GIRISH
MURTHY & KUMAR
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GMR GENERATION ASSETS LIMITED

Report on the Financial Statements

We have audited the accompanying Standalone IND AS financial statements of GMR GENERATION ASSETS Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these IND AS financial statements that give a true and fair view of the state of affairs (financial position) , Profit or loss (financial performance including other comprehensive income) ,cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards(IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and -presentation of the Standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone IND AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone IND AS Financials Statements in accordance with the Standards on Auditing, issued by The Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone IND AS financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone IND AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Standalone IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31st 2018, its Loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the notes to the accompanying Standalone IND AS financial statements for the year ended March 31, 2018.

A. We draw the attention to Note no 25.1 of the accompanying financial statements for the year ended March 31, 2018, relating to the impairment of investments in GMR Rajahmundry Energy Limited (GREL), GMR Chattisgarh Energy Limited (GCEL) and GMR Energy Limited amounting to Rs.5,128.60 crores, whereby entire investment in GREL and GCEL including loans given have been impaired. As a result of the said impairment loss, approximately 84% of the net worth of the Company as at the end of the previous year has been eroded. Further, the Company has provided corporate guarantee in respect of Term Loans given to GREL and GCEL, to the respective Lending Banks and institutions together with GMR Infrastructure Limited. However, no liability in respect of the said corporate guarantees is provided in the financial statements for the year ended March 31, 2018.

   Our opinion in respect of this matter is not qualified.

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 Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

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

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

(c) The Balance Sheet, the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of changes in equity, dealt with by this Reports are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules, 2015 as amended,

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(e) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report

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

a. As per information and explanation given to us the company did not have any pending litigation against the company or by the company which would have impact on its financial position. Refer note 33 to Standalone IND AS financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

for **GIRISH MURTHY & KUMAR**
Chartered Accountants
Firm's registration number: 000934S

A.V.SATISH KUMAR
Partner
Membership number: 26526
Bangalore

27th April 2018

GIRISH MURTHY & KUMAR ★ CHARTERED ACCOUNTANTS ★ 4502, High Point IV 45, Palace Road, Bangalore-1.

Annexure A as referred to in clause 1 of paragraph on report on other legal and regulatory requirements of our report of even date.

Re: GMR GENERATION ASSETS Limited

i. a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

b. The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification, carried out during the year.

(c) There are no immovable properties acquired by the Company.

ii. The nature of company's operations does not warrant requirement of holding stocks and therefore had no stocks of finished goods, stores, spare part and raw materials during/at the end of the year.

iii. In our opinion and according to the information and explanation given to us the company has granted unsecured loans to the companies, firms, Limited Liability Partnership or other parties listed in the register maintained under section 189 of the companies Act 2013. However the terms and conditions of the grant of such loan are not prejudicial to the interest of the company and repayments of principle and payment of interest are made as per agreed terms.

iv. In our opinion and according to the information and explanations given to us, the Company has granted loans, made investments , gave guarantee or provided security in connection with loans to other body corporate or person are complied with the section 186 and no loans and guarantees are given to directors as mentioned in section 185 of the Companies Act ,2013...

v. The company has not accepted deposits from the public during the year and as such this clause is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records, under section 148(1) of the Companies Act, 2013 in respect of the business operations carried out by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion the Company is generally regular in payment of undisputed statutory dues including Provident Fund, income tax, Goods and Services Tax, Customs Duty, Wealth tax and service tax Value added tax and cess as applicable with appropriate authorities. We are informed by the company that the provisions of Employee state insurance scheme, Investor education and protection fund, and excise duty are not applicable.

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(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, Goods and Services Tax, customs duty, wealth tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

viii. Based on our audit procedure and as per the information and explanation given by the management we are of the opinion that the company has not defaulted in the repayment of loan taken from the banks and financial institutions during the year. Further the company has not issued any debenture at any point of time and as such there are no dues outstanding at the end of the year to debenture holders.

ix. The Company did not raise any money by way of initial public offer or further offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were obtained.

x. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice of India and according to the information and explanations given to us, we have not come across any instance of fraud by the Company or on the company by its officers or employees during this year.

xi. According to the information and explanations given to us, and based on our examination of records of the Company, the company has not paid / provided any managerial remuneration during the year. However the company has paid sitting fee to independent directors during the year, which are within the limits as prescribed under the companies Act, 2013.

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

xiii. According to the information and explanations given 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 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 has not made preferential allotment or private placement of shares during this year. Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.

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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

PLACE: Bangalore

DATE: 27th April 2018

FOR GIRISH MURTHY & KUMAR
Chartered Accountants

A V Satish Kumar
Partner.
Membership No: 26526
FRN No.000934S

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Annexure B to Auditors' Report of even date

Report on the Internal Controls on Financial Reporting under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")
Re: GMR GENERATION ASSETS Limited

We have audited the internal financial controls over financial reporting of GMR GENERATION ASSETS Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Standalone IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE: Bangalore

DATE: 27th April 2018

FOR GIRISH MURTHY & KUMAR
Chartered Accountants

A.V. Satish

A V Satish Kumar
Partner.
Membership No: 26526
FRN No.000934S

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1 Corporate Information and Significant Accounting Policies:

1.1 Corporate Information:

GMR Generation Assets Limited ("the Company") is promoted as a Special Purpose Vehicle (SPV) by GMR Infrastructure Limited to develop and operate 2.1 MW wind power project in Moti Sindhodi, Gujarat.

The project has been developed by Suzlon Energy on turnkey basis and was commissioned on 04.07.2011. Generation of power has started from the above project, and the entire power is being sold to Gujarat Urja Vikas Nigam Ltd as per PPA terms.
Information on other related party relationships of the Company is provided in Note no.28

The financial statements were authorised for issue in accordance with a resolution of the directors passed in the Board Meeting held on April 27, 2018

2 Significant Accounting Policies

a) 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, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.
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.

The financial statements are presented in Indian Rupees (INR) and all the values are rounded to the nearest crore, except when otherwise indicated.

b) Summary of significant accounting policies

i) Use of estimates

The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of 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.

ii) 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.

iii) Property, Plant & Equipments:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost including goverment grants and decommissioning costs less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties, levies. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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.

Recognition:

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

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 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 decommissioning liability (paragraph D21 of Ind AS 101), transaction cost of long term borrowings and Government grants as per Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 5 (Revised).

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GMR Generation Assets Limited ★

Depreciation and amortisation

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

In respect of BTG of Unit I and II and CTU Transmission lines, the Company has estimated 40 years as the useful life of the components as per technical evaluation and accordingly provided depreciation over the remaining useful life of the asset using Straight Line Method w.e.f April 1, 2016 in terms of the requirement of Schedule II of Companies Act 2013.

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

Asset Type	Estimated useful life (in years)
Buildings	25
Roads	3
Plant & Machinery - Thermal plant *	40
Plant & Machinery - General	15
Office equipments	5
Furniture & Fixtures	10
Electrical Equipments	10
Computer equipments	3
Motor cycles	8
Motor Cars	8
Railway Siding	25

* - Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

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

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

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

Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Machinery spares which are specific to a particular item of Property , Plant & Equipments and whose use is expected to be irregular are capitalized as Property , Plant & Equipments.
Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months and having a value of more than 0.50 Million.

iv) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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. 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.

v) Borrowing cost

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

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GMR Generation Assets Limited

vi) Government grants

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

vii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee :

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Company as a lessor :

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease, unless either:

a. another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or

b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.

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.
Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lands obtained on leases, where there is no reasonable certainty that the Company will obtain ownership by the end of the lease term shall generally be classified as finance leases. The minimum lease payments include upfront premium paid plus any annual recurring lease rental which is amortized over the lease term.

viii) Inventories

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

ix) Impairment of non-financial assets

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

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

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The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. 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, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

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.

x) Provisions

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

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

xi) Decommissioning liability

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

xii) Retirement and other Employee Benefits

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

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

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

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

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

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

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

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

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

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

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine

b. Net interest expense or income.

xiii) Financial Instruments - Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a. Debt instruments at amortised cost
b. Debt instruments at fair value through other comprehensive income (FVTOCI)
c. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI: A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or
b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets
In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Lease receivables under Ind AS 17
d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
e) Loan commitments which are not measured as at FVTPL
f) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on;
a) Trade receivables or contract revenue receivables; and
b) All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

xiv) Financial Instruments - Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss : Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

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.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition 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 or loss.

Embedded derivatives
An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

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

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price 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

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xv) Revenue Recognition

a) Revenue from energy units sold is recognised on accrual basis as per the terms of the Power Purchase Agreement (PPA) and Letter of Intent (LOI) [collectively hereinafter referred to as 'the PPAs'] and tariff rates determined by CERC. Revenue includes unbilled revenue accrued up to the end of the accounting year. The revenue is also recognised / adjusted towards truing up of fixed charges and energy charges in terms of CERC tariff regulation 2014-19, wherever applicable.

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

b) Revenue from sale of infirm power are recognised as per the guidelines of Central Electricity Regulatory Commission. Revenue prior to date of commercial operation are reduced from Project cost.

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

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

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

f) Claims for delayed payment charges and any other claims, which the Company is entitled to under the PPAs, are accounted for in the year of acceptance by the customers. Similarly Commission, liquidated damages and any other charges are accounted for in the year of acceptance.

g) Interest is recognized using the time proportion method based on rates implicit in the transaction. Dividend income is accounted for in the year in which the right to receive the same is established by the reporting date.

xvi) Cash and cash equivalents

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

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

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 parent 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.

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.

xvii) Foreign currencies

The financial statements are presented in INR, which is also the company's functional currency.
Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company uses an average rate if the average approximates the actual rate at the date of the transaction.

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

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

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

xviii Fair value measurement

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management after discussion. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every five years. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions
b) Contingent consideration
c) Quantitative disclosures of fair value measurement hierarchy
d) Investment in unquoted equity shares (discontinued operations)
e) Property, plant and equipment under revaluation model
f) Investment properties
g) Financial instruments (including those carried at amortised cost)
h) Non-cash distribution

xix) Taxes on income
Current income tax
Tax expense comprises current and deferred tax.
Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

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

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

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Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

xx) Earnings per share

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

GIRISH MURTHY & KUMAR
4502,
Hight Point IV
45, Palace Road,
Bangalore-1
CHARTERED ACCOUNTANTS

GMR Generation Assets Limited

GMR Generation Assets Limited
(Formerly known as GMR Renewable Energy Limited)
Balance Sheet as at March 31, 2018

Rs in crores

	Notes	March 31, 2018	March 31, 2017
I. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	51.31	53.59
(b) Other Intangible Assets	4	7.82	8.41
(c) Financial Assets			
(i) Investments	5	2,281.29	7,316.53
(ii) Loans	6	125.00	1.04
(iii)Other Financial Assets	7	0.00	18.83
(d) Non Current tax assets (net)	8	0.82	0.22
(e) Other non-current assets	9	0.13	0.15
2. Current assets			
(a)Financial Assets			
(i) Investments	5	-	0.91
(ii) Trade Receivables	10	0.18	0.25
(iii) Cash and cash equivalents	11	8.49	2.92
(iv) Loans	6	79.07	75.10
(v) Other Financial Assets	7	24.45	76.05
(b) Other current assets	9	0.48	0.10
Total Assets		**2,579.05**	**7,554.10**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	12	6,323.25	6,323.25
(b) Other Equity	13	-5,318.69	-79.19
LIABILITIES			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	726.02	101.45
(b) Provisions	17	0.00	0.00
(c) Deferred tax liability	18	12.80	0.13
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	282.25	675.33
(ii) Other financial liabilities	15	549.27	529.65
(b) Other current liabilities	16	0.33	0.58
(c) Short Term Provisions	17	3.81	2.90
Total Equity and Liabilities		**2,579.05**	**7,554.10**

Corporate Information	1
Summary of significant accounting policies	2

The accompanying notes are an integral part of financial statements

As per our report of even date

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

A.V. Satish Kumar

A V Satish Kumar
Partner
Membership No. 26526

Place:Bengaluru
Date: April 27, 2018

GIRISH MURTHY & KUMAR 4502, Hight Point IV 45, Palace Road, Bangalore-1 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
GMR Generation Assets Limited

Prabir Kumar Majumdar
Director
DIN : 03591200

Ashis Basu
Director
DIN : 01872233

GMR Generation Assets Limited

Mahesh Agarwal
Chief Financial Officer

Simple Jain

Simple Jain
Company secretary

Place:New Delhi
Date: April 27, 2018

GMR Generation Assets Limited
(Formerly known as GMR Renewable Energy Limited)
Statement of Profit and Loss for the Year Ended March 31, 2018

Rs in crores

		Notes	March 31, 2018	March 31, 2017
I	**REVENUE**			
	Revenue From Operations	19	2.55	2.13
	Other Income	20	25.30	37.28
	Total Revenue (I)		**27.85**	**39.40**
II	**EXPENSES**			
	Employee Benefits Expense	21	0.10	0.32
	Depreciation and amortization expense	22	2.87	1.58
	Finance Costs	23	121.53	110.11
	Other Expenses	24	1.59	0.54
	Total expenses (II)		**126.09**	**112.56**
III	Profit before exceptional items and tax (I-II)		-98.24	-73.15
IV	Exceptional Items-Impairment Loss		5,128.60	574.82
V	**Profit/(loss) before tax**		-5,226.83	-647.97
VI	Tax expense:			
	Current Tax		-	-
	Deferred Tax	25	12.67	-92.45
VII	Profit/(loss) for the Year (V-VI)		**-5,239.50**	**-555.52**
VIII	**Other Comprehensive Income**		-	
	Items that will not be reclassified to profit or loss			
	Re-measurement gains (losses) on defined benefit plans		0.00	0.00
	Income tax effect		0.00	-0.00
IX	Total Comprehensive Income for the period (VII + VIII)		**-5,239.50**	**-555.53**
X	Earnings per equity share:			
	(1) Basic and diluted	26	-8.29	-0.88

Corporate Information	1
Summary of significant accounting policies	2

The accompanying notes are an integral part of financial statements

As per our report of even date

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

A V Satish Kumar
Partner
Membership No. 26526

GIRISH MURTHY & KUMAR ★ CHARTERED ACCOUNTANTS ★ 4502, Hight Point IV 45, Palace Road, Bangalore-1

Place: Bengaluru
Date: April 27, 2018

For and on behalf of the Board of Directors
GMR Generation Assets Limited

GMR Generation Assets Limited ★

Prabir Kumar Majumdar
Director
DIN : 03591200

Ashis Basu
Director
DIN : 01872233

Mahesh Agarwal
Chief Financial Officer

Simple Jain
Company secretary

Place: New Delhi
Date: April 27, 2018

GMR Generation Assets Limited
(Formerly known as GMR Renewable Energy Limited)
Statement of changes in equity for the Year Ended March 31, 2018

Rs in crores

	Attributed to equity holders				Total equity
	Equity Share capital	Reserves and surplus			
		Equity component of preference shares/Loans	Securities premium	Retained earnings	
As at March 31, 2016	1.00	1,247.41	1.53	(176.17)	**1,073.77**
Profit (loss) for the year	-	(596.44)	-	(555.52)	**(1,151.96)**
Other comprehensive income	-	-	-	-	**-**
Issue of equity shares during the year	6,322.25	-	-	-	**6,322.25**
As at March 31, 2017	**6,323.25**	**650.97**	**1.53**	**(731.69)**	**6,244.06**
Profit (loss) for the year	-	-	-	(5,239.50)	**(5,239.50)**
Other comprehensive income	-	-	-	0.00	**0.00**
As at March 31, 2018	**6,323.25**	**650.97**	**1.53**	**(5,971.19)**	**1,004.56**

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

A V Satish Kumar
Partner
Membership No. 26526

Place: Bengaluru
Date: April 27, 2018

GIRISH MURTHY & KUMAR
4502, Hight Point IV
45, Palace Road,
Bangalore-1
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
GMR Generation Assets Limited

GMR Generation Assets Limited

Prabir Kumar Majumdar
Director
DIN : 03591200

Ashis Basu
Director
DIN : 01872233

Mahesh Agarwal
Chief Financial Officer

Simple Jain
Company secretary

Place: New Delhi
Date: April 27, 2018

GMR Generation Assets Limited
(Formerly known as GMR Renewable Energy Limited)
Statement of Cash Flows for the year ended March 31, 2018

Rs in crores

		March 31, 2018	March 31, 2017
A	**Cash Flow from operating Activities**		
	Profit / (loss) before tax	(5,226.83)	(647.97)
	Adjustment to reconcile profit before tax to net cash flows		
	Depreciation and amortisation	2.87	1.58
	Finance Cost	121.53	110.11
	Provision for diminution in value of investments	5,128.60	574.82
	Profit on sale of current investments	(2.43)	-
	Operating Profit before Working Capital changes	23.73	38.54
	Working capital Adjustments		
	Increase/(Decrease) in Provisions	0.91	2.72
	Increase / (Decrease) in Other Liabilities	(0.24)	1.72
	Increase / (Decrease) in Other Financial Liabilities	6.47	486.64
	Increase / (Decrease) in Trade Payables	-	-
	(Increase)/Decrease in Trade Receivables	0.06	(0.04)
	(Increase)/Decrease in Loans	(129.17)	(145.56)
	Decrease / (increase) in Other Current Assets	(21.46)	0.06
	Decrease / (increase) in Other Non current Assets	(0.37)	0.02
		(143.80)	345.56
	Cash generated From Operations	(120.07)	384.10
	Less : Direct Tax paid (net of refunds)	(0.60)	(0.12)
	Net Cash Flow from operating Activities (A)	(120.66)	383.98
B	**Cash Flow from investing Activities:**		
	Purchase of fixed assets, including intangible assets	-	(54.58)
	(Investments)/Redemption in Fixed Deposits	-	20.00
	Investments/(redemption) in Mutual Funds (net)	0.91	(0.91)
	Investment Income	2.43	-
	Investments in Subsidiaries	-	(5,290.89)
	Net cash flow (used in) investing activities (B)	3.34	(5,326.38)
C	**Cash Flow from Financing Activities:**		
	Proceeds from issue of equity shares	-	6,322.25
	Proceeds from Borrowings	703.99	
	Repayment of Borrowings	(20.83)	(916.82)
	Equity component of preference shares & related party loan	-	(983.84)
	Proceeds / (Repayment) from short term borrowings	(393.08)	652.50
	Finance Cost Paid	(167.18)	(110.11)
	Net cash flow (used in) in financing activities (C)	**122.90**	**4,963.98**
D	**Net (decrease) / In cash and cash equivalents (A + B + C)**	**5.57**	**21.58**
	Cash and cash equivalents (Opening)	2.92	0.17
	Cash and cash equivalents (Closing)	8.49	21.75
	Cash on hand	-	-
	Balances with banks	-	-
	- on current accounts	8.49	0.57
	- deposit accounts	-	2.35
	Total cash and cash equivalents	**8.49**	**2.92**

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

A. V. Satish Kumar

A V Satish Kumar
Partner
Membership No. 26526

Place:Bengaluru
Date: April 27, 2018

GIRISH MURTHY & KUMAR ★ CHARTERED ACCOUNTANTS ★ 4502, Hight Point IV 45, Palace Road, Bangalore-1

For and on behalf of the Board of Directors
GMR Generation Assets Limied

GMR Generation Assets Limited ★

Prabir Kumar Majumdar
Director
DIN : 03591200

Ashis Basu
Director
DIN : 01872233

Mahesh Agarwal
Chief Financial Officer

Simple Jain
Company secretary

Place:New Delhi
Date: April 27, 2018

GMR Generation Assets Limited
(Formerly known as GMR Renewable Energy Limited)
Additional Disclosure to Cash Flows statement for the year ended March 31,2018

Amendment to Ind AS 7

Effective April 1, 2017, the company adopted the amendment to Ind AS 7, which requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The reconciliation is given as below:

S.No.	Particulars	1-Apr-17	Cash Flows	Non Cash Charges		31-Mar-18
				Fair Value Changes	Others	
1	Long Term Borrowings (including current maturities)	122.28	633.93	3.58	-	759.79
2	Short Term Borrowings	675.33	(393.08)	-	-	282.25

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

A V Satish Kumar

Partner
Membership No. 26526

Place:Bengaluru
Date: April 27, 2018

For and on behalf of the Board of Directors
GMR Generation Assets Limied

Prabir Kumar Majumdar

Director
DIN : 03591200

Ashis Basu

Director
DIN : 01872233

Mahesh Agarwal
Chief Financial Officer

Simple Jain
Company secretary

Place:New Delhi
Date: April 27, 2018

GIRISH MURTHY & KUMAR ★ CHARTERED ACCOUNTANTS ★
4502,
Hight Point IV
45, Palace Road,
Bangalore-1

GMR Generation Assets Limited

GMR Generation Assets Limited
(Formerly known as GMR Renewable Energy Limited)
Notes to financial statements for the Year Ended March 31, 2018

3 Property, plant and equipment

Rs in crores

Particulars	Buildings	Computers	Total
Deemed Cost			
As at 31.03.2016	-	-	-
Additions	54.57	0.00	54.58
Disposals	-	-	-
Adjustments	-	-	-
As at 31.03.2017	**54.57**	**0.00**	**54.58**
Additions	-	-	-
Disposals	-	-	-
As at 31.03.2018	**54.57**	**0.00**	**54.58**
Depreciation			
As at 31.03.2016	-	-	-
Charge for the year	0.99	0.00	0.99
Deductions	-	-	-
As at 31.03.2017	**0.99**	**0.00**	**0.99**
Charge for the year	2.27	0.00	2.28
Deductions	-	-	-
As at 31.03.2018	**3.26**	**0.00**	3.27
Net block			
As at 31.03.2018	**51.31**	**0.00**	**51.31**
As at 31.03.2017	**53.58**	**0.00**	**53.59**

4 Intangible Assets

Rs in crores

Particulars	Intangible	Total
Gross block		
Deemed cost		
As at 31.03.2016	9.60	9.60
Additions		
Disposals		
As at 31.03.2017	**9.60**	**9.60**
Additions	-	-
Disposals		-
As at 31.03.2018	**9.60**	**9.60**
Amortization		
As at 31.03.2016	0.59	0.59
Charge for the year	0.59	0.59
Disposals		
As at 31.03.2017	**1.18**	**1.18**
Charge for the year	0.59	0.59
Disposals	-	-
As at 31.03.2018	**1.77**	**1.77**
Net block		
As at 31.03.2018	7.82	7.82
As at 31.03.2017	8.41	8.41

GIRISH MURTHY & KUMAR CHARTERED ACCOUNTANTS 4502, Hight Point IV 45, Palace Road, Bangalore-1

GMR Generation Assets Limited

GMR Generation Assets Limited
(Formerly known as GMR Renewable Energy Limited)
Notes to financial statements for the Year Ended March 31, 2018

5 Financial assets

Investments

Rs in crores

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Investments at cost				
Investment in subsidiaries				
Unquoted Equity Instruments 50,000 (March 31, 2017:50,000) Equity shares of Rs.10 each fully paid-up in GMR GENCO Assets Limited	0.05	0.05	-	-
10,000 (March 31, 2017:10,000) Equity shares of Rs.10 each fully paid-up in GMR Londa Hydropower Pvt Limited	0.01	0.01	-	-
9,900 (March 31, 2017:9,900) Equity shares of Rs.10 each fully paid-up in GMR Coastal Energy Private Limited *	0.00	0.00	-	-
9,900 (March 31, 2017:9,900) Equity shares of Rs.10 each fully paid-up in GMR Kakinada Energy Private Limited *	0.00	0.00	-	-
20,000 (March 31, 2017:20,000) Equity shares of Rs.10 each fully paid-up in GMR Mining & Energy Limited	0.02	0.02	-	-
34,99,89 (March 31, 2017:34,99,89) Equity shares of Rs.10 each fully paid-up IN SJK Powergen Limited	0.00	0.00	-	-
Investment in Associates				
Unquoted Equity Instruments 117,79,03,116 (March 31, 2017:117,79,03,116) Equity shares of Rs.10 each fully paid-up in GMR Energy Limited[1]	2,686.21	2,686.21	-	-
272,05,38,505 (March 31, 2017:272,05,38,505) Equity shares of Rs.10 each fully paid-up in GMR Chattishgarh Energy Ltd[2]	3,368.00	3,368.00	-	-
12,62,25,000 (March 31, 2017:12,62,25,000) Equity shares of Rs.10 each fully paid-up in GMR Power Corporation Ltd[3]	458.00	458.00	-	-
115,70,00,000 (March 31, 2017:115,70,00,000) Equity shares of Rs.10 each fully paid-up in GMR Rajahmundry Energy Ltd[4]	1,157.00	1,157.00	-	-
Additional Investment in Subsidiary GMR Rajahmundry Energy Ltd[5]	99.95	53.21	-	-
GMR Chhattisgarh Energy Ltd[6]	169.07	168.86	-	-
Total Investments	7,938.30	7,891.35	-	-
Less:- Provision for Impairment				
GMR Energy Limited[7]	863.00	500.00	-	-
GMR Rajahmundry Energy Limited[8]	1,256.95	53.21	-	-
GMR Chhattisgarh Energy Limited[9]	3,537.07	21.61	-	-
Net Investments	2,281.29	7,316.53	-	-

Investments at fair value through profit and loss **Unquoted Equity Instruments** 510 (March 31, 2017:510) Equity shares of Rs.10 each fully paid-up in GMR Power Infra Limited	0.00	0.00	-	-
UnQuoted mutual funds IDFC Cash Fund -Regular Growth	-	-		0.91
Total	0.00	0.00	-	0.91

[1]GMR Energy Ltd:-Out of the above equity shares, 90,17,25,674 shares have been pledged with Vistra ITCL India Limited and 7,21,38,054 shares are under NDU

[2]GMR Chhattisgarh Energy Ltd:-Out of the above equity shares, 10,88,21,540 shares have been pledged with Axis Bank, 247,56,90,040 shares have been pledged with Axis Trustee and 13,60,26,925 shares are with IIFC (UK) under NDU. The shares have been pledged for loan taken by the respective company from the lenders

[3]GMR Power Corporation Ltd:-Out of the above equity shares, 7,42,50,000 shares have been pledged with Vistra ITCL India Limited.

[4]GMR Rajahmundry Energy Limited:- Out of the above equity shares, 1,15,69,99,400 shares have been pledged with IDBI Trusteeship Services Limited The shares have been pledged for loan taken by the respective company from the lenders

[5]Additional investment in GMR Rajahmundry represents fair value of ICD given of Rs.57.84 cr and value of Financial Guarantee given for Rs.42.11 cr

[6]Additional investment in GMR Chhattisgarh Energy Limited represents fair value of interest receivable of Rs.147.25 cr and value of Equity component of investment in preference share for Rs.21.61 cr and value of Financial Guarantee given for Rs.0.21 cr

[7]During the year 2016-17 the company's holding in GMR Energy Limited had diluted from 52.59% to 32.66% due to additional shares issued to Tenaga Nasional Berhad by GMR Energy Limited. Based on the implied fair valuation of the subscription for the issue of new shares, the management of the Company had assessed the fair value of the Company's investment in GMR Energy Limited. During the year 2017-18 further provison of Rs.363 cr has been made for impairment

[8]Impairment Provision of Rs.1256.95 cr has been done out of which Rs.1157 cr represents impairment of equity investments and 99.95 cr has been done on additional investment resulting from notional income on Corporate Guarantee and Fair Value of ICD given

[9]Impairment Provision of Rs.3,537.07 cr has been done out of which Rs.3368 cr represents impairment of equity investments and Rs.169.07 cr represents Additional investment resulting from notional interest on Preference shares, Interest Accrued and Corporate Guarantee given

GIRISH MURTHY & KUMAR CHARTERED ACCOUNTANTS 4502, Hight Point IV 45, Palace Road, Bangalore-1

GMR Generation Assets Limited

GMR Generation Assets Limited
(Formerly known as GMR Renewable Energy Limited)
Notes to financial statements for the year Ended March 31, 2018

6 Loans

Rs in crores

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Loan to related parties				
Unsecured, considered good				
- GMR Power Infra Limited	-	-	18.08	5.82
- GMR Vemagiri Power Generation Limited	-	-	9.67	9.67
-GMR Ambala Chandigarh Expressway	-	-	7.72	7.72
-GMR Enterprises Private Limited	-	-	2.40	2.40
-GMR Kakinada Energy Private Limited	-	-	0.02	0.00
-GMR Rajahmundhry Energy Limited	1.25	1.04	-	-
-GMR GENCO Assets Limited	-	-	16.01	17.70
-GMR Mining & Energy Pvt Limited	-	-	0.01	0.00
-GMR Coastal Energy Private Limited	-	-	0.02	0.00
-GMR Londa Hydropower Private Limited	-	-	9.14	8.08
-GMR Badrinath Power Generation Limited	-	-	3.15	23.72
-Kakinada SEZ Limited	125.00	-	-	-
-GMR Power Corporation Limited	-	-	12.84	-
Less:-Provision for Impairment[1]				
GMR Rajahmundhry Energy Limited	1.25	-	-	-
Total	125.00	1.04	79.07	75.10

7 Other Financial assets

Rs in crores

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Carried at amortised cost				
Deposits - Government Authorities	0.00	0.00	-	-
Interest accrued on fixed deposits	-	-	-	0.06
Interest accrued on Intercorporate Deposit				
GMR Tuni- Anakapalli Expressways Limited	-	-	0.05	0.05
GMR Tambaram Tindivanam Expressways Limited	-	-	0.06	0.06
GMR Power Infra Limited	-	-	0.77	0.25
GMR Vemagiri Power Generation Limited	-	-	1.34	0.22
GMR Badrinath Hydro Power Generation Pvt Limited	-	-	1.47	0.69
Kakinada SEZ Limited	-	-	11.67	-
GMR Power Corporation Limited	-	-	2.04	-
GMR Genco Assets Limited	-	-	2.10	-
Other Receivables				
GMR Tuni- Anakapalli Expressways Limited	-	-	0.84	0.84
GMR Tambaram Tindivanam Expressways Limited	-	-	1.35	1.35
GMR Power Infra Limited	-	-	0.55	0.55
GMR Chattishgarh Energy Limited	18.83	18.83	22.07	22.07
GMR Rajahmundry Energy Limited	4.25	-	-	49.54
GMR Infrastructure Limited	-	-	-	0.01
GMR Energy Limited	-	-	1.76	0.36
Share Application Money- GMR Chhattisgarh Energy Ltd	-	-	-	0.00
Other Advances	-	-	0.44	0.00
Less:-Provision for Impairment[1]				
GMR Chattishgarh Energy Limited	18.83	-	22.07	-
GMR Rajahmundry Energy Limited	4.25	-	-	-
Total	0.00	18.83	24.45	76.05

8 Tax Asset/(Liability)

Rs in crores

Particulars	March 31, 2018	March 31, 2017
Advance income tax (net of provision for current tax)	0.82	0.22

9 Other assets

Rs in crores

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Prepaid expenses	0.13	0.15	0.02	0.02
Prepaid Insurance	-	-	0.01	-
Unbilled Revenue (*)	-	-	0.46	0.08
Total	0.13	0.15	0.48	0.10

* Unbilled revenue as per March 2018 provisional figures

10 Trade receivables

Rs in crores

	March 31, 2018	March 31, 2017
Trade receivables		
Unsecured, considered good		
Related parties		
Others	0.18	0.25
	0.18	0.25

11 Cash and Cash Equivalents

Rs in crores

	March 31, 2018	March 31, 2017
Cash and cash equivalents		
-Cash on hand		
-Deposits with original maturity of less than three months	-	2.35
-Balances with Banks		
-In current accounts	8.49	0.57
- Deposits with original maturity of more than three months but less than 12 months	-	-
Total	8.49	2.92

GIRISH MURTHY & KUMAR ★ CHARTERED ACCOUNTANTS ★ 4502, Hight Point IV 45, Palace Road, Bangalore-1

GMR Generation Assets Limited ★

GMR Generation Assets Limited
(Formerly known as GMR Renewable Energy Limited)
Notes to financial statements for the Year Ended March 31, 2018

12 **Share Capital**

Rs in crores

Particulars	March 31, 2018	March 31,2017
Authorised :		
Equity share capital: 7,50,00,00,000 (March 31, 2017:7,50,00,00,000) equity shares of Rs. 10 each	7,500	7,500
Preference Shares capital: 1,516,000,000 (March 31, 2017 1,516,000,000) Preference Shares of Rs. 10 each	1,516	1,516
11,800,000 (March 31, 2017 11,800,000) Preference shares of Rs. 1000 each	1,180	1,180
	10,196	**10,196**
Issued, subscribed and fully paid-up		
6,32,32,50,226 (March 31, 2017: 6,32,32,50,226) equity shares of Rs.10 each fully paid up	6,323.25	6,323.25
Total	6,323.25	6,323.25

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

Equity Shares	March 31, 2018		March 31,2017	
	In Numbers	**Rs in Crores**	**In Numbers**	**Rs in Crores**
At the beginning of the year	6,323,250,226	6,323	999,800	1.00
Issued during the year	-	-	6,322,250,426	6,322.25
Outstanding at the end of the year	**6,323,250,226**	**6,323.25**	**6,323,250,226**	**6,323.25**

b. Terms/Rights Attached to equity Shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share.
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c.Terms/Rights Attached to preference Shares

The company has issued 49,56,02,500 fully paid 0.01% CCPS of Rs.10 each out of which 35,00,000 shares has been converted into equity shares in 2016-17 and balance 49,21,02,500 will be converted into equal number of equity shares due to which the amount is being shown in Equity component of preference shares under Other Equity

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

Name of Shareholder	March 31, 2018		March 31,2017	
	No. of Shares	**Amount (in Crores)**	**No. of Shares**	**Amount (In Crores)**
GMR Infrastructure Limited, the Ultimate holding company, (including its Nominees) 6,322,750,426 (March 31, 2017: 6,172,750,426) equity shares of Rs.10 each fully paid up	6,322,750,426	6,322.75	6,172,750,426	6,172.75
Dhruvi Securities Private Limited 15,00,00,000 (March 31, 2017: 15,00,00,000) equity shares of Rs.10 each fully paid up	-	-	150,000,000	150.00
GMR Energy Projects (Mauritius) Limited, (the Subsidiary of GMR Infrastructure Limited,the Ultimate holding company) 4,99,800 (March 31, 2017: 4,99,800) equity shares of Rs.10 each fully paid up	499,800	0.50	499,800	0.50
Total	**6,323,250,226**	**6,323.25**	**6,323,250,226**	**6,323.25**

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

Name of Shareholder	March 31, 2018		March 31,2017	
	No. of Shares held	**% Holding in Class**	**No. of Shares held**	**% Holding in Class**
GMR Infrastructure Limited, the Ultimate holding company, (including its Nominees)				
6,322,750,426 (March 31, 2017: 6,172,750,426) equity shares of Rs.10 each fully paid up	6,322,750,426	99.99%	6,172,750,426	97.62%
Dhruvi Securities Private Limited				
Nil (March 31, 2017:15,00,00,000) equity shares of Rs.10 each fully paid up	-	0.00%	150,000,000	2.37%
GMR Energy Projects (Mauritius) Limited, (the Subsidiary of GMR Infrastructure Limited,the Ultimate holding company)				
4,99,800 (March 31, 2017: 4,99,800) equity shares of Rs.10 each fully paid up	499,800	0.01%	499,800	0.01%

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.

f.No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date

g. Out of the above equity shares, company has pledged 189.70 cr shares with Yes Bank for loan taken by GMR Infrastructure Limited, 189.70 cr shares are pledged with ICICI Bank and 120.14 cr shares are under NDU with ICICI Bank for loan taken by GMR Infrastructure Limited.

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GMR Generation Assets Limited

GMR Generation Assets Limited
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13 Other Equity

Rs in crores

Particulars	March 31, 2018	March 31, 2017
Equity component of Related Party Loans/Preference shares		
Balance at the beginning of the year	650.97	1,247.41
Loss/Profit during the year	-	-596.44
Balance at the end of the year	650.97	650.97
Surplus in the statement of profit and loss		
Balance at the beginning of the year	-731.69	-176.17
Loss/Profit during the year	-5,239.50	-555.52
Balance at the end of the year	-5,971.19	-731.69
Securities Premium		
Balance at the beginning of the year	1.53	1.53
Loss/Profit during the year	-	-
Balance at the end of the year	1.53	1.53
	-5,318.69	-79.19

14 Financial liabilities - Borrowings

Rs in crores

Particulars	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Loan from Bank/ Financial Institution				
SREI Infrastructure Finance Limited[1]	74.60	101.45	27.78	20.83
Yes Bank Limited[2]	547.42	-	6.00	-
Loans from related parties				
GMR Infrastructure Limited[3]	103.99	-	-	83.89
GMR Airport Developers Limited	-	-	24.00	24.00
GMR Energy Trading Limited	-	-	185.79	228.64
GMR Power Corporation Limited	-	-	-	265.03
SJK Powergen Limited	-	-	68.47	69.77
Short term loan from group companies		-	4.00	4.00
Total	726.02	101.45	316.03	696.17
Less :- Amount shown under other Financial Liabilities	-	-	33.78	20.83
Grand Total	726.02	101.45	282.25	675.33

[1]Company has taken loan from Srei Infrastructure Finance Limited of Rs.125 cr on 23rd Dec'2016 @13% rate of interest. Loan is repayble in 54 equal monthly installments starting from 31st July 2017 till 31st Dec 2021. Till March 31, 2018 9 installments have been paid.

[2]Company has taken two loans from Yes Bank Limited of Rs.350 cr and 250 cr each. Rate of Interest is @10.50% and @10.40% respectively and both Loans are repayble in 14 half yearly installments starting from March 2019, last installment payable in Sept 2025

[3]Company has taken loan from GMR Infrastructure Limited @12.25% rate of interest.

15 Other Financial Liabilities

Rs in crores

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Carried at amortised cost				
Current Maturities of Long term Borrowings			33.78	20.83
Non Trade Payable	-	-	420.87	424.91
Non Trade Payables - Group Companies	-	-		
GMR Enterprises Private Limited	-	-	0.00	-
GMR Power Corporation Limited	-	-	-	12.96
GMR Airport Developers Limited	-	-	-	1.05
GMR Energy Trading Limited	-	-	1.19	1.19
GMR Kamlanga Energy Limited	-	-	-	0.02
GMR Energy Limited	-	-	-	0.01
Interest accrued and due on Inter Corporate Deposits				
Dhruvi Securities Private Limited	-	-	1.47	1.01
GMR Airport Developers Limited	-	-	2.03	1.20
GMR Power Corporation Limited	-	-	-	10.13
GMR Energy Trading Limited	-	-	29.12	9.13
SJK Powergen Limited	-	-	10.94	3.30
GMR Infrastructure Limited	-	-	3.19	1.50
Interest accrued but not due on Term Loan	-	-	5.33	1.24
Financial Guarantee given on behalf of GMR Rajahmundry Energy Limited for Rupee Loan Facility	-	-	41.15	41.15
Financial Guarantee given on behalf of GMR Chhattisgarh Energy Limited for Working Capital Facility	-	-	0.21	-
	-	-	549.27	529.65

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16 Other Liabilities

Rs in crores

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
TDS payable	-	-	0.27	-
GST Payable	-	-	0.05	-
Statutory liabilities	-	-	0.00	0.57
Other liabilities	-	-	0.01	0.01
	-	-	**0.33**	**0.58**

17 Provisions

Rs in crores

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for employee benefits				
Provision for Compensated Absences	0.00	0.00	0.00	0.00
Provision for Gratuity	0.00	0.00	0.00	0.00
Provision for superannuation	-	-	0.00	0.00
Provision for bonus	-	-	0.01	0.01
Other Provisions		-	3.80	2.90
	0.00	**0.00**	**3.81**	**2.90**

18 Income Tax

Deferred tax:

Rs in crores

	As at March 31, 2018	As at March 31, 2017
Deferred tax liability:		
Reclassification of Preference shares into Equity Component	557.81	557.81
DTL on account of difference between Tax Base and IGAAP Books	0.43	0.20
DTA on acount of Long Term Borrowing EIR Valuation	13.42	
Total deferred tax liability (A)	571.66	558.01
Deferred tax asets:		
Notional Interest on reclassifcation of Preference shares into Liability and interest thereon	557.81	557.81
DTA on account of difference between Tax Base and IGAAP Books	1.05	0.08
DTA on account of Prepaid exp	-	
Total deferred tax assets (B)	558.86	557.88
Deferred Tax Liability (Net) (A - B)	12.80	0.13

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19 Revenue From Operations

Rs in crores

	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of electrical energy	1.02	1.30
Less: Reactive Energy charges	-0.00	(0.00)
Less: Prompt Payment Rebate	-0.01	(0.01)
Sale of Renewable Energy Certificates (REC)	1.32	0.59
Income from Generation Based Incentive	0.23	0.25
	2.55	**2.13**

Detail of products sold (Units - KwH)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Finished Goods sold		
Electricity units (KWH)	3,915,860	4,384,939
Renewable Energy Certificates (Nos)	13,167	1,561
	3,929,027	4,386,500

20 Other income

Rs in crores

	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest income from inter corporate deposits	18.83	1.56
Profit on sale of current investments	2.43	-
Interest on Fixed Deposit	0.01	0.75
Miscellaneous Income	0.00	0.02
Interest on Income Tax Refund	-	0.01
Notional Interest Income on unwinding of financial assets	-0.00	23.60
Gain on Foreign Exchange Fluctuations	4.04	11.20
Provisions Written back	-	0.13
	25.30	37.28

21 Employee Benefits

Rs in crores

	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries, wages and bonus	0.09	0.29
Contribution to provident and other funds	0.01	0.03
Gratuity expenses	0.00	-
Professional Tax	0.00	0.00
Staff welfare expenses	0.00	0.00
	0.10	**0.32**

22 Depreciation and amortization expense

Rs in crores

	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation on Tangible Assets	2.28	0.99
Amortization of intangible assets	0.59	0.59
	2.87	**1.58**

23 Finance Costs

Rs in crores

	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest on ICD	68.25	105.48
Interest on Term Loan		
-SREI Infrastructure Limited	16.29	4.61
-Yes Bank	36.95	-
Bank and other finance charges	0.05	0.02
	121.53	**110.11**

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GMR Generation Assets Limited ★

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Notes to financial statements for the Year Ended March 31, 2018

24 Other expenses

Rs in crores

	Year Ended March 31, 2018	Year Ended March 31, 2017
Rates and taxes	0.01	0.01
Logo fees	0.00	0.00
Insurance	0.02	0.02
REC processing fees	0.08	0.02
Repairs and maintenance	-	0.00
Land lease rentals	0.02	0.02
O&M expenses	0.31	0.30
Communication costs	0.00	0.00
Printing and stationery	0.00	0.00
Consultancy charges	0.94	0.03
Management Service fee	0.01	-
Travelling and conveyance	0.00	0.05
Payment to auditors# (refer details below)	0.03	0.02
Directors' sitting fees	0.03	0.02
Miscellaneous expense	0.00	0.02
Interest on late payment of tax	0.13	0.02
	1.59	**0.54**

Rs in crores

	Year Ended March 31, 2018	Year Ended March 31, 2017
Payment to Auditors (Included in other expenses above)		
As Auditor		
Audit fee	0.02	0.01
Tax audit fee		0.00
Limited Reveiew	0.01	0.01
	0.03	**0.02**

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

	March 31,2018	March 31, 2017
Tax expenses		
(a) Current tax	-	-
(b) Adjustments of tax relating to earlier periods	-	-
(c) MAT credit entitlement	-	-
(d) Deferred tax expense / (credit)	12.67	(92.45)
Total taxes	12.67	(92.45)

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

	March 31,2018	March 31, 2017
Profit before tax	(5,226.83)	(647.97)
Applicable tax rates in India (% Rate)	34.50%	34.50%
Computed tax charge	**(1,803.26)**	**(223.55)**
Tax effect of income that are not taxable in determining taxable profit:		
(a) Utilisation of previously Brought forward Losses	1,802.29	223.35
Tax effect of expenses that are not deductible in determining taxable profit:		
(a) Effect of Depreciation	0.23	-
(b) Others- Ind AS Adjustments	13.42	(92.25)
Tax expense as reported	**12.67**	**(92.45)**

b. Deferred tax (liability)/ asset comprises mainly of the following:

S.No.	Particulars	March 31, 2018 Amount (Rs.)	March 31, 2017 Amount (Rs.)
	Deferred tax liability :		
1	Depreciation	(0.43)	(0.20)
2	Carry forward losses / unabsorbed depreciation	-	-
3	Amortisation of Transaction Cost on loans	(13.42)	-
		(13.85)	**(0.20)**
	Deferred tax asset :		
1	Depreciation	-	-
2	Carry forward losses / unabsorbed depreciation	1.05	0.07
		1.05	**0.07**
	Net deferred tax assets/(liabilities)	**(12.80)**	**(0.13)**
	Reconciliations of net deferred tax liabilities / (assets)		
	Opening balance as at beginning of the year	(0.13)	
	Tax income/(expense) during the period recognised in profit or loss	(12.67)	
	Tax income/(expense) during the period recognised in OCI		
	Closing balance	**(12.80)**	-

i. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

ii. Deferred tax asset has not been recognised on unabsorbed losses on the grounds of prudence in view of the management's assessment of future profitability. The Company has recognised deferred tax asset on unabsorbed depreciation and carried forward losses only to the extent of deferred tax liability.

iii. As the timing differences are originating and reversing within the tax holiday period under the provisions of section 80-IA of the IT Act, deferred tax has not been recognised.

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GMR Generation Assets Limited ★

26 Calculation of Earning per share (EPS):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders 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 31,2018 and March 31, 2017. Thus, diluted EPS equals basic EPS.

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

Particulars	March 31, 2018	March 31, 2017
a. Nominal value of Equity shares (in Rupees per share)	10	10
b. Total No. of Equity Shares outstanding at the beginning of the year	6,323,250,226	999,800
c. Add: Shares allotted during the year	-	6,322,250,426
d. Total No. of Equity Shares outstanding at the end of the year	6,323,250,226	6,323,250,226
b. Weighted average number of Equity shares at the year end (in Nos)	6,323,250,226	6,323,250,226
c. Profit attributable to equity holders of the Company for basic earnings	(5,239.50)	(555.53)
d. Basic/Diluted Earning per share of Rs 10/- each (in Rs.) [(c)/(b)]	(8.29)	(0.88)

27 Employee Benefits

a) Defined Contribution Plans :

Contribution to Provident and other funds under employee benefit expenses are as under :

(Amount in Crores)

Particulars	March 31, 2018	March 31, 2017
Contribution to Provident and Pension fund	0.00	0.02
Contribution to Superannuation fund		0.02
Total	**0.00**	**0.03**

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, 2018 and March 31, 2017:

(Amount in Rs.)

Particulars	March 31, 2018	March 31, 2017
I) Change in defined benefit obligation		
Defined benefit at the beginning	10,586.00	582,258.00
Current Service Cost	11,338.00	2,675.00
Interest expenses	752.00	45,416.00
Acquisition Cost/(Credit)	-	-584,739.00
Remeasurements - Actuarial loss / (gain)	-385.00	-35,024.00
Benefits paid	-	
Defined benefit at the end	**22,291.00**	**10,586.00**
II) Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning	-	-
Expected return on plan assets	-	-
Acquisition Adjustment	-	-
Interest income on plan assets	-	-
Contributions by employer	-	-
Benefits paid	-	-
Fair value of plan assets at the end	-	-
III) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	(22,291)	(10,586)
Fair Value of plan assets at year end	-	-
Net asset / (liability) recognised	**(22,291)**	**(10,586)**
iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses.		
Current Service Cost	11,338.00	2,675.00
Net interest on net defined benefit liability / (asset)	752.00	45,416.00
Total expense	**12,090.00**	**48,091.00**
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	-	-
Actuarial changes arising from changes in experience adjustments	-	-
Return on plan assets excluding interest income	-0.00	-0.00
Recognised in other comprehensive income (Gain)/Loss	**(0.00)**	**(0.00)**

Particulars		
vi) Maturity profile of defined benefit obligation		
March 31,2018	-	38.00
March 31,2019	63.00	60.00
March 31,2020	90.00	85.00
March 31,2021	120.00	114.00
March 31,2022	5,284.00	5,005.00
March 31,2023	6,212.00	38,580.00
March 31,2024 to March 31,2028	45,664.00	-

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vi) Quantitative sensitivity analysis for significant assumptions is as below:

Increase / decrease on present value of defined benefit obligation as at year end

(i) one percentage point increase in discount rate	-2,804.00	-34,645.00
(ii) one percentage point decrease in discount rate	3,379.00	37,888.00
(iii) one percentage point increase in salary esçalation rate	3,401.00	245.00
(iv) one percentage point decrease in salary escalation rate	-2,869.00	-434.00
(v) one percentage point increase in Withdrawal Rate	-337.00	16,171.00
(vi) one percentage point decrease in Withdrawal Rate	280.00	-17,049.00

Sensitivity Analysis Method

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit

vii) 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

viii) The weighted average assumptions used to determine net periodic benefit cost for the year ended March 31, 2017, March 31, 2016 and April 1,

	March 31, 2018	March 31, 2017
Discount rate (p.a.)	7.60%	7.10%
Weighted average rate of increase in compensation levels	6.00%	6.00%
Weighted average duration of defined benefit obligation	10 Years	10 Years

Notes:

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

ii. The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed

28 List of Related Parties with whom transactions have taken place during the period:

a. Names of related parties and related party relationship:

Enterprises that control the company	GMR Infrastructure Limited
Ultimate holding company	GMR Enterprises Private Limited
Fellow Subsidiaries	GMR Sports Private Limited
	GMR League Games Private Limited
	GMR Infratech Private Limited
	Cadence Enterprises Private Limited
	PHL Infrastructure Finance Company Private Limited
	Vijay Nivas Real Estates Private Limited
	Fabcity Properties Private Limited
	Kondampeta Properties Private Limited
	Hyderabad Jabilli Properties Private Limited
	Leora Real Estates Private Limited
	Pashupati Artex Agencies Private Limited
	Ravivarma Realty Private Limited
	GMR Solar Energy Private Limited
	Rajam Enterprises Private Limited
	Grandhi Enterprises Private Limited
	Ideaspace Solutions Private Limited
	National SEZ Infra Services Private Limited
	Kakinada Refinery and Petrochemicals Private Limited
	Corporate Infrastructure Services Private Limited
	GMR Bannerghatta Properties Private Limited
	Kirthi Timbers Private Limited
	AMG Healthcare Destination Private Limited
	GMR Holding (Malta) Limited
	GMR Infrastructure (Malta) Limited
	GMR Holdings (Overseas) Limited
	GMR Holdings (Mauritius) Limited
	Crossridge Investments Limited
	Interzone Capital Limited
	GMR Holdings Overseas (Singapore) Pte Limited
	GMR Business & Consultancy LLP
	GMR Power Corporation Limited (GPCL)
	GMR Vemagiri Power Generation Limited (GVPGL)
	GMR (Badrinath) Hydro Power Generation Private Limited
	GMR Mining & Energy Private Limited (GMEL)
	GMR Kamalanga Energy Limited (GKEL)
	Himtal Hydro Power Company Private Limited (HHPPL)
	GMR Energy (Mauritius) Limited (GEML)
	GMR Lion Energy Limited (GLEL)
	GMR Upper Karnali Hydropower Limited (GUKPL)
	GMR Energy Trading Limited (GETL)
	GMR Energy Limited (GEL)
	GMR Consulting Services Private Limited (GCSPL)
	GMR Coastal Energy Private Limited (GCEPL)
	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)
	GMR Londa Hydropower Private Limited (GLHPPL)
	GMR Kakinada Energy Private Limited (GKEPL)
	GMR Chhattisgarh Energy Limited (GCHEPL)
	GMR Energy (Cyprus) Limited (GECL)
	GMR Energy (Netherlands) B.V. (GENBV)
	PT Dwikarya Sejati Utma (PTDSU)
	PT Duta Sarana Internusa (PTDSI)
	PT Barasentosa Lestari (PTBSL)
	SJK Powergen Limited (SJK)
	PT Unsoco (PT)
	GMR Warora Energy Limited (Formerly EMCO Energy Limited)
	Indo Tausch Trading DMCC (ITTD)
	GMR Maharashtra Energy Limited (GMEL)
	GMR Rajam Solar Power Private Limited (formerly known

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(Formerly Know as GMR Renewable Energy Ltd)
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	as GMR Uttar Pradesh Energy Private Limited (GUPEPL) GMR Hosur Energy Limited (GHOEL) GMR Gujarat Solar Power Private Limited (GGSPPL) Karnali Transmission Company Private Limited (KTCPL) Marsyangdi Transmission Company Private Limited (MTCPL) GMR Indo-Nepal Energy Links Limited (GINELL) GMR Indo-Nepal Power Corridors Limited (GINPCL) GMR Genco Assets Limited (formerly known as GMR Hosur Energy Limited (GHOEL)) Aravali Transmission Service Company Limited (ATSCL) Maru Transmission Service Company Limited (MTSCL) GMR Energy Projects (Mauritius) Limited (GEPML) GMR Infrastructure (Singapore) Pte Limited (GISPL) GMR Coal Resources Pte Limited (GCRPL) GMR Power Infra Limited (GPIL) GMR Highways Limited (GMRHL) GMR Tambaram Tindivanam Expressways Limited (GTTEPL) GMR Tuni Anakapalli Expressways Limited (GTAEPL) GMR Ambala Chandigarh Expressways Private Limited (GACEPL) GMR Pochanpalli Expressways Limited (GPEPL) GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL) GMR Chennai Outer Ring Road Private Limited (GCORRPL) GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL) GMR Highways Projects Private Limited (GHPPL) GMR Hyderabad International Airport Limited (GHIAL) Gateways for India Airports Private Limited (GFIAL) Hyderabad Airport Security Services Limited (HASSL) GMR Hyderabad Airport Resource Management Limited (GHARML) GMR Hyderabad Aerotropolis Limited (HAPL) GMR Hyderabad Aviation SEZ Limited (GHASL) GMR Aerospace Engineering Limited (GAEL (formerly known as MAS GMR Aerospace Engineering Company Limited) GMR Aero Technic Limited (GATL) (formerly known as MAS GMR Aero Technic Limited (MGATL)) Hyderabad Duty Free Retail Limited (HDFRL) GMR Airport Developers Limited (GADL) GADL International Limited (GADLIL) GADL (Mauritius) Limited (GADLML) GMR Hotels and Resorts Limited (GHRL) GMR Hyderabad Airport Power Distribution Limited Delhi International Airport Private Limited (DIAL) Delhi Aerotropolis Private Limited (DAPL) Delhi Duty Free Services Private Limited (DDFS) Delhi Airport Parking Services Private Limited (DAPSL) GMR Airports Limited (GAL) GMR Airport Global Limited (GAGL) GMR Airports (Mauritius) Limited (GALM) GMR Aviation Private Limited (GAPL) Raxa Security Services Limited (Raxa) GMR Krishnagiri SEZ Limited (GKSEZ) Advika Properties Private Limited (APPL) Aklima Properties Private Limited (AKPPL) Amartya Properties Private Limited (AMPPL) Baruni Properties Private Limited (BPPL) Bougainvillea Properties Private Limited (BOPPL) Camelia Properties Private Limited (CPPL) Deepesh Properties Private Limited (DPPL) Eila Properties Private Limited (EPPL) Gerbera Properties Private Limited (GPL) Lakshmi Priya Properties Private Limited (LPPPL) Honeysuckle Properties Private Limited (HPPL) Idika Properties Private Limited (IPPL) Krishnapriya Properties Private Limited (KPPL) Larkspur Properties Private Limited (LAPPL) Nadira Properties Private Limited (NPPL) Padmapriya Properties Private Limited (PAPPL) Prakalpa Properties Private Limited (PPPL) Purnachandra Properties Private Limited (PUPPL) Shreyadita Properties Private Limited (SPPL) Pranesh Properties Private Limited (PRPPL) Sreepa Properties Private Limited (SRPPL) Radhapriya Properties Private Limited (RPPL) Asteria Real Estates Private Limited (AREPL) GMR Hosur Industrial City Private Limited (GHICL) Namitha Real Estates Private Limited (NREPL) Honey Flower Estates Private Limited (HFEPL) GMR Hosur EMC Limited (GHEMCL) GMR SEZ and Port Holdings Limited (GSPHL) East Godavari Power Distribution Company Private Limited Suzone Properties Private Limited (SUPPL) GMR Utilities Private Limited (GUPL) Lilliam Properties Private Limited (LPPL) GMR Corporate Affairs Private Limited (GCAPL) Dhruvi Securities Private Limited (DSPL)

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GMR Generation Assets Limited

	Larkspur Properties Private Limited (LAPPL) GMR Business Process and Services Private Limited (GBPSPL) GMR Infrastructure (Mauritius) Limited (GIML) GMR Infrastructure (Cyprus) Limited (GICL) GMR Infrastructure Overseas Limited (GIOL) GMR Infrastructure (UK) Limited (GIUL) GMR Infrastructure (Global) Limited (GIGL) GMR Energy (Global) Limited (GEGL) Kakinada Gateway Port Limited (KGPL) GMR Goa International Airport Limited (GGIAL) GMR SEZ Infra Services Limited (GSISL) GMR Infrastructure (Overseas) Limited (GIOL) GMR Infra Developers Limited (GIDL) GMR Infrastructure (Cyprus) Limited (GICL) GMR Infrastructure Overseas Limited (GIOL) GMR Infrastructure (UK) Limited (GIUL) GMR Infrastructure (Global) Limited (GIGL) GMR Energy (Global) Limited (GEGL) Kakinada Gateway Port Limited (KGPL) GMR Goa International Airport Limited (GGIAL) GMR SEZ Infra Services Limited (GSISL) GMR Infrastructure (Overseas) Limited (GIOL) GMR Infra Developers Limited (GIDL)
Key Management Personnel	Mr.Ashis Basu, Director Mr.Sanjay Narayana Barde, Director Mr. Prabir Kumar Majumdhar, Director Mr. Mahesh Agarwal (CFO) Mr. Debraj Dutta
Enterprises where key management personnel & their relatives significant influence	GMR Varalakshmi Foundation [GVF] GMR Varalakshmi DAV Public School [GVDPS] GMR Family Fund Trust [GFFT]

Related Party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

a) Expenditure:

Amount in Crores

Particulars	March 31,2018	March 31,2017
Other Expenses		
Corporate cost allocation- GMR Infrastructure Limited	0.01	0.02
Logo fee - GMR Enterprises Private Limited	0.00	0.00
Renewable Energy Certificate Fees-GMR Energy Trading Limited	0.08	-
Impairment of Investments		
GMR Energy Limited	363.00	500.00
GMR Rajahmundry Energy Limited	1,209.23	53.21
GMR Chhattisgarh Energy Limited	3,556.36	21.61
Interest on ICD's		
GMR Energy Limited	-	0.89
GMR Infrastructure Limited	17.18	1.67
GMR Airport Developers Limited	3.00	1.33
GMR Energy Trading Limited	21.04	9.54
Dhruvi Securities Pvt ltd	0.49	0.49
GMR Power Corporation Limited	18.47	10.25
SJK Powergen Limited	8.08	3.67

b) Income:

Particulars	March 31,2018	March 31,2017
Interest on ICD's		
GMR Vemagiri Power Generation Limited	1.21	0.40
GMR Tuni- Anakapalli Expressways Limited	-	0.05
GMR Tambaram Trindivanam Expressways Limit	-	0.07
GMR Power Infra Limited	0.57	0.28
GMR Badrinath Power Generation Limited	0.86	0.77
Kakinada SEZ Limited	11.80	-
GMR Genco Assets Limited	2.12	-
GMR Power Corporation Limited	2.27	-
Notional Interest Income on ICD/Interest accrued on ICD		
GMR Rajahmundry Energy Limited	-	0.04
GMR Chhattisgarh Energy Limited	-	22.61
Financial Guarantee Income		
GMR Rajahmundry Energy Limited	-	0.95
GMR Chhattisgarh Energy Limited	-	-
Sale of Renewable Energy Certificates		
GMR Energy Trading Limited	0.04	0.58

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Closing balances with the above related parties:

Particulars	March 31,2018	March 31,2017
a.) Amount payable to creditors/Deposit Received/Interest Accrued:		
I. Interest Payable on ICD:		
GMR Infrastructure Limited	3.19	1.50
GMR Airport Developers Limited	2.03	1.20
GMR Energy Trading Limited	29.12	9.13
GMR Power Corporation Limited	-	10.13
SJK Powergen Limited	10.94	3.30
Dhruvi Securities Pvt ltd	1.47	1.01
GMR Holdings Private Limited- Logo Fees	0.00	-
GMR Infrastructure Limited - Management Service Fees	-	-
II. Non Trade Payables:		
GMR Power Corporation Limited	-	12.96
GMR Airport Developers Limited	-	1.05
GMR Energy Trading Limited	1.19	1.19
GMR Kamalanga Energy Limited	-	0.02
GMR Energy Limited	-	0.01
III. Equity Component of CCPS/ICD Taken:		
Of Preference shares- GMR Infrastructure Limited	622.44	622.44
Of GIL Loan up to conversion to Equity- GMR Infrastructure Limited	28.53	28.53
IV. Financial Guarantee Obligation:		
Given on behalf of GMR Rajahmundry Energy Limited for Rupee Loan Facility	41.15	41.15
Given on behalf of GMR Chhattisgarh Energy Limited for Working Capital Facility	0.21	-
b.) Inter Corporate Deposit Taken:		
GMR Infrastructure Limited	103.99	83.89
GMR Airport Developers Limited	24.00	24.00
GMR Energy Trading Limited	185.79	228.64
GMR Power Corporation Limited	-	265.03
SJK Powergen Limited	68.47	69.77
Dhruvi Securities Pvt ltd	4.00	4.00
c.) Receivables - Sy. Debtors / Interest accrued but not due / Deposits Paid:		
I. Interest accrued on ICD/Loan Given:		
GMR Tuni- Anakapalli Expressways Limited	0.05	0.05
GMR Tambaram Tindivanam Expressways Limited	0.06	0.06
GMR Power Infra Limited	0.77	0.25
GMR Vemagiri Power Generation Limited	1.34	0.22
GMR Badrinath Power Generation Limited	1.47	0.69
Kakinada SEZ Limited	11.67	-
GMR Power Corporation Limited	2.04	-
GMR GENCO Assets Limited (Formerly known as GMR Hosur Energy Limited)	2.10	-
II. Other Receivables:		
GMR Tuni- Anakapalli Expressways Limited	0.84	0.84
GMR Tambaram Tindivanam Expressways Limited	1.35	1.35
GMR Power Infra Limited	0.55	0.55
GMR Chhattisgarh Energy Limited (net of Impairment)	-	40.90
GMR Rajahmundry Energy Limited (net of impairment)	-	-
GMR Infrastructure Limited	-	0.01
GMR Energy Limited	1.76	0.36
d.) Intercorporate deposit given:		
GMR GENCO Assets Limited (Formerly known as GMR Hosur Energy Limited)	16.01	17.70
GMR Enterprises Private Limited	2.40	2.40
GMR Vemagiri Power Generation Limited	9.67	9.67
GMR Ambala-Chandigarh Expressways Limited	7.72	7.72
GMR Power Infra Limited	18.08	5.82
GMR Londa Hydro Power Private Limited	9.14	8.08
GMR Kakinada Energy Private Limited	0.02	0.00
GMR Coastal Energy Private Limited	0.02	0.00
GMR Mining & Energy Private Limited	0.01	0.00
GMR Badrinath Power Generation Limited	3.15	23.72
GMR Rajahmundry Energy Limited (net of impairment)	-	1.04
Kakinada SEZ Limited	125.00	-
GMR Power Corporation Limited	12.84	-

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g) Investment in subsidiaries/ Associate / Group Company

Subsidiaries

I. Investment in Equity Share Capital:

GMR Energy Limited (net of impairment)	1,823.21	2,186.21
GMR Power Infra Limited	0.00	0.00
GMR Genco Assets Limited (Formerly known as GMR Hosur Energy Limited)	0.05	0.05
GMR Chhattisgarh Energy Private Limited (net of impairment)	-	3,346.39
GMR Mining & Energy Private Limited	0.02	0.02
GMR Londa Hydro Power Private Limited	0.01	0.01
GMR Coastal Energy Private Limited	0.00	0.00
GMR Kakinada Energy Private Limited	0.00	0.00
SJK Powergen Limited	0.00	0.00
GMR Rajahmundry Energy Limited (net of impairment)	-	1,157.00
GMR Power Corporation Limited	458.00	458.00

II. Equity Component of ICD given/ Interest Accrued on ICD/ Corporate Guarantee

ICD given to GMR Rajahmundry Energy Limited	-	-
Interest receivable from GMR Chhattisgarh Energy Limited	-	147.25
Interest receivable from GMR Rajahmundry Energy Limited	-	-
Preference shares to GMR Chhattisgarh Energy Limited	-	-
Corporate Guarantee given to GMR Rajahmundry Energy Limited	-	-
Corporate Guarantee given to GMR Chhattisgarh Energy Limited	-	-

29 The company has not dealt with any party as defined under the provisions of of Micro, Small and Medium Enterprises Development Act,2006 during the year

30 Segment Reporting

The company is engaged primarily in the business of procurement of land. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Ind AS 108 on Segmental Reporting issued by the ICAI are not applicable to the present activities of the company.

31 Commitments and Contingencies

Company as a major shareholder of GMR Rajahmundry Energy Limited (GREL) along with GMR Infrastructure Limited will proivde financial support to GREL, as required by the SDR Scheme, to enable the company to meet it liabilities as and whenthey fall due , operational expense and losses of any for aperiod not less than 12 months. Out of total committed support of Rs.50cr, till March 31,2018 Rs.6.65 cr has been provided to GREL.

Company has given corporate guarantee to lenders of GMR Rajahmundry Energy Limited (GREL) for the loan taken by GREL of Rs.2366.67 cr.Company has given corporate guarantee to IDBI Bank Ltd for working capital credit facility availed by Chhattisgarh Energy Limited (GCEL) of Rs.190.21 cr.

32 Operating Lease

The Company has entered into non cancellable operating lease agreements for land on which the plant is being run.

Particulars	March 31,2018	March 31,2017
Lease rentals under non cancellable lease	0.02	0.02

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GMR Generation Assets Limited

33 Financial risk management objectives and policies

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

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

Market risk

(a) Market risk- Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-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.

(b) Market risk- Foreign currency risk
The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

i. Foreign currency exposure

The following table demonstrate the unhedged exposure in USD exchange rate as at March 31, 2018 and March 31, 2017. The Company's exposure to foreign currency changes for all other currencies is not material.

Amount in crore

Particulars	March 31, 2018	March 31, 2017
Other financial and other liabilities	**420.86**	**424.90**
Net assets/(liabilities) in USD 5.89 cr USD (March 31,2017:-5.89 cr USD)	(382.59)	(386.62)
Net assets/(liabilities) in Rupees	(38.28)	(38.28)

Credit risk

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 2518.48 cr and Rs.7491.63 Cr as at March 31, 2018 and March 31, 2017 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments and other financial assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral as security.

With respect to trade receivables / unbilled revenue, the Company has constituted the terms to review the receivables on a periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.
In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

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Liquidity risk

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

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

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

(Rs. in crore)

Particulars	0-1 year	1 to 5 years	> 5 years	Total
March 31, 2018				
Borrowings (other than convertible preference shares)	316.03	400.39	270.00	986.42
Convertible preference shares	-	-	492.10	492.10
Other financial liabilities	549.27	-	-	549.27
Total	**865.30**	**400.39**	**762.10**	**2,027.79**
March 31, 2017				
Borrowings (other than convertible preference shares)	696.17	104.17	-	800.34
Convertible preference shares	-	-	492.10	492.10
Other financial liabilities	529.65	-	-	529.65
Total	**1,225.81**	**104.17**	**492.10**	**1,822.08**

Excessive risk concentration

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. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the policies and procedures of the Company include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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34 Capital management

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

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long-term and short-term bank borrowings and issue of non-convertible / convertible debt securities and strategic partnership with investors.

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

(Rs. in crore)

Particulars	**March 31, 2018**	**March 31, 2017**
Borrowings other than convertible preference shares	1,008.27	776.78
Total debt (i)	**1,008.27**	**776.78**
Capital components		
Equity share capital	6,323.25	6,323.25
Other equity	(5,318.69)	(79.19)
Total Capital (ii)	**1,004.56**	**6,244.06**
Capital and borrowings (iii = i + ii)	**2,012.83**	**7,020.84**
Gearing ratio (%) (i / iii)	**50.09%**	**11.06%**

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 material breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

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35 Disclosures on Financial instruments

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

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

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2018 and

As at March 31, 2018

(Rs. in crore)

Particulars	Fair value through consolidated statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Investments (other than investments in associates and joint ventures)	-	-		-	-
(ii) Loans	-	-	204.07	204.07	204.07
(iii) Trade receivables	-	-	0.18	0.18	0.18
(iv) Cash and cash equivalents	-	-	8.49	8.49	8.49
(v) Other financial assets	-	-	24.45	24.45	24.45
Total	**-**	**-**	**237.20**	**237.20**	**237.20**
Financial liabilities					
(i) Borrowings	-	-	776.78	776.78	776.78
(ii) Other financial liabilities	-	-	549.27	549.27	549.27
(iii) Financial guarantee contracts	-	-	41.37	41.37	41.37
Total	**-**	**-**	**1,367.42**	**1,367.42**	**1,367.42**

As at March 31, 2017

(Rs. in crore)

Particulars	Fair value through consolidated statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Investments (other than investments in associates and joint ventures)	0.91	-		0.91	0.91
(ii) Loans	-	-	76.14	76.14	76.14
(iii) Trade receivables	-	-	0.25	0.25	0.25
(iv) Cash and cash equivalents	-	-	2.92	2.92	2.92
(v) Other financial assets	-	-	94.88	94.88	94.88
Total	**0.91**	**-**	**174.19**	**175.10**	**175.10**
Financial liabilities					
(i) Borrowings	-	-	776.78	776.78	776.78
(ii) Other financial liabilities	-	-	529.65	529.65	529.65
(iii) Financial guarantee contracts	-	-	41.15	41.15	41.15
Total	**-**	**-**	**1,347.58**	**1,347.58**	**1,347.58**

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36 Fair value hierarchy

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

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

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

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

(Rs. in crore)

Particulars	**Fair value measurements at reporting date using**			
	Total	**Level 1**	**Level 2**	**Level 3**
March 31, 2018				
Financial assets				
Investments (other than investments in associates and joint ventures)	-	-	-	-
March 31, 2017				
Financial assets				
Investments (other than investments in associates and joint ventures)	0.91	0.91	-	-

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

(ii) Derivative contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.

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

(v) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2018 and March 31, 2017.

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37 New Indian Accounting Standard (Ind AS) issued but not yet effective

Ind AS 115 'Revenue from Contracts with Customers' was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 and permits two possible methods of transition:

(i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or

(ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Upon adoption the Company expects there to be a change in the manner that variable consideration in certain revenue arrangements is recognized from the current practice of recognizing such revenue as the services are performed and the variable consideration is earned to estimating the achievability of the variable conditions when the Company begins delivering services and recognizing that amount over the contractual period. The Company also expects a change in the manner that it recognizes certain incremental and fulfilment costs from expensing them as incurred to deferring and recognizing them over the contractual period. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective
The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.
Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

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

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

A V. [signature]

A V Satish Kumar
Partner
Membership No. 26526

Place: Bengaluru
Date: April 27, 2018

GIRISH MURTHY & KUMAR CHARTERED ACCOUNTANTS 4502, Hight Point IV 45, Palace Road, Bangalore-1

For and on behalf of the Board of Directors
GMR Generation Assets Limited

Prabir Kumar Majumdar	**Ashis Basu**
Director	Director
DIN : 03591200	DIN : 01872233
Mahesh Agarwal	**Simple Jain**
Chief Financial Officer	Company secretary

Simple Jain

GMR Generation Assets Limited

Place: New Delhi
Date: April 27, 2018