

BOARD'S REPORT

To,
The Members of
GMR Rajam Solar Power Private Limited
(Formerly known as GMR Uttar Pradesh Energy Private Limited)

Your Directors are pleased to present the Ninth Annual Report together with Audited Accounts for the Financial Year ended 31st March, 2019.

FINANCIAL PERFORMANCE

The Financial Highlights of the Company as on March 31, 2019 is as under:

(Amount in Rupees)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income	87,75,450	86,04,365
Expenditure	86,68,143	93,78,749
Profit/(Loss) Before Taxation	107,307	(774,384)
Current Tax/Deferred Tax	60,411	62,47,749
Profit/(Loss) After Taxation	(1,02,322)	5,473,366

PROJECT STATUS:

"The Company is promoted as a Special Purpose Vehicle (SPV) by GMR Energy Limited, the holding Company, to develop & operate 1 MWp Solar Power Plant in Rajam Village, Andhra Pradesh. The Company has set up the project and same is operational since 12th February 2016.

The 1 MWp Solar Power Project has been executed through GMR Rajam Solar Power Pvt Ltd, a subsidiary of GMR Energy Limited. The PPA was signed on 22nd August 2015 with GMR Varalakshmi Foundation's education wing named as "GMR Institute of Technology" (GMRIT) for 700 KWp and Health care wing named as "GMR Varalakshmi Care Hospital" (GMRVCH) for 300 KWp. This plant uses the Polycrystalline PV technology and is situated inside the campus of GMRIT (700 KWp) & GMRVCH (300 KWp), at GMR Nagar, Rajam Mandalam, in Srikakulam District, AP.

The project has successfully received the Net metering approval from AP Discom on 31.05.2016 and it has been synchronised with Grid on 10.06.2016. This is one of the first Hybrid Solar Plant of the state which is connected with Grid & Diesel Generator both.

Plant has achieved a PLF of 14.4% in FY 18-19. "

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting financial position of the company between 31st March, 2019 and the date of Board's Report.

SHARE CAPITAL

The Company's Authorized Capital is Rs. 500,000 comprising of 50,000 equity shares of Rs.10/- each. The issued and paid-up share capital is Rs.1,00,000 consisting of 10,000 shares of Rs.10/- each. There were no changes in the share capital of the Company during the year.

DIRECTORS

Appointments:

In accordance with the provisions of the Companies Act, 2013, Mr. P.K Majumdar (DIN: 03591200) retires at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Resignations:

There were no resignation during the year.

NUMBER OF BOARD MEETINGS DURING THE FINANCIAL YEAR

The Board met six times (06) during the financial year 2018-19. The details are mentioned in the Corporate Governance Section of this Report.

FIXED DEPOSITS

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

DIVIDEND

The Company has incurred losses during the year under review hence no dividend was recommended/declared during the year.

TRANSFER TO RESERVES

There was no transfer of fund to any reserves.

CHANGE IN NATURE OF BUSINESS, IF ANY

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

SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANIES

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

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

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

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT 9 as a part of this Annual Report is attached as **Annexure- I**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees to any other parties during the financial year under review. The Company has also not made any investments during said period.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) that in the preparation of the annual financial statements for the year ended 31st March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively.
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation of energy

I. the steps taken or impact on conservation of energy:

- Conventional power plants like coal, gas, nuclear power plants where use of fuels, required to generate electricity, whose end process results in factors like environment issues by producing SOx & NOx; Ash; CO2; equipment heat loss such as steam leakage; fuel leakage etc.
- However, GMR Rajam Solar Power Pvt Ltd is a Non-Conventional Power Plant which generates electricity by using Solar Energy without effecting the environment and is also known as "CLEAN ENERGY".
- Further, it is to be noted that in case of Solar Power Plant - Fuel Input is "Sun Radiation" which cannot be controlled or predicted. And conservation of the same is not possible.

II. the steps taken by the company for utilizing alternate sources of energy:
Solar Energy itself is an alternative source of energy.

III. the capital investment on energy conservation equipment's: Not Applicable

Technology absorption: As energy conservation activities are not applicable in case of this plant; hence there is no such "Technology Absorption"

I.	the effort made towards technology absorption	Not Applicable
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II.	the benefits derived like product improvement cost reduction product development or import substitution	Not Applicable
III.	in case of imported technology (important during the last three years reckoned from the beginning of the financial year)	Not Applicable
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
IV.	the expenditure incurred on Research and Development	Nil

Foreign exchange earnings and outgo:

During the year, the total foreign exchange used and the total foreign exchange earned was Nil.

STATUTORY AUDITORS & AUDITORS' REPORT

M/s. Girish Murthy & Kumar, Chartered Accountants, Statutory Auditors of the Company were appointed by the shareholders at Annual General Meeting held on September 9, 2014 for five years. As the current term of M/s. Girish Murthy & Kumar, Chartered Accountants, would expire at the ensuing AGM, as the Statutory Auditors of the Company, it is proposed to re-appoint them to hold the office from the conclusion of the ensuing AGM, for the period of 5 years, till the conclusion of the AGM to be held in the year 2024. The Company has received letter from them to the effect that their re-appointment would be within the prescribed limits under Section 141(3)(g) of the Act and they are not disqualified to be re-appointed as the Statutory Auditors of the Company.

The audit report on the annual financial statements of the Company for the year ended on March 31, 2019 does not contain any qualification, reservation or adverse remarks. The notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments

The Auditors have not reported any fraud under section 143 (12) of the Act during the year under review.

SECRETARIAL STANDARDS

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

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal control is checked, verified and monitored in accordance with policy adopted by the company

RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Since

during the year under review, all the transactions entered with related parties were in ordinary course of business and on arms' length basis and does not attract the provisions of Section 188 of the Companies Act, 2013 read with the Rules framed thereunder, the particulars required to be disclosed pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014, in prescribed Form AOC- 2, are, thus, not applicable to the Company. The details of transactions are provided in the financial statement (Please refer to Note 27 to the financial statement).

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There were no employees in the Company during the reporting period i.e. during Financial Year 2018-19

RISK MANAGEMENT

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

REPORT ON CORPORATE GOVERNANCE

The Company believes that there is a need to view Corporate Governance as more than just regulatory requirement. Your Company ensures the Corporate Governance by adopting the transparency in its operations and is driven by its core values viz., ethical practices, concern for people at work, delight for customers and wealth creation for shareholders.

1. BOARD OF DIRECTORS

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

S. No.	Name of the Director	Position	Category
1.	Mr. Manikala Gopal Rao	Director	Non-Executive
2.	Mr. Ranjit Sigh Matharoo	Director	Non-Executive
3.	Mr. Prabir Kumar Majumdar	Director	Non-Executive

*Mr Mohan Sivaraman appointed on April 13, 2019

b) *Meetings of the Board:*

Details of the Board Meeting held during the year

1. April 16, 2018
2. July 15, 2018
3. October 01, 2018
4. October 15, 2018
5. January 05, 2018
6. January 16, 2019

The Details of the Meeting of Board of Directors during the year under review and presence of the Directors in those meetings being provided as follows:-

S.No.	Name of Director	Attendance at the Board Meeting			
		Held during Year	Held during the tenure	Attended	Attendance %
1.	Mr. M. Gopal Rao	6	6	6	100%
2.	Mr. Prabir Kumar Majumdar	6	6	6	100%

3.	Mr. Ranjit Singh Matharoo	6	6	6	100%
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GENERAL BODY MEETINGS

Details of location and time of holding the last three AGMs.

Year	Location	Date & Time
2015-2016	25/1, Skip House, Museum Road, Bangalore 560 025	September 24, 2016 at 11.00 A.M.
2016-2017	25/1, Skip House, Museum Road, Bangalore 560 025	September 22, 2017 at 11.30 A.M.
2017-2018	25/1, Skip House, Museum Road, Bangalore - 560 025	August 23, 2018 at 1.30 PM

a) All Special/Ordinary resolutions placed before the shareholders at the above meetings were approved.

3. MEANS OF COMMUNICATION

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

4. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting

Date : 25.09.2019
Time : 11.00 A.M.
Venue : 25/1, Skip House, Museum Road, Bangalore - 560 025

ii. Financial Year Ending : March 31, 2019

iii. ACKNOWLEDGEMENT

Your Directors are thankful to the various Central and State Government Departments and Agencies for their continued help and cooperation. The Directors are grateful to the various stakeholders. Your wish to place on record their sincere appreciation to all for their commitment and contribution to the Company.

For and on behalf of the Board of Directors
For **GMR Rajam Solar Power Private Limited**



Ranjit

Ranjit Singh Sewa Singh Matharoo
Director
DIN: 07617929

Prabir

Prabir Kumar Majumdar
Director
DIN: 03591200

Place: New Delhi

Date : August 30, 2019

Overseas									
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10,000	10,000	100%	-	10,000	10,000	100%	NIL

ii. Shareholding of Promoters*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	GMR Energy Limited	10,000	100%	Nil	10,000	100%	Nil	Nil
	Total	10,000	100%	Nil	10,000	100%	Nil	Nil

***Including 100 equity shares held by M/s Dhruvi Securities Private Limited**

iii. Change in Promoters' Shareholding -No change

Sr. no	Shareholding at the beginning of the year	Cumulative Shareholding during the year
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	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NA	NA	NA	NA
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
At the end of the year	NA	NA	NA	NA

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amt. in rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	369,00,000	217,00,000	-	586,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	369,00,000	217,00,000	-	586,00,000
Change in Indebtedness during the financial year				
Additions in principal	-	15,00,000	-	15,00,000
Reduction in Principal	(41,00,000)	-	-	(41,00,000)
Reduction in Interest	-	-	-	-
Net Change	41,00,000	15,00,000		56,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	328,00,000	232,00,000		560,00,000
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	328,00,000	232,00,000		560,00,000

IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total (A)	-	-	-	-	-
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-	-	-
	Total (1)					
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-	-	-
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total


1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-


V. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. Directors					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. Other Officers In Default					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA



For and on behalf of the Board of Directors
For **GMR Rajam Solar Power Private Limited**


Ranit Singh Sewa Singh Matharoo
Director
DIN: 07617929


Prabir Kumar Majumdar
Director
DIN: 03591200

Place: New Delhi
Date : August 30, 2019