 31, 2019
Cash and Cash Equivalents :		
Balances with banks:		
- in current accounts [refer note (a) below]	8,397.86	2,201.42
- in deposits with original maturity of less than or equal to 3 months	600.00	-
Sub-Total (a)	**8,997.86**	**2,201.42**
Other Bank Balances :		
Bank Deposits with Original maturity of more than three months	891.50	-
Sub-Total (b)	**891.50**	**-**
Total (a)+(b)	**9,889.36**	**2,201.42**

Rupees in Lakhs

Note :

(a) Pledged against the term loan availed from banks, loans from others, Working Capital loans and Cash Credit facility provided by banks. For details refer note no. 12(i) and 13(i) and (ii).

(b) The fair value of cash and cash equivalents are not materially different from the carrying value presented.

(c) Other Bank Balance includes deposits with bank given towards Bank Guarantees submitted to vendors towards power sales.

Break up of financial assets

Particulars	March 31, 2020	March 31, 2019
Financial asset carried at amortised cost		
Trade receivables	29,849.02	44,587.60
Cash and cash equivalents	8,997.86	2,201.42
Other bank balances	891.50	-
Loans	36,451.39	39,670.99
Other financial assets	13,085.77	2,281.03
Total	**89,275.54**	**88,741.04**

Rupees in Lakhs

9 Other assets

Particulars		March 31, 2020	March 31, 2019
Current			
Advances other than capital Advance			
Advances for goods and services			
- related parties (Considered good)*	(a)	-	2,734.88
- others			
Considered good		46.94	28.30
Considered Doubtful		91.01	68.27
		137.95	96.57
Less: Provision for doubtful recoverables		(91.01)	(68.27)
	(b)	46.94	28.30
Advances to employees	(c)	61.55	16.91
Other advances			
Prepaid expenses	(d)	4.60	47.25
Balance with government authorities	(e)	0.85	2.56
Prepaid gratuity premium	(f)	-	1.36
Total	(a)+(b)+(c)+(d)+(e)+(f)	**113.94**	**2,831.26**

Rupees in Lakhs

*-Refer Note No. 34 for related parties transactions.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED
GMR

GMR Energy Trading Limited

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Notes to the financial statements as on March 31, 2020

10 Equity share capital

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Authorised		
74,000,000 (March 31, 2019: 74,000,000) Equity Shares of Rs 10/- each	7,400.00	7,400.00
Issued, Subscribed and Paid up		
74,000,000 (March 31, 2019: 74,000,000) Equity Shares of Rs 10/- each	7,400.00	7,400.00
Total	**7,400.00**	**7,400.00**

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

Particulars	Numbers	Rupees in Lakhs
March 31, 2020		
Balance at the beginning of the year	7,40,00,000	7,400.00
Shares issued during the year	-	-
Balance at the end of the year	7,40,00,000	7,400.00
March 31, 2019		
Balance at the beginning of the year	7,40,00,000	7,400.00
Shares issued during the year	-	-
Balance at the end of the year	7,40,00,000	7,400.00

b. Terms/Rights Attached to equity Shares

The Company has only one class of shares referred to as equity shares having par value of Rs.10/- each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any. However no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Restrictions on the distribution of dividends :

The Board shall subject to restrictions imposed by the term loan lenders, propose to the shareholders the maximum possible dividend payable under applicable law. Upon such recommendation shareholders shall declare dividends as follows -

i. All such dividends & profits shall be paid to shareholders in their existing shareholding pattern.

ii. Any such dividend or other distribution shall be based on profit generated by the Company or on appropriate basis permitted by the applicable laws.

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

Out of Equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	Numbers	Rupees in Lakhs
March 31, 2020		
GMR Infrastructure Limited	5,02,19,897	5,021.99
GMR Energy Limited (along with its nominees)	1,40,60,100	1,406.01
GMR Power Infra Limited	97,20,000	972.00
March 31, 2019		
GMR Infrastructure Limited	5,02,19,897	5,021.99
GMR Energy Limited (along with its nominees)	1,40,60,100	1,406.01
GMR Power Infra Limited	97,20,000	972.00

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

Particulars	Numbers	% Holding
March 31, 2020		
GMR Infrastructure Limited	5,02,19,897	67.86%
GMR Energy Limited (along with its nominees)	1,40,60,100	19.00%
GMR Power Infra Limited	97,20,000	13.14%
March 31, 2019		
GMR Infrastructure Limited	5,02,19,897	67.86%
GMR Energy Limited (along with its nominees)	1,40,60,100	19.00%
GMR Power Infra Limited	97,20,000	13.14%

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

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

11 Other equity

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Retained earnings [Refer note no. (a) below]		
Balance at the beginning of the year	(1,436.13)	(849.13)
Adjustment to retained earnings		
Profit / (Loss) for the year	290.61	(587.01)
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement gains (losses) on defined benefit plans (net of taxes)	(2.21)	0.01
Balance at the end of the year	(1,147.73)	(1,436.13)
Total	(1,147.73)	(1,436.13)

Note:

(a) Retained Earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.

12 Non-Current Borrowings

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Secured		
At Amortised Cost		
Rupee Term loans		
Indian rupee term loan from banks [refer note (i) below]	25,660.21	26,409.49
Indian rupee term loan from financial institutions [refer note (ii) below]	1,500.00	1,500.00
Total	27,160.21	27,909.49
The **above** amount includes		
Secured borrowings	27,160.21	27,909.49
Unsecured borrowings	-	-
	27,160.21	27,909.49

(i) **Rupee Term Loan from banks**

Nature of security

The Company has borrowed Rupee Term Loan (RTL) from bank. The RTL I amounting to Rs. 20,000.00 Lakhs has been borrowed for the purpose of meeting its long term working capital requirement / advance / security deposit pursuant of lease of property and RTL II amounting to Rs. 8,500.00 Lakhs has been borrowed for extending as interest bearing Security Deposit to Kakinada SEZ Limited in terms of the Memorandum of Understanding between the Company and Kakinada SEZ Limited for development of office space in Kakinada SEZ respectively.

The loan is secured by way of first charge, in favour of Security Trustee, over the assets created out of bank loan facility to provide a minimum cover on the entire outstanding amount under the Term Loan Facility including hypothecation on the movable assets, book debts and others (assets created out of bank loan facility).

Nature of security

The loan is secured by pledge of 8% shares of GMR Energy Limited (GEL) in addition to the extension of Pledge over 20% shares already cross collateralized by other Group Companies, along with all beneficial / economic voting rights and NDU over 2% shares of GEL. Further, 23.5% shares of GMR Airport Limited (GAL) along with all beneficial / economic voting rights have been pledged.

The above term loan is also covered by unconditional and irrevocable Corporate Guarantee from its Holding Company (GMR Infrastructure Limited).

Terms of Repayment

The amount of RTLs borrowed needs to be repaid in 14 half yearly instalments after the moratorium period of 12 months from the date of first draw down commencing from March 18, 2019 and carry an interest rate of One Year MCLR + 285/310 Basis Points which is 11.75% to 13.05% per annum during the year (March 31, 2019: 11.25% to 13.05% per annum).

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(ii) Loan from Other Parties

Nature of security

The Company has borrowed Rupee Term Loan (RTL) from Non-Banking Financial Institution. The RTL amounting to Rs. 1,500.00 Lakhs has been borrowed for the purpose of meeting its long term working capital requirement towards power trading business.

The loan is secured Second charge on the cash flows of the GMR Energy Trading Limited by way of hypothecation.

Terms of Repayment

The RTL amount shall be repaid in a bullet instalment on March 31, 2022 and carries a fixed interest of 10% per annum.

(iii) The Company has the following amounts that are due for payment towards RTL as on the balance sheet date *

Rupees in Lakhs

Particulars		March 31, 2020	March 31, 2019
Principal Repayment of RTL**	Upto 30 days	285.00	200.00
Interest Accrued and Due on Loans from Banks / other parties	Upto 30 days	2.79	258.59
Total		287.79	458.59

*- The Company confirms that it has not received any communication/notice from the bank demanding repayment of the loan on account of non payment of dues upto the date of signing of the financial statements.

**- GMR Infrastructure Limited ('GIL'), the Holding Company has filed for extension in moratorium with the RTL lenders in terms of the RBI Circular on Covid-19 - Regulatory Package vide circular No. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020. The Company however is yet to obtain revised repayment schedule from its lender.

13 Current borrowings

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Secured		
At Amortised Cost		
Cash Credit and overdrafts from banks [refer note (i) below].	-	559.92
Working Capital Loan [refer note (ii) below].	4,900.00	5,000.00
Unsecured		
Indian rupee short term loans from others [refer note (iii) and (iv) below].	-	2,150.00
Indian rupee short term loans from Related parties [refer Note (iv) below and Note No. 34].	11,181.97	6,628.19
Total	16,081.97	14,338.11
The above amount includes		
Secured borrowings	4,900.00	5,559.92
Unsecured borrowings	11,181.97	8,778.19
	16,081.97	14,338.11

(i) Cash Credit facilities:

Cash Credit facilities are secured by way of a first charge on the current assets of the Company. The Cash Credit facility is for a period of one year upto April 23, 2020. The Company however as per the RBI Circular on Covid-19 Regulatory package has applied for extension upto June 23, 2020. The interest rate is MCLR 6M plus spread of 3% which is 11.15% per annum as at March 31, 2020 (March 31, 2019: 11.42% per annum).

(ii) Working Capital Loan from Banks

Working Capital facility from bank is secured by way of a first charge on the current assets of the Company. The Working Capital facility is for a period of one year upto April 23, 2020. The Company however as per the RBI Circular on Covid-19 Regulatory package has applied for extension upto June 23, 2020 for which acceptance from the bank is pending. The interest rate is MCLR-3M plus spread of 2.82% which is 10.82% per annum as at March 31, 2020 (March 31, 2019: 11.42% per annum).

(iii) Loan from Other parties

Unsecured loans availed from other parties were repayable within 60 Days and were due on February 22, 2019 from the date of disbursement in case of one party and on May 31, 2019 for the other party. The loans carried interest ranging from 11% to 13% per annum. The loans have been repaid during the year.

(iv) Inter Corporate Loan from related parties

The inter corporate loan is taken from Holding Company and is unsecured and repayable within a period of eleven months from the date of disbursement. The applicable rate of interest is 12.25% per annum.

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(iv) The Company has the following amounts that are due for payment towards current borrowing as on the balance sheet date

Rupees in Lakhs

Particulars	Nature	Period	March 31, 2020	March 31, 2019
Loan from Other Parties	Principal	Upto 30 days	-	1,150.00
	Interest	Upto 30 days	-	118.98
		More than 365 Days	2.96	
	(a)		2.96	1,268.98
Inter Corporate Loan from related parties	Interest (b)	Upto 30 days	-	292.37
Total	(a)+(b)		2.96	1,561.35

14 Trade Payable

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Current:		
At amortised cost		
Trade payables		
- due to micro small and medium enterprises (including retention money) [refer note (a) below.]	4.82	12.03
- due to related parties	20,488.90	27,808.05
- due to others	3,615.19	9,137.92
Total current trade payables	**24,108.91**	**36,958.00**

Notes:

(a) The Management is in continuous process of obtaining confirmations from its vendors regarding their registrations under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Under the MSMED Act, 2006 which came into force with effect from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of information and records available with the company, the following disclosures are made for the amounts due to Micro, Small and Medium Enterprises. Further, in view of the management, the impact of interest, if any, that may be payable in accordance with the provision of the Act are not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
a) (i) Principal amount due to the enterprises remaining unpaid to supplier	4.82	12.03
a) (ii) Interest due thereon to the enterprises remaining unpaid to supplier	-	-
b) Amount of Interest due and payable for the period of delay in making payment (which has been paid but not beyond the appointed date during the year) but without adding the interest specified under the MSMED Act	-	-
c) Payment made to the enterprises beyond appointed date under Section 16 of MSMED.	36.16	15.05
d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.24	1.01
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	-	-

(b) For explanation on the Company's credit risk management processes, refer note no. 28.

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

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15 Other Financial Liabilities

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Current :		
At Amortised Cost		
Current maturities of long-term borrowings [Refer Note No. 12(i) above].	1,255.00	770.00
Salaries, Bonus and other Payables to Employees	16.80	14.24
Other Payables		
Interest accrued and due on loans/working capital loans	-	258.59
Interest accrued but not due on term loans	273.89	274.95
Interest accrued and due on loans from other parties	5.75	118.98
Interest accrued on inter corporate loans from related party [refer Note No. 34]	69.36	292.37
Total	**1,620.80**	**1,729.13**

Break up of financial liabilities

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Financial liabilities carried at amortised cost		
Non Current Borrowings	27,160.21	27,909.49
Lease Liabilities	992.76	-
Current Borrowings	16,081.97	14,338.11
Trade Payable	24,108.91	36,958.00
Other financial liabilities	1,620.80	1,729.13
Total	**69,964.65**	**80,934.73**

16 Other liabilities

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Current :		
Advance received from Customers	709.61	620.00
Statutory dues Payable	143.74	91.95
Total other current liabilities	853.35	711.95

17 Provisions

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Non-current :		
Provision for employee benefits		
Provision for leave encashment [refer note 33(c)].	102.71	64.80
Total non-current provisions	**102.71**	**64.80**
Current		
Provision for employee benefits		
Provision for gratuity [refer note 33(b)].	6.49	-
Provision for leave encashment [refer note 33(c)].	17.31	8.16
Provision for other employee benefits	109.56	240.74
Other provisions		
Provision for power banking arrangement [Refer Note (a) below].	13,618.94	4,434.09
Provision for rebates [Refer Note (b) below].	14.58	11.05
Total current provisions	**13,766.88**	**4,694.04**
Total provisions	**13,869.59**	**4,758.84**

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**Notes to the financial statements as on March 31, 2020

Movement of provisions

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
a) Power Banking arrangement*		
Balance at the beginning of the year	4,434.09	6,466.78
Add : Provision made during the year	13,618.94	4,405.24
Less :Provision utilised / reversed during the year	(4,434.09)	(6,437.93)
Balance at the end of the year	13,618.94	4,434.09
*- the provisions are expected to be utilised over a period of next one year		
b) Provision for rebate**		
Balance at the beginning of the year	11.05	58.58
Add : Provision made during the year	14.58	11.05
Less :Provision utilised / reversed during the year	(11.05)	(58.58)
Balance at the end of the year	14.58	11.05
**- the provisions are expected to be utilised over a period of next one month		

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

18 Income Tax

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

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

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Profit or loss section		
Current Tax	37.34	17.05
Deferred Tax	0.74	-
Tax expense / (credit) to Statement of Profit and Loss	**38.08**	**17.05**
Other comprehensive income section (OCI)		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement gains (losses) on defined benefit plans	(0.74)	-
Tax expense / (credit) to Other Comprehensive Income	**(0.74)**	-
Tax expense / (credit) to Total Comprehensive Income	37.34	17.05

18.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

Rupees in Lakhs

Particulars		March 31, 2020	March 31, 2019
Profit / (Loss) before tax		328.69	(569.96)
Applicable tax rate		25.168%	33.384%
Tax effect of income / (loss)	(a)	82.72	(190.28)
Adjustments:			
Tax effect on items not deductible (net)		0.28	12.55
Tax effect on adjustments on which deferred tax asset is not recognised under prudence		(191.40)	306.73
Effect of Change in Tax Rate		145.74	-
	(b)	(45.38)	319.28
Utilisation of Minimum Alternate Tax (MAT) Credit	(c)	-	111.95
	(d)=(a+b-c)	37.34	17.05
Recognition of deferred tax directly in Other Comprehensive Income	(e)	(0.74)	-
Tax expense / (credit) to Statement of Profit and Loss	(f)=(d-e)	38.08	17.05
Tax expense / (credit) to Other Comprehensive Income	(g)	(0.74)	-
Tax expense / (credit) to Total Comprehensive Income	(h)=(f+g)	37.34	17.05

Note :

The Company for the purpose of determination of income tax liability under the provisions of the Income Tax Act, 1961 from FY 2018-19 onwards has revised its tax computation methodology wherein the Company has considered interest expenses of Rs. 3,952.70 Lakhs (March 31, 2019 : Rs. 4,632.65 Lakhs) relating to earning of interest income, resulting in increase in income offered under the head 'Profits and Gains from Business or Profession' and decrease in income offered under the head 'Income from Other Sources' to such extent. This tax treatment has enabled the Company to set off brought forward Business losses relating to earlier years of Rs. 1,074.38 Lakhs (March 31, 2019 : Unabsorbed depreciation of Rs. 11.36 Lakhs) The said tax treatment has also enabled the Company to utilise the MAT Credit for the purpose of payment of tax for the FY 2018-19 amounting to Rs. 111.95 Lakhs. This tax treatment has also resulted in lower tax outflow to the Company to the extent of Rs. 270.40 Lakhs (March 31, 2019 : Rs. 3.23 Lakhs). The Company has filed its return for FY 2018-19 which is pending to be processed as at the Balance Sheet date. The Company however, is confident that its tax return filed in terms of the computation above will be accepted by the Income Tax Department and the same is in accordance with the provisions of the Income Tax Act, 1961 and relevant Rules made thereunder and the income tax liability recognised in terms of the said computation for the FY 2019-20 and FY 2018-19 is appropriate and will be accepted by the Income Tax Department and accordingly no further provision is considered necessary..

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18 Income Tax

18.03 Non-current tax assets (net)

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Opening Balance	747.79	330.01
Less: Current tax payable (including interest)	(37.34)	(17.05)
Less: Refund received during the year	(324.45)	(2.10)
Add: Current taxes paid	349.41	436.93
Closing balance of Non-current tax assets (net)	735.41	747.79

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

Deferred tax:

Rupees in Lakhs

Particulars	For the year ended		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deferred tax liability				
Non-Current				
Property, plant and equipments and intangible assets	(0.32)	(2.20)	-	0.32
Borrowings recorded measured at amortized cost.	(164.04)	(67.09)	276.80	440.84
Total Non-Current	**(164.36)**	**(69.29)**	**276.80**	**441.16**
Current				
Fair value of investments	-	(17.34)	-	-
Other current assets - Gratuity paid in advance	(0.45)	0.45	-	0.45
Total Current	**(0.45)**	**(16.89)**	**-**	**0.45**
Gross deferred tax liability	**(164.81)**	**(86.18)**	**276.80**	**441.61**
Deferred tax asset				
Non-Current				
Property, plant and equipments and intangible assets	0.71	-	0.71	-
Unused losses	(459.10)	(3.79)	307.63	766.73
Provision for Leave Encashment	4.22	8.32	25.85	21.63
Deductible Lease Difference	18.16	-	18.16	-
Total Non-Current	**(436.01)**	**4.53**	**352.35**	**788.36**
Provision for rebate	(0.02)	(15.87)	3.67	3.69
Provision for Leave Encashment	1.64	(14.02)	4.36	2.72
Provision for Gratuity	1.63	(3.01)	1.63	-
Provision for doubtful recoverables	47.63	216.89	264.52	216.89
Disallowances u/s 40(a)(ia)	11.50	17.03	28.53	17.03
Disallowances u/s 43B	18.16	5.00	23.16	5.00
Total Current	**80.54**	**216.02**	**325.87**	**245.33**
Gross deferred tax asset	**(355.47)**	**220.55**	**678.22**	**1,033.69**
Less : Deferred Tax Asset recognised in OCI	0.74	-	-	-
Net deferred tax (assets) / liability	**191.40**	**(306.73)**	**(401.42)**	**(592.08)**
Less: Unused tax allowances and losses not recognised*	(191.40)	306.73	401.42	592.08
Net deferred tax (assets) / liability	-	-	-	-

*-The Company has unused tax allowances and tax losses which arose in India of Rs. 1,222.31 Lakhs (March 31, 2019: Rs. 2,296.69 Lakhs). The unused tax losses are available for offsetting for eight years against future taxable profits of the companies in which the losses arose. With regard to unused allowances, same is allowable in future period against taxable profits. Majority of these losses will expire in March 2026.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

18 Income Tax

Note :

The Company has chosen, to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under Section 115BAA of the Income Tax Act, 1961. The impact of this change, is included in the tax expense for the year ended March 31, 2020. Further the Company for the year ended March 31, 2020, has recognised deferred tax assets to the extent of deferred tax liabilities in view of uncertainty over probable sufficient taxable income being available against which the deductible temporary differences arising from unused tax losses can be utilised. Accordingly, deferred tax assets amounting to Rs. 401.42 Lakhs over and above the deferred tax liability has not been recognised in the books of account, as required under Ind AS 12, 'Income Taxes'.

18.05 Reconciliations of deferred tax (liabilities) /assets — Rupees in lakhs

Particulars	March 31, 2020	March 31, 2019
Opening balance	-	-
Tax income/(expense) during the period recognised in profit or loss	(0.74)	-
Tax income/(expense) during the period recognised in OCI	0.74	-
Amount recognised directly in equity	-	-
Closing balance	-	-

18.06 Amount recognised directly in equity — Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Opening balance	-	-
Add: Deferred tax recognised directly in equity during the year	-	-
Closing balance of deferred tax netted off with other components of equity	-	-

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19 Revenue from operations

Rupees in Lakhs

Particulars		March 31, 2020		March 31, 2019
(i) Sale of Energy [refer Note No. 34 and 36]	1,76,204.18		1,95,139.94	
Less : Cash Discount	(279.66)	1,75,924.52	(98.94)	1,95,041.00
Less : Cost of Power Purchase of Agency Nature [refer note (a) below]		(1,39,424.27)		(1,61,666.13)
		36,500.25		33,374.87
(ii) Sale of Renewable Energy Certificates [refer Note No. 34 and 36]		23.57		27.35
Less : Cost of Purchase of Agency Nature [refer note (a) below]		(20.51)		(15.18)
		3.06		12.17
(iii) Other operating income		1.61		1.26
Total	(i)+(ii)+(iii)	36,504.92		33,388.30

Notes:

(a) The Company as per its assessment and as per the opinion / advice obtained from the expert, determining whether it is principal or agent in its transactions for energy trading based on the indicators specified under Ind AS 115, is of the view that it is an agent in arrangements involving Exchange sales, transmission Charges, certain bilateral contracts and REC sales and has disclosed the revenue for the year ended March 31, 2020 and March 31, 2019 at net. In case of other specific sales contracts entered with customers, the Company is of the view that it is principal, wherever it is primarily responsible for fulfilling the promise to supply power, bears inventory and credit risks etc., under such contract. The details of revenue and purchases disclosed net for the year ended March 31, 2020 and March 31, 2019 is as follows :

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Exchange Sales	53,373.32	55,221.67
Transmission Charges	26,821.89	40,931.10
Bilateral Sales	59,229.06	65,513.36
REC Sales	20.51	15.18
Total	1,39,444.78	1,61,681.31

20 Other income

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Interest income on:		
- Bank deposits and others	46.75	0.50
- Inter corporate loans and deposits [refer Note No. 34]	4,055.28	4,991.58
- Interest on delayed payment [refer Note No. 34]	591.35	
Net gain /(loss) on sale of investments	-	35.73
Miscellaneous Income	0.06	6.86
Provisions/Liabilities no longer required written back (net)	48.66	152.21
Total	4,742.10	5,186.88

21 Purchase of traded goods

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Purchase of Energy [refer Note No. 19(a) above and Note No. 34]	33,820.70	29,656.05
Less : Cash Discount Received	(145.81)	(312.54)
Total	33,674.89	29,343.51

22 Employee benefit expenses

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Salaries, wages and bonus [refer Note No. 34]	801.07	1,003.83
Contribution to provident and other funds [refer Note No. 33]	63.43	48.32
Staff welfare expenses	17.95	11.85
Total	882.45	1,064.00

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Notes to the financial statements as on March 31, 2020

23 Depreciation & amortisation expenses

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Depreciation of property plant & equipment	15.85	17.73
Depreciation of right to use	180.58	-
Amortisation of intangible assets	-	0.23
Total	196.43	17.96

24 Finance costs

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Interest on debts and borrowings	4,435.10	4,165.48
Interest on intercompany debt and borrowings [refer Note No. 34]	344.19	1,366.17
Interest on security deposits	-	24.05
Interest on lease liability [refer Note No. 34]	100.25	-
Interest others	0.17	2.10
Other borrowing costs	21.95	76.91
Total	4,901.66	5,634.71

25 Other expenses

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Lease rent*	62.23	56.37
Rates and taxes	46.54	48.94
Insurance	1.55	0.09
Repairs and maintenance - Others	86.43	53.94
Electricity and water charges	37.83	1.85
Advertising and business promotion*	15.28	65.32
Exchange differences (net)	1.08	0.98
Logo Charges*	43.29	-
Communication cost	3.16	3.61
Legal and professional fees*	407.52	892.32
Travelling and conveyance*	103.26	154.81
Remuneration to auditor	15.10	11.80
Directors' sitting fees*	4.43	4.07
Charities and donations	-	60.00
Corporate Social Responsibility [Refer Note No. 32]*.	1.92	6.28
Provision for Doubtful advances/receivables	401.35	649.68
Security Deposits Written off*	-	12.17
Interest accrued on Inter Corporate Loans given to related party written off [refer Note No. 34]**	-	1,032.21
Printing and stationary	0.69	0.24
Bidding expenses	4.16	4.90
Membership & subscription	23.94	22.47
Bank charges	0.74	1.43
Miscellaneous expenses	2.40	1.48
Total	1,262.90	3,084.96

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Notes to the financial statements as on March 31, 2020

Details of payments to auditors

Particulars	March 31, 2020	March 31, 2019
		Rupees in Lakhs
As auditor:		
Audit fee	8.26	8.26
Tax audit fee	3.54	3.54
Certification Fee	3.30	-
In other capacities		
Re-imbursement of expenses	-	-
Total payments to auditors	**15.10**	**11.80**

*- refer Note No. 34 for related party transactions.

** - The Company during the previous year had restructured the Inter Corporate Loans given to one of its fellow subsidiary, on commerical prudency with a view to recover the same at the earliest. In terms of the same, the Company has started charging interest on interest accrued upto date by principalising the same. An amount of Rs. 1,032.21 Lakhs was written off during the previous year in the exercise of the restructuring.

26 **The disaggregation of changes to OCI by each type of reserve in equity is shown below:**

Particulars	March 31, 2020	March 31, 2019
		Rupees in Lakhs
Re-measurement gains (losses) on defined benefit plans	(2.95)	0.01
Income tax effect	0.74	-
Total	(2.21)	0.01

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Notes to the financial statements as on March 31, 2020

27 Financial Instruments

27.01 Financial Instruments by category

Financial instruments comprise financial assets and financial liabilities.

a) The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

Rupees in Lakhs

Particulars	Refer note no.	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through	Total carrying value	Total fair value
Financial assets:						
Loans	5	36,451.39	-	-	36,451.39	36,451.39
Other financial assets	6	13,085.77	-	-	13,085.77	13,085.77
Trade Receivables	7	29,849.02	-	-	29,849.02	29,849.02
Cash and cash equivalents	8	8,997.86	-	-	8,997.86	8,997.86
Other bank balances	8	891.50			891.50	891.50
Total		89,275.54	-	-	89,275.54	89,275.54
Financial liabilities						
Non-current Borrowings (including current maturities)	12	28,415.21	-	-	28,415.21	28,415.21
Lease Liability		992.76			992.76	992.76
Current Borrowings	13	16,081.97	-	-	16,081.97	16,081.97
Trade payables	14	24,108.91	-	-	24,108.91	24,108.91
Other financial liabilities	15	365.80	-	-	365.80	365.80
Total		69,964.65	-	-	69,964.65	69,964.65

b) The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Rupees in Lakhs

Particulars	Refer note no.	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through	Total carrying value	Total fair value
Financial assets:						
Loans	5	39,670.99	-	-	39,670.99	39,670.99
Other financial assets	6	2,281.03	-	-	2,281.03	2,281.03
Trade Receivables	7	44,587.60	-	-	44,587.60	44,587.60
Cash and cash equivalents	8	2,201.42	-	-	2,201.42	2,201.42
Total		88,741.04	-	-	88,741.04	88,741.04
Financial liabilities						
Non-current Borrowings (including current maturities)	12	28,679.49	-	-	28,679.49	28,679.49
Current Borrowings	13	14,338.11	-	-	14,338.11	14,338.11
Trade payables	14	36,958.00	-	-	36,958.00	36,958.00
Other financial liabilities	15	959.13	-	-	959.13	959.13
Total		80,934.73	-	-	80,934.73	80,934.73

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

27.02 Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. This includes mutual funds that have quoted price

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

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

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27 Financial Instruments

27.02 Fair value hierarchy

a) The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2020:

Rupees in Lakhs

Particulars	Total	Level 1	Level 2	Level 3
Assets measured at fair value through profit or loss:				
Liabilities measured at fair value through profit or loss:				

b) The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2019:

Rupees in Lakhs

Particulars	Total	Level 1	Level 2	Level 3
Assets measured at fair value through profit or loss:				
Liabilities measured at fair value through profit or loss:				

During the year ended March 31, 2020 and March 31, 2019 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of liquid mutual funds is based on net asset value quoted price.

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

28 Financial risk management

Financial Risk Factors

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

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

28.01 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. Market risk comprises of : interest rate risk and other price risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt as at March 31, 2020. The analysis exclude the impact of movements in market variables on : the carrying values of gratuity and other post-retirement obligations, provisions and the non financial assets.

(i) 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 primarily to the Company's long term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate Sensitivity :

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. 50 basis points represents management's assessment of reasonably possible change in interest rate. With all other variables held constant, the Company's profit / (loss) before tax is affected through the impact interest rate of borrowings is as follows:

Rupees in Lakhs

Particulars	Type of currency	Change in Rate	Effect on profit / (loss) before tax		Effect on total equity	
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interest rates	INR	(+)50	(161.39)	(160.54)	(161.39)	(160.54)
Interest rates	INR	(-)50	161.39	160.54	161.39	160.54

*- figures in negative represents increase in losses/decrease in profits.

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28 Financial risk management

28.02 Credit risk

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities primarily loans receivables, including deposits with banks and financial institutions and other financial instruments. Credit exposure is controlled by counter party limits for major counter parties that are reviewed and approved by the Management regularly. Ongoing credit evaluation is performed based on the financial condition of receivables and the collaterals held as security in some of the cases. The Company generally deals with parties which has good credit rating/worthiness given by external rating agencies or based on the Company's internal assessment. Refer Note No. 6 and 7 for credit risk and other information in respect of trade receivables and other financial assets.

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

The maximum exposure of financial assets subject to credit risk was equal to the respective carrying amounts on the balance sheet date. No financial assets subject to credit risk, other than those disclosed in the financial statements are impaired. The Company's dues under power purchase agreement with Discoms are treated good and recoverable in spite of being past due being dues from government organization.

With respect to Trade receivables/unbilled revenue, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss.

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 counter parties and within credit limits assigned to each counter party. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and term deposits for a specified time period.

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

Credit Risk Exposure :

Movement in Credit Loss Allowance :

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning	649.68	-
Credit Loss Allowance recognised	413.55	1,697.84
Amounts written off	(12.20)	(1,048.16)
Balance at the end	**1,051.03**	**649.68**

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

28.03 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation. The Company has obtained fund and non-fund based working capital lines from various banks. The Company also invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

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

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

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28 Financial risk management

28.03 Liquidity risk

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

Rupees in Lakhs

Particulars	Carrying Amount	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2020					
Non-derivative financial liabilities					
Borrowings (including current maturities)	34,415.00	5,185.00	970.00	22,710.00	5,550.00
Lease Liability (including current maturities)	992.76	199.72	138.84	654.20	-
Loan from related party	11,181.97	-	11,181.97	-	-
Trade payable	24,108.91	-	24,108.91	-	-
Other financial liabilities	365.80	5.75	360.05	-	-
Total	71,064.44	5,390.47	36,759.77	23,364.20	5,550.00

Rupees in Lakhs

Particulars	Carrying Amount	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2019					
Non-derivative financial liabilities					
Borrowings (including current maturities)	37,709.92	6,909.92	1,570.00	15,130.00	14,100.00
Loan from related party	6,628.19	-	6,628.19	-	-
Trade payable	36,958.00	-	36,958.00	-	-
Other financial liabilities	959.13	669.94	289.19	-	-
Total	82,255.24	7,579.86	45,445.38	15,130.00	14,100.00

The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

28.04 Excessive risk concentration:

Concentration indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Company's risk management policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio to manage business concentration credit risk. Identified concentrations of credit risks are controlled and managed accordingly.

28.05 Capital management

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

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

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

Rupees in Lakhs

Particulars		March 31, 2020	March 31, 2019
Total Debt / borrowings	(a)	44,497.18	43,017.60
Capital Components			
Equity Share Capital		7,400.00	7,400.00
Other Equity		(1,147.73)	(1,436.13)
Total Capital		6,252.27	5,963.87
Capital and total debt	(b)	50,749.45	48,981.47
Gearing ratio (%)	(a)/(b)	87.68%	87.82%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

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29 Calculation of Earning per share (EPS):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. There is no dilutive potential ordinary shares as at March 31, 2020 and March 31, 2019. Thus, diluted EPS equals basic EPS.

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

Particulars	March 31, 2020	March 31, 2019
a. Nominal value of Equity shares (in Rupees per share)	10	10
b. Weighted average number of Equity shares at the year end (in Nos.)	7,40,00,000	7,40,00,000
c. Profit attributable to equity holders of the Company for basic earnings (Rupees in Lakhs)	290.61	(587.01)
d. Basic/Diluted Earning per share of Rs 10/- each (in Rs.) [(c)/(b)]	0.39	(0.79)

Note :

*. The RTL lender has an unqualified right to take all actions as may be prescribed in the Relevant framework applicable in the event of the lender implementing the Strategic Debt Restructuring, to convert the balance loan obligations into paid up equity share capital at any time until the currency of the facilities, in accordance with the provisions of the applicable Laws. These shares being contingently issuable and not quantifiable currently are not considered for the purpose of computation of Diluted Earnings per Share.

30 Contingent liabilities and commitments

i. Contingent Liabilities

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
a. Letter of Credit limits unused	528.51	1,870.38

b. The Company had entered into a Letter of Intent ('LOI') with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for supply of power in the month of October, 2018. However on account of the power generator's failure to supply power, the Company was not able to meet its obligations under the LOI. On account of this failure, MSEDCL had invoked the Bank Guarantees submitted by the Company to the extent of Rs. 172.00 Lakhs and adjusted receivables amounting to Rs. 175.71 Lakhs. MSEDCL has also raised a legal dispute on the Company at the Central Electricity Regulatory Commission ('CERC') seeking revocation of its trading license on account of this failure, which is pending admission at the CERC. The Company has filed interim application at CERC for dismissal of petition filed by MSEDCL for revocation of license which is likely to be listed and has filed a petition before CERC for recovery of amount deducted by MSEDCL which has been admitted by CERC . The Company has also filed an interim application for release of part payment by MSEDCL during the pendency of petition. The Company is of the view that the invocation of Bank guarantee amount and receivable adjusted aggregating to Rs. 347.71 Lakhs is not valid in law and the litigation filed at the CERC by MSEDCL will not hold good as the same is not in accordance with the terms of the LOI and there is no financial implication expected out of this matter or effect on its continuation of energy trading business. The Company is also confident of recovering the amount adjusted by MSEDCL, however has currently provided for the said amount under prudence in its books and does not expect any effect on the energy trading business of the Company.

c. The Supreme Court (SC) had passed an order dated February 28, 2019, stating that for the purpose of contribution to be made under the Employees Provident Fund and Miscellaneous Provisions Act, 1956 ('EPF Act'), the definition of basic wages includes all emoluments paid in cash to the employees in accordance with the terms of their contract of employment which was also subsequently upheld vide its review petition dated August 28, 2019. In view of the same, the Company is liable to make further contribution towards Provident Fund ('PF') on the entire salary paid by it to its employees other than certain emoluments based on performance and variable. However there is no clarity on effective date from when the liability is required to be paid by the Company. As a matter of caution, the Company has accounted and paid the PF liability in terms of the SC order on a prospective basis from the date of the SC order i.e., April 1, 2019 onwards. The Company further will account and pay the differential PF liability if any, on receiving further clarity on the subject from the Provident Fund Authorities and the impact if any which in view of the Company is not expected to be material.

d. The Company has also been party to various petitions filed by the power generating / distribution companies against various DISCOMs / procuring Companies in respect of claim for compensation / increased tariff rates which are pending before various statutory authorities and Hon'ble Courts. The management is of the opinion that the recoveries / payables, if any, arising out of such litigations are a pass through considering the Company being a trader in electricity and accordingly there is no liability or outflow foreseen by / against the Company.

ii. Capital Commitments

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
	-	-

31 The Management of the Company is of the opinion that no provision is required to be made in its books of account, with respect to any material foreseeable losses under the applicable laws, accounting standards on long term contracts including derivative contracts.

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Notes to the financial statements as on March 31, 2020

32 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
a. Gross amount approved by CSR Committee to be spent during the year	1.92	6.28
b. Amount spent by the Company during the year:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1.92	6.28
iii) Details of related party transactions		
GMR Varalakshmi Foundation [refer note no. 34].	1.92	6.28

33 Employee Benefits

a) Defined Contribution Plans :

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

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Provident and pension fund	35.20	30.02
Superannuation fund	21.93	12.15
Total	57.13	42.17

b) Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2020 and March 31, 2019:

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
i) Change in defined benefit obligation		
Defined benefit at the beginning	43.36	36.54
Current Service Cost	7.05	6.09
Interest expenses	3.30	2.70
Acquisition Cost/(Credit)	15.73	-
Re-measurement - Actuarial loss / (gain)	(3.07)	0.03
Financial assumptions - Actuarial loss / (gain)	5.33	-
Benefits paid	-	(2.00)
Defined benefit at the end	71.70	43.36
ii) Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning	44.72	27.51
Expected return on plan assets	4.05	2.64
Acquisition Adjustment	15.73	-
Actuarial gains/ (losses)	(0.68)	0.04
Contributions by employer	1.39	16.53
Benefits paid	-	(2.00)
Fair value of plan assets at the end	65.21	44.72
iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	71.70	43.36
Fair Value of plan assets at year end	65.21	44.72
Net (asset) / liability recognised	6.49	(1.36)

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Notes to the financial statements as on March 31, 2020

b) Gratuity

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses.		
Current Service Cost	7.05	6.09
Net interest on net defined benefit liability / (asset)	(0.75)	0.06
Total expense	**6.30**	**6.15**
v) Recognised in other comprehensive income for the year		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumption	5.33	-
Actuarial changes arising from changes in experience adjustments	(3.07)	0.03
Return on plan assets excluding interest income	0.68	(0.04)
Recognised in other comprehensive income	**2.94**	**(0.01)**
vi) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	4.79	2.85
Between 1 and 5 years	24.02	16.27
Between 5 and 10 years	50.56	41.54
vii) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / decrease on present value of defined benefit obligation as at year end		
one percentage point increase in discount rate	(6.56)	(4.13)
one percentage point decrease in discount rate	7.68	4.87
one percentage point increase in salary escalation rate	4.78	3.54
one percentage point decrease in salary escalation rate	(4.77)	(3.52)
one percentage point increase in employee turnover rate	1.23	0.93
one percentage point decrease in employee turnover rate	(1.36)	(1.06)

Sensitivity Analysis Method

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

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Further more, in presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation, liability recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Particulars	March 31, 2020	March 31, 2019
viii) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with Insurer managed funds	100%	100%
ix) Actuarial Assumptions		
Discount rate (p.a.)	6.80%	7.60%
Salary escalation	6.00%	6.00%
Weighted average duration of defined benefit obligation	10 Years	10 Years
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Rate of employee turnover	5.00%	5.00%

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2019 and March 31, 2020 the plan assets have been invested in insurer managed funds.

The Company expects to contribute Rs. 1.39 Lakhs to the gratuity fund during FY 2020-21.

Notes:

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

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

CHATURVEDI & SHAH LLP MUMBAI

GMR ENERGY TRADING LIMITED

c) **Leave Encashment**

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 120.02 Lakhs as at March 31, 2020 [March 31, 2019: Rs. 72.96 Lakhs].

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

i.	Parties where control exists :	
	Holding Company	GMR Infrastructure Limited [GIL]
ii.	Enterprises having control over the Company	GMR Enterprises Private Limited [GEPL]
		GMR Generation Assets Limited [GGAL]
		GMR Energy Limited [GEL]
		GMR Power Infra Limited (GPIL)
iii.	Fellow Subsidiary	RAXA Security Services Limited [RSSL]
		Delhi International Airport Limited [DIAL]
		Kakinada SEZ Limited [KSL]
		GMR Hyderabad International Airport Limited [GHIAL]
		GMR Corporate Affairs Private Limited [GCAPL]
		GMR League Games Private Limited
iv.	Associates	JSW GMR Cricket Private Limited [JGCPL] [formerly GMR Sports Private Limited] [w.e.f May 13, 2018]
		GMR Warora Energy Limited [GWEL]
		GMR Kamalanga Energy Limited [GKEL]
		GMR Chhattisgarh Energy Limited [GMRCEL] [ceased to be associate since August 02, 2019]
		GMR (Badrinath) Hydro Generation Private Limited [GBHPL]
		GMR Bajoli Holi Hydropower Private Limited [GBHHPL]
v.	Key Managerial Personnel	Mrs. Grandhi Satyavathi Smitha [Whole-Time Director]
		Mrs. Ramadevi Bommidala [Whole-Time Director]
		Mr. Ashok Kumar Prusty [Whole-Time Director]
		Mr. Kusumanchi Parameswara Rao - Director
		Mr. Vithala Satyanarayana Murthy - Director
vi.	Relative of Key Managerial Personnel	Mr. Buchisanyasi Raju Grandhi - Husband of Mrs. Grandhi Satyavathi Smitha [Whole time director]
		Mr. Mani Santosh Bommidala - Son of Mrs. Ramadevi Bommidala [Whole-Time Director]
vii.	Other entities in which KMP and their relatives exercise significant influence	GMR Varalakshmi Foundation [GVF]
		GMR Family Fund Trust [GFFT]

viii. **Details of the transactions are as follows : ***

	Particulars	March 31, 2020	March 31, 2019
			Rupees in Lakhs
a.	*Sale of Energy*		
	GMR Warora Energy Limited [GWEL]	6,092.66	7,773.25
	GMR Kamalanga Energy Limited [GKEL]	6,204.77	-
	Delhi International Airport Limited [DIAL]	2,325.59	2,454.78
	GMR Bajoli Holi Hydropower Private Limited [GBHHPL]	3,721.85	-
b.	*Open Access recovered#*		
	GMR Warora Energy Limited [GWEL]	698.54	835.49
	GMR Kamalanga Energy Limited [GKEL]	1,680.08	986.23
	GMR Chhattisgarh Energy Limited [GMRCEL]	195.91	5,798.34
c.	*Rebate received on prompt payment*		
	GMR Warora Energy Limited [GWEL]	276.88	100.64
	GMR Kamalanga Energy Limited [GKEL]	-	1.01
	GMR Chhattisgarh Energy Limited [GMRCEL]	-	74.19
d.	*Sales of Renewable Energy Certificates#*		
	GMR Generation Assets Limited [GGAL]	2.35	2.57
	GMR Power Infra Limited [GPIL]	0.68	0.70

MUMBAI
CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2020

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

vii. Details of the transactions are as follows : *

Particulars	March 31, 2020	March 31, 2019
		Rupees in Lakhs
e. *Interest income on Inter Corporate Loans and Deposits:*		
GMR Generation Assets Limited [GGAL]	2,616.85	1,859.81
GMR Bajoli Holi Hydropower Private Limited [GBHHPL]	230.33	177.23
GMR Infrastructure Limited [GIL]	62.20	1,913.25
Kakinada SEZ Limited [KSL]	1,145.90	1,041.25
f. *Purchase of Energy#*		
GMR Warora Energy Limited [GWEL]	49,967.93	50,162.80
GMR Kamalanga Energy Limited [GKEL]	17,244.98	27,592.55
GMR Chhattisgarh Energy Limited [GMRCEL]	1,703.84	20,332.16
g. *Rebate given for prompt payment*		
Delhi International Airport Limited [DIAL]	-	34.94
h. Interest on delay payment received		
GMR Warora Energy Limited [GWEL]	578.28	-
GMR Bajoli Holi Hydropower Private Limited [GBHHPL]	13.07	-
i. *Compensation for non supply of power*		
GMR Chhattisgarh Energy Limited [GMRCEL]	-	56.44
j. *Open Access paid #*		
GMR Warora Energy Limited [GWEL]	3,723.73	3,061.96
k. *Logo fees paid / provided to*		
GMR Enterprises Private Limited [GEPL]	43.29	-
l. *Contribution towards Corporate Social Responsibility*		
GMR Varalakshmi Foundation [GVF]	1.92	6.28
m. *Rent, Hire and other Charges*		
Mr. Buchisanyasi Raju Grandhi	49.70	44.81
GMR Corporate Affairs Private Limited [GCAPL]	1.73	-
GMR Hyderabad International Airport Limited [GHIAL]	-	0.11
n. *Technical consultancy services (including reversals)*		
GMR Infrastructure Limited [GIL]	108.37	(14.18)
o. *Interest and finance charges:*		
GMR Infrastructure Limited [GIL]	111.51	-
GMR Energy Limited [GEL]	210.43	1,156.13
GMR Enterprises Private Limited [GEPL]	22.25	210.04
Delhi International Airport Limited [DIAL]	100.25	-
GMR Hyderabad International Airport Limited [GHIAL]	0.15	-
p. *Other expenses*		
Delhi International Airport Limited [DIAL]	57.65	1.22
Mr. Buchisanyasi Raju Grandhi	0.60	0.98
GMR Hyderabad International Airport Limited [GHIAL]	-	2.80
GMR Infrastructure Limited [GIL]	-	0.28
q. *Business Promotion Expenses*		
JSW GMR Cricket Private Limited [JGCPL] [formerly GMR Sports Private Limited]	-	25.12
GMR League Games Private Limited	0.42	-
r. *Membership fees recovered :*		
GMR Chhattisgarh Energy Limited [GMRCEL]	0.02	2.00
GMR Generation Assets Limited [GGAL]	0.20	0.20
GMR Kamalanga Energy Limited [GKEL]	4.00	4.00
GMR Power Infra Limited (GPIL)	0.20	0.20
GMR Warora Energy Limited [GWEL]	2.00	3.00
s. *Remuneration paid to Key Management Personnel and their relatives***		
Mrs. Grandhi Satyavathi Smitha	83.30	67.09
Mrs. Ramadevi Bommidala	59.90	-
Mr. Ashok Kumar Prusty	117.31	132.45
Mr. Mani Santosh Bommidala	11.41	-

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED GMR

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2020

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

viii. Details of the transactions are as follows : *

Rupees in Lakhs

	Particulars	March 31, 2020	March 31, 2019
t.	*Sitting fees (excluding taxes):*		
	Mr. Vithala Satyanarayana Murthy	2.18	2.01
	Mr. Kusumanchi Parameswara Rao	2.24	1.59
u.	*Security Deposit written off*		
	RAXA Security Services Limited [RSSL]	-	7.55
v.	Interest accrued written off		
	GMR Generation Assets Limited [GGAL]	-	1,032.21
w.	*Secury Deposit receivable:*		
	GMR Family Fund Trust [GFFT]	57.61	57.61
	Kakinada SEZ Limited [KSL]	8,500.00	8,500.00
	Delhi International Airport Limited [DIAL]	-	10.00
x.	*Inter Corporate loan and deposit given:*		
	GMR Generation Assets Limited [GGAL]		
	Opening Balance	22,648.30	18,578.76
	Add: Granted during the year	336.00	3,024.01
	Add: Interest accrued principalised	2,185.20	3,545.53
	Less: Refunded / repaid during the year	(1,000.00)	(2,500.00)
	Closing balance	24,169.50	22,648.30
	GMR Bajoli Holi Hydropower Private Limited [GBHHPL]		
	Opening Balance	3,170.00	-
	Add: Granted during the year	3,400.00	3,170.00
	Less: Refunded / repaid during the year	(3,170.00)	-
	Closing balance	3,400.00	3,170.00
	GMR Infrastructure Limited [GIL]		
	Opening Balance	4,676.56	13,818.28
	Add: Granted during the year	850.00	11,274.43
	Less: Refunded / repaid during the year	(5,526.56)	(20,416.15)
	Closing balance	-	4,676.56
y.	*Interest receivable on Inter Corporate deposit / loans*		
	GMR Generation Assets Limited [GGAL]	463.56	89.22
	GMR Infrastructure Limited [GIL]	-	3.55
	GMR Bajoli Holi Hydropower Private Limited [GBHHPL]	366.80	159.51
	Kakinada SEZ Limited [KSL]	2,181.12	1,055.76
z.	*Provision for loss allowance made on interest receivables :*		
	GMR Generation Assets Limited [GGAL]	89.63	-
	GMR Bajoli Holi Hydropower Private Limited [GBHHPL]	14.44	-
	Kakinada SEZ Limited [KSL]	168.94	-
aa.	*Inter Corporate Loan and Deposit taken*		
	GMR Energy Limited [GEL]		
	Opening Balance	6,628.19	12,667.00
	Add: Received during the year	-	4,000.00
	Less: Repaid during the year	(6,628.19)	(10,038.81)
	Closing balance	-	6,628.19
	GMR Infrastructure Limited [GIL]		
	Opening Balance	-	-
	Add: Received during the year	15,600.97	-
	Less: Repaid during the year	(4,419.00)	-
	Closing balance	11,181.97	-
	GMR Enterprises Private Limited [GEPL]		
	Opening Balance	-	-
	Add: Received during the year	800.00	7,500.00
	Less: Repaid during the year	(800.00)	(7,500.00)
	Closing balance	-	-
ab.	*Interest payable on Inter Corporate deposit / loans*		
	GMR Energy Limited [GEL]	-	292.37
	GMR Infrastructure Limited [GIL]	69.36	-

MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

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

viii. Details of the transactions are as follows : *

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
ac. *Unbilled Revenue*		
Delhi International Airport Limited [DIAL]	-	200.81
GMR Bajoli Holi Hydropower Private Limited [GBHHPL]	492.34	-
GMR Kamalanga Energy Limited [GKEL]	1,952.58	-
ad. Lease Liability Payable :		
Delhi International Airport Limited [DIAL]	992.76	-
ae. *Due from:*		
GMR Chhattisgarh Energy Limited [GMRCEL]	-	2,725.44
GMR Infrastructure Limited [GIL]	-	9.44
GMR Kamalanga Energy Limited [GKEL]	3,898.24	-
GMR Bajoli Holi Hydropower Private Limited [GBHHPL]	1,006.52	-
Mrs. Grandhi Satyavathi Smitha	38.15	-
Mrs. Ramadevi Bommidala	2.17	-
af. *Due to:*		
GMR Warora Energy Limited [GWEL]	20,192.97	22,225.57
GMR Kamalanga Energy Limited [GKEL]	-	5,419.65
GMR Generation Assets Limited [GGAL]	0.13	-
GMR Enterprises Private Limited [GEPL]	81.11	37.82
Delhi International Airport Limited [DIAL]	44.76	-
Mr. Buchisanyasi Raju Grandhi	8.50	4.52
GMR Hyderabad International Airport Limited [GHIAL]	-	3.96
GMR Corporate Affairs Private Limited [GCAPL]	116.76	117.55
GMR Infrastructure Limited [GIL]	44.67	-
Mrs. Grandhi Satyavathi Smitha	-	7.92
Mr. Ashok Kumar Prusty	-	0.37

* - Related Party Transactions given above are as identified by the Management.

#- Netted off with revenue from operations as explained in Note No. 19(a).

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

Compensation of key managerial personnel of the Company and their relatives

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
a. Short term employee benefits	248.40	192.26
b. Post - Employment Benefits (Provident Fund and Superannuation Fund)	23.52	7.28
c. Termination Benefits	-	-
d. Any other Payment/ benefits	4.42	8.60

35 The Company has a process of obtaining balance confirmations from its vendors and customers. As on the date of the financials, the Company is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management however is of the view that the balances are of the value states and does not expect any material difference affecting the current year's financial statements due to the same.

36 Disclosure in terms of Ind AS 115 - Revenue from Contracts with Customers

(a) Revenue from operations for the year ended March 31, 2020 and March 31, 2019 are as follows:

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Sale of Energy (including open access charges recovered)	36,500.35	33,374.87
Trading Margin on sale of Renewable Energy Certificates	3.06	12.17
Other operating income	1.51	1.26

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

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Notes to the financial statements as on March 31, 2020

36 Disclosure in terms of Ind AS 115 - Revenue from Contracts with Customers

(a) **Disaggregate revenue information:**

The Company has presented disaggregated revenue from contracts with customers for the year ended March 31, 2020 and March 31, 2019 by contract-type and is of the opinion that, this disaggregation best depicts the nature, amount, timing of revenues and cash flows that are affected by the industry markets and other economic factors:

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Revenue by contract-type		
Bilateral sales	36,121.43	29,497.07
Sales through exchanges	272.17	339.79
Trading margin under power banking arrangements	386.31	3,636.96
Trading Margin from sale of Renewable Energy Certificates	3.06	12.17
Incentive on sale of Renewable Energy Certificates	1.61	1.26
	36,784.58	33,487.25
Less: Rebate on above	(279.66)	(98.95)
	36,504.92	33,388.30

The Company has not identified any disaggregated revenues based on offerings.

(b) **Contract Balances:**

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Receivables :		
- Current (Gross)	39,954.62	44,587.60
- Provision for Impairment (current)	(105.60)	-
Contract Assets :		
Unbilled Revenue :		
- Current	10,335.34	972.99
Contractual Liabilities :		
Advance received from Customers		
- Current	709.61	620.00

(c) Increase/ Decrease in net contract balances is primarily due:

(i) The movement in receivables and in contract assets and liabilities is on account of invoicing.

(d) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to Rs. Nil.

(e) **Remaining performance obligation disclosure :**

The performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as at end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient given in Ind AS 115, the Company has not disclosed the remaining performance obligations related disclosures for contracts in respect of power purchase agreements, as the revenue recognised corresponds directly with the value passed to the customer arising out of delivery of power in terms of the contract. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations and adjustment for revenue that has not materialized.

37 The Company is engaged primarily in the business of trading of electricity. As per the requirements of Ind AS 108, " Operating Segments", the principal revenue generating activities of the Company is from trading of electricity which is regularly reviewed by the Entity's Chief Operating Decision Maker (CODM) for the purpose of resource allocation and performance assessment. Accordingly, the management is of the view that the Company has a single reportable segment and the requirements of reporting on operating segments and related disclosures as envisaged in Indian Accounting Standard 108 is not applicable to the present activities of the Company.

The Company's only segment being trading of electricity comprises of four customers which have contributed more than 10% of the revenue during the year amounting to Rs. 25,634.41 Lakhs (net of Ind AS 115 adjustment as explained in Note No. 19(a)) [March 31, 2019 : 4 customers amounting to Rs. 21,539.48 Lakhs].

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2020

38 Impact of Covid-19 :

The outbreak of Coronavirus (Covid-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activities in the country. The Company, however, believes strongly that its offerings to the customer falls in essential services and would not significantly impact its revenues.

The impact on future revenue streams could come from lower business from the State Discoms on account of reduction in industrial power consumption and consequently low power off-take by Discoms, especially from the most affected states as compared to other states utilities under existing agreements and further due to no upcoming new bids and back to back power supply arrangements due to prolonged lockdown situation and decrease in financial support from the state governments. The management of the Company, however expects that the demand will be back to pre Covid-19 level by August 2020

The Company has assessed the impact of any delays and inability to meet contractual commitments resulting in onerous obligations / penalties for breaches of PPA's with Discoms and has taken actions such as engaging with the customers on existing PPAs in light of current crisis, invoking of force-majeure clause etc., when necessary to ensure that revenue recognition in such cases reflect realizable values. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

Further the Company has also assessed its financial assets and financial liabilities as at March 31, 2020 and based on such assessment, does not expect;

a. any impact on its trade receivables as majority of the receivables are from State Discoms and the Company does not foresee any receivables turning bad considering the financial packages announced by the Central Government in view of the Covid-19 pandemic for the Discoms and accordingly provision for loss allowance made in books are considered adequate. In case of trade receivables from related parties, the Company is of the view that it is secured from credit losses as these receivables are from Power Producers who in turn have receivables from State Discoms which are expected to be benefitted from the financial package of the Government.

b. any impact on inter - company loans and deposits receivable from related party as the amounts of principal recovery and interest receivables are backed by Support letter from GMR Infrastructure Limited ('GIL') / GMR Energy Limited ('GEL').

c. any breach of debt covenants as the Company has enough cash balance and inflows to meet it liabilities towards interest and principal obligation, if any

d. any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used are long term in nature and no changes in terms of those leases are expected.

Due to the nature of the pandemic and non-availability of necessary vaccine / treatment for its eradication, the Company will continue to be vigilant on various developments / impacts in the future so as to insulate itself from any material adverse impact.

38 a) The Company, at any point in time during the year has not entered into derivative contracts and there are no derivative contracts outstanding as at March 31, 2020.

b) The Company does not have any financial assets or liabilities which are denominated in foreign currency as at the Balance Sheet date.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited
CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2020

39 Figures of the previous year wherever necessary, have been regrouped and rearranged to conform with those of the current year

As per our report of even date attached

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number : 101720W/W100355

Lalit R Mhalsekar
Partner
Membership No.: 103418

Place: Mumbai
Date: May 15, 2020

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

Ashok Kumar Prusty
Whole-time Director
DIN: 07603471

Ashis Basu
Director
DIN: 01872233

Rhesh Jain
Chief Financial Officer
Membership No.: 062384

Manisha Tripathi
Company Secretary
Membership No.: A-47334

Place: New Delhi
Date: May 15, 2020