

Independent Auditor's Report

To the Members of GMR Krishnagiri SIR Limited

Report on the Ind AS financial statements.

We have audited the accompanying Ind AS financial statements of **GMR Krishnagiri SIR Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, a summary of significant accounting policies and other explanatory information (Collectively Known as the Ind AS financial statements).

Management's Responsibility for the Ind AS 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Opinion

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

Emphasis of Matter Paragraph

We draw attention to Note 29 of Ind AS Financial Statements wherein, during the year, GMR Hosur EMC Limited, a wholly owned subsidiary of the company, has been merged with the company as per the scheme of Amalgamation vide order ref. CP.No.26/S.233/2017-18 dated 28th March, 2018 issued by regional director (SR), Ministry of Corporate Affairs, Chennai w.e.f. 1st July, 2017. As per Ind AS 103 Business Combinations, when there is a business combination between entities under common control, the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Therefore, company has restated the financials from 1st April 2016.

Our opinion is not Qualified in respect of above said matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 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"; and



- (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:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Brahmayya & Co
Chartered Accountants
ICAI Firm registration no: 000515S



G. Srinivas
Partner
Membership number: 086761

New Delhi
April 25, 2018



Annexure - A to the Independent Auditors' Report


The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2018 we report that:

- (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 fixed assets are verified in a phased manner over a period of three years. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) On the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The activities of the company did not involve purchase of inventory and sale of goods during the year and accordingly Clause (ii) of the paragraph 3 of the Order is not applicable to the Company for the year.
- (iii) According to the information and explanation given to us and according to records as produced and examined by us, the company has not granted any loan to companies, firms, LLP or other parties covered in the registered maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has no loans, investments, guarantee and security which meets the requirements of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanation given to us and according to records as produced and examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including provident fund, employee state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authority except income tax, amounting to Rs. 3,83,843 relating to PY 2016-17.
- (b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, sales tax, wealth tax, service tax, custom duty, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable except income tax, amounting to Rs. 3,83,843 relating to PY 2016-17.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.



- (viii) The Company has not taken any loans or borrowings from any financial institution, banks, and government. According to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to the debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration in the current financial year and therefore provisions of section 197 and Schedule V of Companies Act, 2013 are not applicable.
- (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 Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or 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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Brahmayya & Co
Chartered Accountants
ICAI Firm registration no: 000515S


G. Srinivas
Partner
Membership number: 086761

New Delhi
April 25, 2018.



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

We have audited the internal financial controls over financial reporting of **GMR Krishnagiri SIR Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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 March 31, 2018, 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.

Explanatory Paragraph

We also have audited, 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, the Ind AS financial statements of **GMR Krishnagiri SIR Ltd**, which comprise the Balance Sheet as at March 31, 2018, the related Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 25, 2018 expressed unqualified opinion.

For Brahmayya & Co

Chartered Accountants

ICAI Firm registration no: 000515S


G. Srinivas

Partner

Membership number: 086761

New Delhi

April 25, 2018



GMR Krishnagiri SIR Limited
(Formerly GMR Krishnagiri SEZ Limited)
Balance Sheet as at 31 March 2018

			Amount in INR	
	Particulars	Notes	As at 31 March 2018	As at 31 March 2017
I	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	3	45,01,185	82,60,551
	(b) Investment Property	4	5,72,01,92,293	5,16,15,33,737
	(c) Other Intangible Assets	5	2,43,351	9,66,149
	(d) Financial Assets			
	(i) Loans	6	23,01,730	73,96,839
	(e) Other non-current assets	7	11,88,86,148	11,72,91,891
(2)	Current assets			
	(b) Financial Assets			
	(i) Cash and cash equivalents	8	1,71,68,793	62,89,242
	(ii) Loans	6	-	5,07,197
	(iii) Others	6	79,72,980	36,06,053
	(c) Other current assets	7	1,77,840	11,09,855
II	Total Assets		5,87,14,44,319	5,30,69,61,513
	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share capital	9	1,17,50,00,000	1,17,50,00,000
	(b) Other Equity	10	86,64,836	3,27,66,598
	LIABILITIES			
(2)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	2,74,25,41,000	3,82,51,33,106
	(b) Provisions	15	1,11,76,252	53,24,797
(3)	Current liabilities			
	(a) Financial Liabilities			
	(i) Trade Payables	12	-	33,44,627
	(ii) Security Deposit	13	1,50,00,00,000	-
	(iii) Other financial liabilities	13	40,49,00,135	25,43,44,855
	(b) Other current liabilities	14	2,38,82,027	66,19,680
	(c) Provisions	15	46,26,532	40,83,656
	(d) Current tax Provisions	16	6,53,537	3,44,193
	Total Equity and Liabilities		5,87,14,44,319	5,30,69,61,513

As per our report of even date

For Brahmayya & Co.,
Firm Registration No: 0005155
Chartered Accountants

G. Srinivas
Partner
Membership Number: 086761

Place: New Delhi
Date: 25th April, 2018

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

BVN Rao
Director
DIN 00051167

Sanjay Kumar Jain
Company Secretary

Mohanrao M
Director
DIN 02506274

Govind Bhat Padyanga
Chief Financial Officer



GMR Krishnagiri SIR Limited

(Formerly GMR Krishnagiri SEZ Limited)

Statement of Profit and Loss for the year ended 31 March 2018

Particulars	Notes	Amount in INR	
		For the year ended 31 March 2018	For the year ended 31 March 2017
I REVENUE			
Revenue From Operations		-	-
Other Income	17	6,974	2,298
Total Revenue (I)		6,974	2,298
II EXPENSES			
Employee Benefits Expense	18	4,30,478	8,33,659
Depreciation and amortization expense	19	26,01,339	0
Other Expenses	20	2,07,31,366	2,28,82,795
Total expenses (II)		2,37,63,182	2,37,16,454
III Profit before exceptional items and tax (I-II)		-2,37,56,208	-2,37,14,155
IV Exceptional Items		0	0
V Profit/(loss) before tax (III-IV)		-2,37,56,208	-2,37,14,155
VI Tax expense:			
(1) Current Tax		3,45,555	3,83,843
(2) Deferred Tax		0	-3,81,282
VII Profit/(loss) for the period (V-VI)		-2,41,01,763	-2,37,16,717
VIII Other Comprehensive Income			
A Items that will be reclassified to profit or loss			
B Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans			0
Income tax effect		0	0
IX Total Comprehensive Income for the period (VII + VIII)		-2,41,01,763	-2,37,16,717
(Comprising Profit (Loss) and Other Comprehensive Income for the period)			
X Earnings per equity share:			
(1) Basic		-0.21	-0.20
(2) Diluted		-0.21	-0.20

As per our report of even date

For **Brahmayya & Co.,**

Firm Registration No: 000515S

Chartered Accountants



G. Srinivas

Partner

Membership Number: 086761

Place **New Delhi**

Date: 25th April, 2018



For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited



BVN Rao

Director

DIN 00051167



Mohanrao M

Director

DIN 02506274



Sanjay Kumar Jain

Company Secretary



Govind Bhat Padyana

Chief Financial Officer



GMR Krishnagiri SIR Limited

(Formerly GMR Krishnagiri SEZ Limited)

Statement of cash flows for the year ended 31 March 2018

Particulars	Amount in INR	
	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Cash flow from operating activities:		
A. Profit before tax	(23,756,207)	(23,714,155)
B. Adjustment for non-cash transactions:		
a. Depreciation and amortization expenses	2,601,339	-
b. Investment WIP written-off	12,851,364	-
C. Adjustment for investing and financing activities:		
Interest income earned	(1,031)	(2,298)
Interest expense - fair value adjustment	-	-
C. Adjustment for changes in working capital:		
a. Decrease / (increase) in other financial assets	1,235,379	(6,635,736)
b. Decrease / (increase) in other current assets	(662,242)	(1,224,658)
c. (Decrease) / Increase in trade payables	(3,344,627)	(761,113)
d. (Decrease) / Increase in other financial liabilities	1,650,555,280	(589,962)
e. (Decrease) / Increase in other current liabilities	17,262,347	(47,970,807)
f. (Decrease) / Increase in provisions	6,394,331	(15,637,248)
D. Cash generated from operations (A+B+C)	1,671,440,468	(72,819,524)
Less: Direct taxes paid (net of refunds)	1,663,135,933	(96,535,977)
Net cash flow from operating activities (I)	(36,211)	344,193
	1,663,099,722	(96,191,784)
II. Cash flows from investing activities		
a. Purchase of property, plant and equipment	(156,901)	(981,125)
b. Sale proceeds from disposal of property, plant and equipment	-	123,436
c. Payments to capital creditors, other non-current assets (net of written off's)	-	-
d. Payments made for investment property	(569,472,195)	(493,184,325)
e. Proceeds from sale of current investments	-	16,049,936
f. Interest Income received	1,031	2,298
Net cash flow from/ (used in) investing activities (II)	(569,628,065)	(477,989,780)
III. Cash flows from financing activities		
a. Proceeds from borrowings	(1,082,592,106)	557,718,244
b. Repayment of borrowings	-	-
c. Interest paid	-	-
Net cash flow (used in) financing activities (III)	(1,082,592,106)	557,718,244
IV. Net (decrease) in cash and cash equivalents (I + II + III)	10,879,551	(16,463,320)
Cash and cash equivalents at the beginning of the year	6,289,242	22,590,096
Cash and cash equivalents acquired through merger	-	162,466
V. Cash and cash equivalents at the end of the year	17,168,793	6,289,242
IV. Components of cash and cash equivalents:		
a. Cash on hand	374,573	2,442
b. Cheques, Drafts and Stamps on hand	-	-
c. With banks:		
i. On Current Account	16,794,220	6,286,800
ii. On Deposit Account having original maturity less than three months	-	-
Total cash and cash equivalents	17,168,793	6,289,242

Notes:

- The above cashflow statement has been prepared under the 'Indirect Method' as set out in the IND AS - 7 on cashflow statements as referred to in section 133 of the Companies Act, 2013.
- The above cashflow statement has been compiled from and is based on the Balance Sheet as at March 31, 2018 and the related statement of profit and loss for the year ended on that date.
- Refer Note no. 32 for disclosure required by Amendment to IND AS 7

As per our report of even date

For Brahmayya & Co.,
Firm Registration No: 0005155
Chartered Accountants

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

G. Srinivas
Partner
Membership Number: 086761

BYN Rao
Director
DIN 00051167

Mohannarao M
Director
DIN 02506274

Place: New Delhi
Date: 25.04.2018

Sanjay Kumar Jain
Company Secretary

Bindu Bharti Padyana
Chief Financial Officer



GMR Krishnagiri SIR Limited
(Formerly GMR Krishnagiri SEZ Limited)

Statement of Assets and Liabilities		
(Amount in Rs)		
Particulars	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
1 ASSETS		
a) Non-current assets		
Property, plant and equipment	45,01,185	82,60,551
Investment property	5,72,01,92,293	5,16,15,33,737
Goodwill		
Other intangible assets	2,43,351	9,66,149
Financial assets		
Loans and advances	23,01,730	73,96,839
Other non-current assets	11,88,86,148	11,72,91,891
	5,84,61,24,706	5,29,54,49,166
b) Current assets		
Financial assets		
Loans and advances		5,07,197
Cash and cash equivalents	1,71,68,793	62,89,242
Other financial assets	79,72,980	36,06,053
Other current assets	1,77,840	11,09,855
	2,53,19,613	1,15,12,347
TOTAL ASSETS (a+b)	5,87,14,44,319	5,30,69,61,513
2 EQUITY AND LIABILITIES		
a) Equity		
Equity share capital	1,17,50,00,000	1,17,50,00,000
Other equity	86,64,836	3,27,66,598
Total equity	1,18,36,64,836	1,20,77,66,598
b) Non-current liabilities		
Financial liabilities		
Borrowings	2,74,25,41,000	3,82,51,33,106
Provisions	1,11,76,252	53,24,797
	2,75,37,17,252	3,83,04,57,903
c) Current liabilities		
Financial liabilities		
Trade payables		33,44,627
Security Deposits	1,50,00,00,000	
Other Financial Liabilities	40,49,00,135	25,43,44,855
Other current liabilities	2,38,82,027	66,19,680
Provisions	46,26,532	40,83,656
Current tax Provisions	6,53,537	3,44,193
	1,93,40,62,231	26,87,37,011
TOTAL EQUITY AND LIABILITIES (a+b+c)	5,87,14,44,319	5,30,69,61,513

As per our report of even date

For Brahmayya & Co.,
Firm Registration No: 000515S
Chartered Accountants

G. Srinivas
Partner
Membership Number: 086761

For and on behalf of the board of directors of
GMR Krishnagiri SEZ Limited

BYN Rao
Director
DIN 00051167

Mohamrao M
Director
DIN 02506274

Place New Delhi
Date: 25th April, 2018

Sanjay Kumar Jain
Company Secretary

Govind Bhat Padyana
Chief Financial Officer



GMR Krishnagiri SIR Limited

(Formerly GMR Krishnagiri) (Amount in ₹ Lakhs)

Statement of Audited Results for Quarter and year ended March 31, 2018						
	Particulars (Refer Notes Below)	Quarter ended		Year ended		
		31-Mar-18 Unaudited	31-Mar-17 Unaudited	31-Mar-18 Audited	31-Mar-17 Audited	
A	Continuing Operations					
1	Revenue					
	a) Other income					
	i) Foreign Exchange Fluctuation (Net)					
	ii) Others	6,974		6,974	2,298	
	Total revenue	6,974	-	6,974	2,298	
2	Expenses					
	(a) Employee benefits expense	2,63,115	2,24,620	1,49,760	4,30,478	8,33,659
	(b) Depreciation and amortisation expenses	6,37,811	6,52,035	26,01,339	26,01,339	
	(c) Other expenses	1,30,02,227	2,73,025	2,16,21,253	2,07,31,366	2,26,82,795
	Total expenses	1,39,02,153	7,00,240	2,16,71,664	2,37,63,183	2,37,16,434
3	Profit/(loss) from continuing operations before exceptional items and tax expense (1-2)	-1,38,06,678	-7,00,240	-2,16,71,662	-2,37,56,208	-2,37,14,155
4	Exceptional items					
5	Profit/(loss) from continuing operations before tax expenses (3 + 4)	-1,38,06,678	-7,00,240	-2,16,71,662	-2,37,56,208	-2,37,14,155
6	Tax expenses of continuing operations					
	(a) Current tax	3,45,555		3,83,843	3,45,555	3,83,843
	(b) Deferred tax			-3,81,282		-3,81,282
7	Profit/(loss) after tax from continuing operations (5 ± 6)	-1,42,42,233	-7,00,240	-2,16,74,164	-2,41,01,763	-2,37,16,717
B	Discontinued Operations					
8	Profit/(loss) from discontinued operations before tax expenses					
9	Tax expenses of discontinued operations					
	(a) Current tax					
	(b) Deferred tax					
10	Profit/(loss) after tax from discontinued operations (8 ± 9)					
11	Profit/(loss) after tax for respective periods (7 + 10)	-1,42,42,233	-7,00,240	-2,16,74,164	-2,41,01,763	-2,37,16,717
12	Other Comprehensive Income					
	(A) (i) Items that will not be reclassified to profit or loss					
	(a) Income tax relating to items that will not be reclassified to profit or loss					
	(B) (i) Items that will be reclassified to profit or loss					
	(a) Income tax relating to items that will be reclassified to profit or loss					
13	Total other comprehensive income, net of tax for the respective periods					
14	Total comprehensive income for the respective periods (11 ± 13) [comprising Profit Paid up equity share capital]	-1,42,42,233	-7,00,240	-2,16,74,164	-2,41,01,763	-2,37,16,717
15		1,17,50,00,000	1,17,50,00,000	1,17,50,00,000	1,17,50,00,000	1,17,50,00,000
16	Earnings per equity share					
	i) Basic/ Diluted before Exceptional items	(0.12)	(0.01)	(0.18)	(0.21)	(0.20)
	ii) Basic/ Diluted after Exceptional items	(0.12)	(0.01)	(0.18)	(0.21)	(0.20)
	iii) Basic/Diluted EPS from continued operations	(0.12)	(0.01)	(0.18)	(0.21)	(0.20)
	iv) Basic/Diluted EPS from discontinued operations					

Notes:

1. During the year, GMR Hosur EMC Limited, a wholly owned subsidiary of the company, has been merged with the company as per the scheme of Amalgamation vide order ref. CP No 26/S 233/2017-18 dated 28th March, 2018 issued by regional director (SR), Ministry of Corporate Affairs, Chennai w.e.f. 1st July 2017. As per Ind AS 103 Business Combination, the business combination is accounted for as per Pooling of Interest Method and when there is a business combination between entities under common control, the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, the company has restated the financials from 1st April 2016.

As per our report of even date

For Brahmayya & Co.,
Firm Registration No: 0005155
Chartered Accountants

G. Srinivas
Partner
Membership Number: 086761

Place: New Delhi
Date: 29th April, 2018

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

BVN Rao
Director
DIN: 00051167

Sanjay Kumar Jain
Company Secretary

Mohan Rao M
Director
DIN: 01506274

Govind Bhaji Patil
Chief Financial Officer



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1. Corporate Information

Tamil Nadu Industrial Development Corporation Limited (TIDCO), through international competitive bidding has selected GMR Infrastructure Limited (GIL) as Joint Venture Partner to develop a Multi-product Special Economic Zone (SEZ) in Krishnagiri District of Tamil Nadu, India. A Memorandum of Understanding (MOU) was entered in to with TIDCO on August 6, 2007. GIL has incorporated GMR Krishnagiri SEZ Ltd (GKSEZ), during the year company has changed it's name as GMR Krishnagiri SIR Limited, as a wholly owned subsidiary, for the development and operation of the SEZ. As per the Bid conditions

The registered office of the company is located in Chennai, India.

Information on other related party relationships of the Company is provided in Note 26.

The financial statements were approved for issue in accordance with a resolution of the directors on 25.04.2018

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).



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B. Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current. A liability is current when it is:

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

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.

b. Property, plant and equipment

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment as at 31 March 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on 1 April 2015.

Land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

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 asset are derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property,



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plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

On Transition to Ind AS, the Company has availed the optional exemption on "Long term Foreign currency Monetary items" and has accordingly continued with the policy to adjust the exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset recognised in the financial statements for the period ended 31 March 2016 (as per previous GAAP) to the cost of the tangible asset and depreciates the same over the remaining life of the asset. In accordance with the Ministry of Corporate Affairs ('MCA') circular dated August 09, 2012, exchange differences adjusted to the cost of tangible fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

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.

c. Depreciation on Property, plant and equipment

Depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013 except for assets individually costing less than Rs. 5,000 which are fully depreciated in the year of acquisition and certain items of building, plant and equipment, the Company, based on technical assessment made by technical expert and management estimate, believes that the useful lives of such assets are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Property, plant and equipment acquired under finance lease is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of lease term.

Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.



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d. Investment properties

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

e. 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.

Intangible assets include software etc and their useful lives are assessed as either finite or indefinite.

Research and development cost:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an 'intangible asset' when all of the below conditions are met:

- i. The technical feasibility of completing the intangible asset so that it will be available for use or sale
- ii. The Company's intention to complete the asset and use or sell it
- iii. The Company has ability to use or sell the asset



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- iv. It can be demonstrated how the asset will generate probable future economic benefits
- v. Adequate technical, financial and other resources to complete the development and to use or sell the asset are available, and
- vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

f. Amortisation of intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. 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 (Software licences etc) are amortised over the useful life of 6 years as estimated by the management.

g. 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.

h. Leases

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.



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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:

- i) 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
- ii) 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 Group 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. 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 Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group'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

i. Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares:

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.

Contract work-in-progress:

Costs incurred that relate to future activities on the contract are recognised as contract work-in-progress. Contract work-in-progress comprises of construction cost and other directly attributable overheads and are measured at lower of cost and net realisable value.



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Traded / Finished goods:

Traded goods are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j. 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 Company 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, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model 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.

k. Provisions, Contingent liabilities, Contingent assets, and Commitments

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



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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."

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

I. 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.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognised each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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



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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:

- i) The date of the plan amendment or curtailment, and
- ii) The date that the Company recognises related restructuring costs

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

- i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ii) Net interest expense or income

Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

m. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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:

- i) Debt instruments at amortised cost
- ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)



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

- v) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- vi) 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:

- vii) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- viii) 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 de-recognition 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.



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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 P&L.

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:

- ix) *Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance*
- x) *Financial assets that are debt instruments and are measured as at FVTOCI*
- xi) *Lease receivables under Ind AS 17*
- xii) *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*
- xiii) *Loan commitments which are not measured as at FVTPL*
- xiv) *Financial guarantee contracts which are not measured as at FVTPL*

The company follows 'simplified approach' for recognition of impairment loss allowance on;

- xv) *Trade receivables or contract revenue receivables; and*
- xvi) *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.



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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:

xvii) *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*

xviii) *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:

xix) *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.*

xx) *Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.*

xxi) *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.

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.



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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."

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.

Financial guarantee contracts:

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.



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Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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.

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 and interest rate swaps, 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.

n. 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.



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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.

o. 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:

- i) *In the principal market for the asset or liability, or*
- ii) *In the absence of a principal market, in the most advantageous market for the asset or liability*

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

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

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

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

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

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

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

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

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



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The Company 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. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years.

At each reporting date, the Company 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 Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, 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.

p. Revenue recognition

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

Sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

i. Income from management / technical services is recognised as per the terms of the agreement on the basis of services rendered.



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- ii. On disposal of current investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. Such income is included under the head 'other operating income' for companies engaged in investing activities and under the head 'other income' for other companies in the statement of profit and loss.
- iii. Insurance claim is recognised on acceptance of the claims by the insurance company.

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

Expenditure including pre-operative and other incidental expenses incurred by the Group on projects that are in the process of commissioning, being recoverable from the respective SPVs / subsidiaries incorporated for carrying out these projects, are not charged to the statement of profit and loss and are treated as advances to the respective entities.

Interest income

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

Dividends

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

q. Taxes

Tax expense comprises current and deferred tax.

Current income tax

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

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



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

Deferred tax

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

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

- i) 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
- ii) 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:

- iii) 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
- iv) 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

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 asset to be recovered.



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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.

r. Corporate Social Responsibility ('CSR') expenditure

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



3. Property, plant and equipment

Amount in INR

Particulars	Leasehold Improvements	Furniture & fixtures	Office equipment	Vehicles	Electrical Fittings	Building	Total
Cost							
Deemed cost as at 01.04.2016	1	2,091,433	4,419,067	2,403,894	-	-	8,914,395
Add: Gross Block of EMC (Due to Merger)		2,609,106	454,309	66,786	541,207	6,581,162	10,252,570
Additions	-	-	981,125	-	-	0	981,125
Disposals	-	618,791	2,164,849	1,056,123	-	-	3,839,763
Adjustments	-	-	-	-	-	-	-
As at 31.03.2017	1	4,081,748	3,689,652	1,414,557	541,207	6,581,162	16,308,327
Additions	-	-	156,901	-	-	-	156,901
Disposals	-	-	1,903,271	-	-	-	1,903,271
As at 31.03.2018	1	4,081,748	1,943,282	1,414,557	541,207	6,581,162	14,561,957
Depreciation							
As at 01.04.2016	-	661,932	3,077,487	664,116	-	-	4,403,535
Add: Depreciation of EMC (Due to Merger)		270,797	129,646	6,753	54,160	2,157,758	2,619,114
Charge for the year	-	903,350	1,180,008	400,376	55,992	2,196,656	4,736,392
Disposals	-	494,070	2,161,071	1,056,123	-	-	3,711,264
As at 31.03.2017	-	1,342,019	2,226,070	15,122	110,152	4,354,414	8,047,777
Charge for the year	-	763,803	499,424	400,376	55,992	2,196,656	3,916,251
Disposals	-	-	1,903,256	-	-	-	1,903,256
As at 31.03.2018	-	2,105,822	822,238	415,498	166,144	6,551,070	10,060,772
Net block							
As at 31.03.2018	1	1,975,926	1,121,044	999,059	375,063	30,092	4,501,185
As at 31.03.2017	1	2,739,729	1,463,582	1,399,435	431,055	2,226,748	8,260,551



4. Investment Property

Amounts in INR

Particulars	Total
Opening balance at 1 April 2016	4,611,135,072
Add: Investment Property of EMC (Due to Merger)	46,779,896
Reversal of Ind AS Adjustment on Merger of EMC (Due to Loan)	10,287,195
Additions during the year	493,331,574
Closing balance at 31 March 2017	5,161,533,737
Add: Additions during the year	558,658,556
Closing balance at 31 March 2018	5,720,192,293
Depreciation and impairment	
Opening balance at 1 April 2016	-
Depreciation	-
Closing balance at 31 March 2017	-
Depreciation	-
Closing balance at 31 March 2018	-
Net Block	
at 31 March 2018	5,720,192,293
at 31 March 2017	5,161,533,737

The Company's investment properties consist of Lands admeasuring 1283.80 Acres in Krishnagiri District, Tamilnadu. As at 31 March 2018 and 31 March 2017, the fair values of the properties are INR 641.16 Cr and INR 538.96 Cr respectively. These valuations are based on valuations performed by Gabriel Ebenezer B.E, F.I.V, an accredited independent valuer and Chartered Surveyors is specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The lands admeasuring to 687 Ac are mortgaged to LIC and 118 Ac are mortgaged to IDFC towards security against loans taken by Holding company GMR Infrastructure Limited. To that extent the company has restrictions on the realisability of its investment properties.

Reconciliation of fair value

Opening balance as at 1 April 2017
Fair value difference
Purchases
Closing balance as at 31 March 2018

Investment properties
Lands
INR Crore
538.96
102.20
0.46
641.62

Valuation technique used -

Belting method has been adopted for valuation that means by applying appropriate rate per Acre for each plot considering the factors such as location, Location features, Size & shape of the land/plot availability, Topography, Soil Conditions, encumbrances, infrastructure, land use regulations, Government legislation etc. and finally average out rate per acre for entire piece of land.

5. Intangible Assets

Particulars	Amounts in INR	
	Software	Total
Gross block		
As at 1.04.2016	2,818,448	2,818,448
Additions	-	-
Disposals	-	-
As at 31.03.2017	2,818,448	2,818,448
Additions	-	-
Disposals	-	-
As at 31.03.2018	2,818,448	2,818,448
Amortization	971,776	971,776
As at 1.04.2015	-	-
Charge for the year	880,522	880,522
Disposals	-	-
As at 31.03.2017	1,852,299	1,852,299
Charge for the year	722,798	722,798
Disposals	-	-
As at 31.03.2018	2,575,097	2,575,097
Net block		
As at 31.03.2018	243,351	243,351
As at 31.03.2017	966,149	966,149



6. Financial assets

Loans	Amounts in INR			
	Long Term		Short Term	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Carried at amortised cost				
Security deposits				
Unsecured, considered good, to other parties	2,301,730	7,396,839	-	-
loans				
Loans to employees (unsecured considered good)	-	-	-	507,197
Other Financial Assets				
Advances recoverable in cash or kinds			7,972,980	3,606,053
Total	2,301,730	7,396,839	7,972,980	4,113,250

7. Other Non-Current assets

	Amounts in INR			
	Long Term		Short Term	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Prepaid expenses	-	1,926,576	177,840	1,109,855
Capital Advance	33,444,088	34,434,337		
Balance with statutory / government Authorities	85,442,060	80,930,978	-	-
Other recoverables	-	-	-	-
Total	118,886,148	117,291,891	177,840	1,109,855

8. 'Cash and Cash Equivalent

Particulars	At 31 March 2018	At 31 March 2017
Cash and cash equivalents		
-Cash on hand	374,573	2,442
-Balances with Banks		
-In current accounts	16,794,220	6,286,800
Total	17,168,793	6,289,242



9. Share Capital

Particulars	Amounts in INR	
	31 March 2018	31 March 2017
Authorised :		
15,10,00,000 (2017:15,00,00,000) Equity Shares of Rs.10 (2017: Rs.10) each	1,510,000,000	1,500,000,000
	<u>1,510,000,000</u>	<u>1,500,000,000</u>
Issued :		
11,75,00,000 (2017: 11,75,00,000) Equity Shares of Rs.10 (2017: Rs. 10) each fully paid up	1,175,000,000	1,175,000,000
Subscribed and Paid-up		
11,75,00,000 (2017: 11,75,00,000) Equity Shares of Rs.10 (2017: Rs. 10) each fully paid up	1,175,000,000	1,175,000,000
Total	<u>1,175,000,000</u>	<u>1,175,000,000</u>

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

Equity Shares	31 March 2018		31 March 2017	
	In Numbers	Amounts in INR	In Numbers	Amounts in INR
At the beginning of the year	117,500,000	1,175,000,000	117,500,000	1,175,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	117,500,000	1,175,000,000	117,500,000	1,175,000,000

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Every member holding equity shares shall have voting rights in proportion to his shares of the paid up equity share capital. In the 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. Shares held by holding /ultimate holding company /holding company and/or their subsidiaries/associates.

Name of Shareholder	31 March 2018		31 March 2017	
	No. of Shares held	Amounts in INR	No. of Shares held	Amounts in INR
GMR Infrastructure Limited and its nominees, the immediate holding company.				
11,75,00,000 (2017: 11,75,00,000) Equity Shares of Rs.10 each fully paid up	117,500,000	1,175,000,000	117,500,000	1,175,000,000

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

Name of Shareholder	31 March 2018		31 March 2017	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Equity shares of Rs.10 each fully paid				
GMR Infrastructure Limited, the immediate holding company and its nominees.	117,500,000	100%	117,500,000	100%

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.

10. Other Equity

Particulars	31 March 2018	31 March 2017
Surplus in the statement of profit and loss		
Opening balance	-84,733,402	-59,986,820
Reserves of EMC acquired in business combination	-	-3,100,278
Adjustment for the removal of the intercompany transactions	-	2,070,413
	<u>-84,733,402</u>	<u>-61,016,685</u>
Add: Profit/(loss) for the year	-24,101,763	-23,716,717
Closing balance	-108,835,164	-84,733,402
Equity component of financial liabilities		
Opening balance	117,500,000	117,500,000
Reserves of EMC acquired in business combination	-	4,352,938
Adjustment for the removal of the intercompany transactions	-	-4,352,938
Closing balance	117,500,000	117,500,000
Total Other equity	8,664,836	32,766,598



11 Financial liabilities - Borrowings

Particulars	Amounts in INR			
	Non - Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Unsecured borrowings				
Debentures				
Nil (2017: 12) 12% Cumulative Optionally Convertible Debentures of Rs.1,00,00,000 (2016: 1,00,00,000) each.	-	120,000,000	-	-
142 (2017: 757) 12% Cumulative Optionally Convertible Debentures of Rs.10,00,000 (2016: 10,00,000) each.	142,000,000	757,000,000	-	-
Nil (March 2017: 855) 12% Cumulative Optionally Convertible Debentures of Rs.100,000 (March 2016: 100,000) each.	-	85,500,000	-	-
Loans from related parties				
Loans from group company (unsecured)	2,600,541,000	2,862,633,106	-	-
Total	2,742,541,000	3,825,133,106	-	-

The Company issued 12 numbers of 12% Cumulative Optionally Convertible Debentures of Rs.10,00,000 each aggregating to Rs. 12 crores and 757 numbers of 12% Cumulative Optionally Convertible Debentures of Rs.10,00,000 each aggregating to Rs. 75.70 Crores and 855 numbers of 12% Cumulative Optionally Convertible Debentures of Rs.1,00,000 each aggregating to Rs. 8.55 Crores up to the year ended March 31, 2017. The company had also received an inter-corporate loan of Rs. 4 crores at an interest rate of 12% p.a. for a period of 3 years, Rs 5.8 crores at an interest rate of 14.75% p.a for a period of 3 years and 86.45 crores at an interest rate of 12.25% p.a for a period of 3 years from GMR Infrastructure Limited and an inter-corporate loan of Rs. 200.85 crores at an interest rate of 11% p.a. for a period of 3 years from Tambaram and Tindivanam Expressways Limited and company had also received an inter-corporate loan of Rs. 9 crores at an interest rate of 12.25% p.a. for a period of 3 years from Dhruvi Securities Limited up to March 31, 2017 totalling to Rs 96.25 crores of debentures and Rs 286.26. During financial year 2017-18, the company has taken a loan of Rs. 63.50 crores at an interest rate of 12.25% p a for a period of 3 years from GMR Infrastructure Limited, the company also taken a loan of Rs. 21.00 crores at an interest rate of 12.25% p a for a period of 3 years from GMR Aerostructure Services Limited, company also taken loan of Rs. 1.18 crores at an interest rate of 12.25% for a period of 3 years from GMR SEZ & Port Holdings Limited and company also taken loan of Rs. 0.30 crores at an interest rate of 12.25% for a period of 3 years from Padmapriya Properties Private Limited. During the period company has repaid the inter corporate loan of Rs. 4 Crores at the interest rate of 12%, Rs.5.8 Crores at the interest rate of 14.75% and Rs.71.28 Crores at the interest rate of 12.25% to GMR Infrastructure Limited, Also company has repaid the debenture borrowing of 12 numbers of 12% Cumulative Optionally Convertible Debentures of Rs.10,00,000 each aggregating to Rs. 12 crores, 615 numbers of 12% Cumulative Optionally Convertible Debentures of Rs.10,00,000 each aggregating to Rs. 61.50 Crores and 855 numbers of 12% Cumulative Optionally Convertible Debentures of Rs.1,00,000 each aggregating to Rs. 8.55 Crores from GMR Infrastructure Limited, Also company has repaid the inter corporate loan of Rs.21 crs at the interest rate of 12.25% to GMR Aerostructure Services Limited, Also company has repaid the inter corporate loan of Rs.9 Crs at the interest rate of 12.25% to Dhruvi Securities Limited, Also Company has repaid the inter corporate loan of Rs.0.81 Crs to GMR SEZ & Port Holdings Limited and repaid inter corporate loan of Rs.0.30 Crs to Padmapriya Properties Private Limited. As at 31st March 2018, the company has a total debenture of Rs 14.20 crores and loan of Rs 260.05 crores.

The debentures are optionally convertible, at the option of the debenture holders, at any time not exceeding 120 months (the term) from the date of issue of debentures into equity shares at a valuation to be mutually agreed upon as per the valuation to be done by a reputed Chartered Accountant firm at the time of conversion. In case the option is not exercised by the debenture holder, the Debentures shall be converted by the Company into Equity Shares on the expiry of the aforesaid period.



12. Financial liabilities - Trade payables

Amounts in INR

Particulars	31 March 2018	31 March 2017
Trade Payable		
- Others	-	3,344,627
TOTAL	-	3,344,627

13. Financial Liabilities

Amounts in INR

	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Security Deposits				
Security Deposits to related parties			1,500,000,000	-
Other financial liabilities at amortised cost				
Interest accrued but not due on borrowings	-	-	243,043,047	221,485,488
Retention money			108,728	36,233
Non trade payable			161,748,360	32,823,134
Total other financial liabilities	-	-	404,900,135	254,344,855
Total financial liabilities	-	-	1,904,900,135	254,344,855

14. Other Liabilities

Amounts in INR

	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Statutory liabilities			23,882,027	6,619,680
Total	-	-	23,882,027	6,619,680

15. Provisions (Current and Non-Current)

Amounts in INR

	Long-term		Short-term	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Provision for employee benefits				
Provision for Compensated Absences	7,836,827	5,324,797	444,500	274,343
Provision for Gratuity	3,339,425	-	-	-
Provision for other employee benefits			4,182,032	3,809,313
Total	11,176,252	5,324,797	4,626,532	4,083,656

16. Current tax liability

Amounts in INR

Particulars	At 31 March 2018	At 31 March 2017
Provision for taxation (net of advance income-tax)	729,398	383,843
Advance income tax (net of provision for current tax)	-75,861	-39,650
	653,537	344,193



17. Other income

	Amounts in INR	
	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Other income		
Interest - Others	1,031	2,298
Other non-operating income	5,943	-
	6,974	2,298

18. Employee Benefits Expense

	Amounts in INR	
	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Salaries, wages and bonus	352,775	709,760
Contribution to provident and other funds	63,088	105,920
Gratuity expenses	14,615	17,979
	430,478	833,659

19. Depreciation and amortization expense

	Amounts in INR	
	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Depreciation of tangible assets	2,601,339	-
	2,601,339	-

20. Other expenses

	Amounts in INR	
	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Staff welfare expenses	133,711	41,526
Rates and taxes	670,296	61,211
Advertising and sales promotion	5,790,135	638,280
Communication costs	788,763	23,467
Printing and stationery	1,740,244	273
Director Sitting fees	175,300	301,200
Books and periodicals	10,159	19,525
Rent	416,965	9,444,109
Roc Expenses	43,500	9,600
Logo fees	1,000	1,000
Membership and subscriptions	125,911	37,872
Social welfare expenses	709,063	-
Security Expenses	1,915,343	-
Office Maintenance	921,004	9,785,670
Board meeting expenses	4,988	4,653
Travelling and Conveyence	837,193	36,321
Legal and Professional fees	6,197,243	2,174,684
Payments to Auditors:		
- Audit Fee	235,000	302,112
Misc Expenses	15,548	1,293
Total	20,731,366	22,882,795

	Amounts in INR	
	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Payment to Auditors (Included in other expenses above)		
As Auditor		
Audit fee	200,000	218,882
Tax audit fee	-	-
In other capacity		
- Group reporting	-	-
Other services		
-Reimbursement of expenses	35,000	83,230
	235,000	302,112



21. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particulars	Amounts in INR	
	31-Mar-18	31-Mar-17
Profit attributable to equity holders of the parent		
Continuing operations	-24,101,763	-23,716,717
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	-	-
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	-	-
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	117,500,000	117,500,000
Effect of dilution:		
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	117,500,000	117,500,000
Earning Per Share (Basic) (Rs)	-0.21	-0.20
Earning Per Share (Diluted) (Rs)	-0.21	-0.20
Face value per share (Rs)	10	10

22. Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

ESTIMATES AND ASSUMPTIONS

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

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 unit's (CGU) 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 Company's assets. Where 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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Further details about gratuity obligations are given in Note 23.

Fair value measurement of financial instruments

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



23. Gratuity and other post-employment benefit plans

a) Defined Contribution Plans :

The Company's Contribution to Provident and Pension Fund charged to Investment properties are as follows :

Particulars	Amount in INR	
	2017-18	2016-17
Provident and pension fund	2,950,012	(1,827,028)
Total	2,950,012	(1,827,028)

b) Defined Benefit Plan - Gratuity as per Actuarial Valuation as at March 31, 2016 [Funded]

Particulars	Amount in INR	
	2017-18	2016-17
<i>i) Change in defined benefit obligation</i>		
Opening defined benefit obligation	3,256,843	7,345,078
Current Service Cost	251,807	653,042
Interest cost	224,325	540,718
Past Service Cost	1,891,887	-
Acquisition Cost/(Credit)	-	(3,293,053)
Actuarial loss / (gain) on obligations - experience	924,440	(1,163,353)
Benefits paid	(194,686)	(825,589)
Closing defined benefit obligation	6,354,616	3,256,843
<i>ii) Change in fair value of plan assets:</i>		
Fair value of Plan Assets at the beginning of the year	5,183,419	3,651,573
Acquisition adjustment	(2,330,770)	-
Interest income on plan assets	278,894	272,125
Return on plan assets greater / (lesser) than discount rate	63,553	(1,585,310)
Contributions by employer	14,780	500,000
Benefits paid	(194,686)	(825,589)
Closing fair value of plan assets	3,015,190	2,012,799
<i>iii) Amount Recognized in the Balance Sheet</i>		
Present Value of Obligation as at year end	6,354,616	3,256,843
Fair Value of plan assets at year end	3,015,190	2,012,799
Funded status	3,339,426	1,244,044
Less : Asset ceiling adjustment	-	-
Net defined benefit asset/ (liability) recognized	3,339,426	1,244,044
<i>iv) Expenses recognised during the period</i>		
<i>In Investment properties</i>		
Current Service Cost	2,143,694	653,042
Net Interest on net defined benefit liability / (asset)	(54,569)	268,593
<i>In Investment properties</i>	2,089,125	921,635
Actuarial (gain)/loss on defined benefit obligation - Experience Adjustments	924,440	(1,163,353)
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	(63,553)	(1,585,310)
Return on plan assets (greater)/less than discount rate	-	(2,748,663)
Total expense	2,950,012	(1,827,028)
<i>v) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:</i>		
Investment with Insurer managed funds	100%	100%
<i>vi) Principal actuarial assumptions used</i>		
Discount rate (p.a.)	7.10%	7.10%
Expected rate of return on plan assets (p.a.)	7.60%	8.05%
Expected rate of increase in salary	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement Age	60 Years	60 Years

c) Leave Encashment

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 82,81,327/- as at March 31, 2018 [March 31, 2017: Rs. 55,99,140/-].



24 Commitments and Contingencies

I. Contingent Liabilities

The Company has a contingent liability towards its lands pledged against the loan availed by its holding company, GMR Infrastructure Limited as below as on 31st March 2018

Loan availed from	No. of Acres pledged	Amount of loan (Rs. in crores)
LIC *	687	128.43
IDFC **	118	30
Total	805	158.43

*Originally 717 Acres pledged for Rs. 150 Crores borrowings, later 28 acres released and accordingly the contingent liability of the company has been reduced.

**Land pledged to IDFC has been reduced to 118 Ac and the liability of the company reduced to 30 Cr due to repayment of part loan.

II. Commitments

Amounts in INR

	31 March, 2018	31 March, 2017
* Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	NIL	NIL



25. Related Party transactions

(A) Names of Related parties and nature of related party relationships

- (a) **Subidiaries** GMR Hosur EMC Limited - Merqed with the company,
- (b) **Key management personnel** Mr. Jaqadeeswara Rao M - Manaqer
Mr. Govind Bhat Padyana - Chief Financial Officer
Mr. Sanjay Kumar Jain - Company Secretary

- (c) **Relatives of Key Management Personnel of the Company** Mrs.Ramadevi B - Relatives of Director

(B) Summary of transactions with the above related parties is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
i) Inter Corporate Loan taken		
Fellow subsidiary - Dhruvi	-	-
Fellow subsidiary-GTTEPL	-	2,008,585,054
Enterprises that control the Company - GIL	604,841,000	80,547,107
Fellow subsidiary - Padmapriya	3,000,000	-
Fellow subsidiary - GSPHPL	25,450,000	-
Fellow subsidiary - GASL	210,000,000	-
ii) Refund of Inter Corporate Loan :		
Fellow subsidiary - Larkspur	-	-
Enterprises that control the Company - GIL	810,833,106	-
Fellow subsidiary - GTTEPL	85,054	1,598,085,054
Fellow subsidiary - Dhruvi	90,000,000	-
Fellow subsidiary - Padmapriya	3,000,000	-
Fellow subsidiary - GSPHPL	21,750,000	-
Fellow subsidiary - GASL	210,000,000	-
iii) Repayment of Debentures:		
Enterprises that control the Company - GIL	820,500,000	-
iv) Security Charges paid to :		
Fellow subsidiary - RSSL	3,131,499	4,118,455
v) Interest on 12% (previous year : 12%) Cumulative Optionally Convertible Debentures		
Enterprises that control the Company - GIL	32,257,677	115,500,000
vi) Interest on Inter Corporate Loan		
Fellow subsidiary - Padmapriya	82,307	-
Fellow subsidiary - GTTEPL	220,935,000	154,082,885
Fellow subsidiary - Dhruvi	6,252,534	11,025,000
Fellow subsidiary - GSPHPL	445,206	-
Fellow subsidiary - GASL	8,950,890	-
Enterprises that control the Company - GIL	41,233,846	89,199,838
vi) Annual License Fee for trade license rights		
Enterprises that control the Company - GHPL	1,110	1,113
vii) Reimbursement of Expenses to:		
Fellow subsidiary - Padmapriya	80,523	-
Fellow subsidiary - Shreyadita	70,790	-
Fellow subsidiary - GMRVF	542,518	-
Fellow subsidiary - Radhapriya	11,247,092	543,168
Fellow subsidiary - KSPL	-	409,417
Enterprises that control the Company - GIL	5,177,036	12,163,414
viii) Reimbursement of Expenses by:		
Fellow subsidiary - DIAL	-	16,616
Fellow subsidiary - Deepesh	151,724	745
Fellow subsidiary - Honeysuckle	-	12,740
Fellow subsidiary - Nadira	-	189,960
Fellow subsidiary - Prakalpa	-	7,100
Fellow subsidiary - Lantana	-	34,801
Fellow subsidiary - GSPHPL	-	12,093,356
Fellow subsidiary - HFEPL	765,488	288,693
Fellow subsidiary - NREPL	-	249,162
Fellow subsidiary - Padmapriya	4,287,724	3,600,923
Fellow subsidiary - Radhapriya	-	13,000
Fellow subsidiary - KSPL	75,803	-



Enterprises that control the Company – GIL	-	111,024
Fellow subsidiary – GPPL	-	10,070
Fellow subsidiary – GCAPL	-	1,252,532
Fellow Subsidiary-GEOKNO	1,866,063	2,012,970
Fellow subsidiary – GHASL	-	249,420
Fellow subsidiary – GADL	-	3,772,129
Fellow subsidiary – GPCL	93,732	-
Enterprise where key management personnel and their relatives exercise significant influence – GBPPL	151,347	24,751
Enterprise where key management personnel and their relatives exercise significant influence – VNREPL	348	-
ix) Consultancy charges paid to:		
Enterprises that control the Company – GIL	5,177,036	-
x) Security deposit received from :		
Fellow subsidiary – RSSL	1,500,000,000	-
xi) Interest on Security deposit :		
Fellow subsidiary – RSSL	164,353,451	-
xii) Assets Purchased from :		
Fellow subsidiary – GPCL	-	40,075
xiii) Assets Sold to:		
Fellow subsidiary – RSSL	-	71,260

(C) Outstanding Balances at the year-end :

Particulars	As at March 31, 2018	As at March 31, 2017
i) Allotment of Equity Share Capital		
Holding Company – GIL	1,175,000,000	1,175,000,000
ii) 12% Cumulative Optionally Convertible Debentures		
Holding Company – GIL	142,000,000	962,500,000
iii) Interest due on 12% (Previous year: 12%) Cumulative Optionally Convertible Debentures		
Holding Company – GIL	7,987,847	115,500,000
iv) Investment in equity shares		
Subsidiary – GHCL	-	4,499,000
v) Inter Corporate Loan taken		
Fellow subsidiary – Dhruvi	-	90,000,000
Fellow subsidiary – GTTEPL	2,008,500,000	2,008,500,000
Holding Company – GIL	588,341,000	764,133,106
Fellow subsidiary – GSPHPL	3,700,000	-
vi) Interest due on Inter Corporate Loan		
Fellow subsidiary – GTTEPL	205,379,032	6,537,508
Fellow subsidiary – Dhruvi	-	99,22,500
Holding Company – GIL	29,543,671	89,525,480
Fellow subsidiary – GSPHPL	122,272	-
Fellow subsidiary – Padmapriya	10,225	-
vii) Rental deposit		
Relatives of Director - B Rammadevi	201,000	201,000
viii) Debtors / Receivable		
Fellow subsidiary – KSPL	-	334,257
Fellow subsidiary – RSSL	-	480,973
Holding Company – GIL	924,643	-
Fellow subsidiary – Padmapriya	4,656,100	-
Fellow subsidiary – Geokno	174,219	1,232,246
Fellow subsidiary-GMR Highways Pvt Ltd	16,305	122,300
Fellow subsidiary-GMR Power Corporation Ltd	94,275	-
Fellow subsidiary-Kamalanga Energy Limited	152,862	-
Enterprise where key management personnel and their relatives exercise significant influence – GBPPL	-	24,751
ix) Creditors / payable		
Enterprises that control the Company - GIL	-	1,459,223
Fellow subsidiary – GCAPL	-	1,252,532
Fellow subsidiary – RSSL	1,649,289,827	-
Fellow subsidiary – GADL	-	2,435,793
Fellow subsidiary – GSPHPL	-	21,943



26 Fair values

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the financial statements is reasonable approximation of fair values.

27 Financial risk management objectives and policies

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

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.

The following assumptions have been made in calculating the sensitivity analyses:

► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

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 does not have fluctuating interest rate borrowings, thus company does not have any interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have exposure to foreign currency payable or receivable balances and hence it does not have any foreign currency risk.



28 Capital management

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

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

	Amount in INR	
	At 31 March 2018	At 31 March 2017
Borrowings	2,742,541,000	3,825,133,106
Total debt	2,742,541,000	3,825,133,106
Capital Components		
Share Capital	1,175,000,000	1,175,000,000
Other equity	8,664,836	32,766,598
Total Capital	1,183,664,836	1,207,766,598
Capital and net debt	3,926,205,836	5,032,899,704
Gearing ratio (%)	70%	76%

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

29 Business Combinations

- GMR Krishnagiri SIR (GKSIR) Limited is engaged in developing infrastructure i.e. roads, water, power, sewerage, digital infra etc. in a Special Investment Region (SIR) for clients in various segments such as Auto, Auto components, Defence, Aerospace, Electronics, Precision Engineering etc. to set up their unit in SIR being developed by GKSIR.
- GME Hosur EMC Limited is a company engaged in developing infrastructure i.e. roads, water, power, sewerage, digital infra etc. for clients in electronic manufacturing business, to set up their unit in the Electronics cluster being developed by GMR Hosur EMC Ltd.
- During the year, GMR Hosur EMC Limited, a wholly owned subsidiary of the company, has been merged with the company as per the scheme of Amalgamation vide order ref. CP.No.26/S.233/2017-18 dated 28th March, 2018 issued by regional director (SR), Ministry of Corporate Affairs, Chennai w.e.f. 1st July, 2017. As per Ind AS 103 Business Combinations, the business combination is accounted for as per Pooling of Interest Method and when there is a business combination between entities under common control, the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, the company has restated the financials from 1st April 2016.



30. Recent accounting pronouncements

a) 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 entitled in exchange for transferring goods or services to a customer.

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.

b) 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.

Amendments to Ind AS 40 - Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its financial statements.



31. Where there is movement/ balance in financial activities in cash flow

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:

Amount in Rs.

Particulars	01.04.2017	Cash Flow	Non Cash		31.03.2018
			Fair	Others	
Long Term Borrowings	3,825,133,106	(1,082,592,106)	-	-	2,742,541,000
Short Term Borrowing	-	-	-	-	-



Related Party Transaction Details
For the Year ended March 31, 2018

(Balance Sheet)
GMR Infrastructure SEZ Limited (GNSZ)
Code: CS500

A. Receivable / Reimbursable / Summary Debit / Deposits Paid / Interest Receivable

Sl No	Short Code	Inter Company	Transaction Description	Sub Head	Show in Financials	ICAP Amount	Ind AS Adjustment Amount	Total (ICAP + IND AS Adjustments)	DTL/DTA on Ind AS Adjustments
1	GPCL	GMR Power Corporation Limited (GPCL)	Reimbursement of Expenses	37- Loan and advances - related parties	1036000998	94,275.00	-	94,275.00	-
2	IC2100	GMR Kumbhanga Energy Limited (GKEL)	Reimbursement of Expenses	37- Loan and advances - related parties	1036000998	152,862.00	-	152,862.00	-
3	IC2300	GMR Infrastructure Energy Limited (GIEL)	Reimbursement of Expenses	37- Loan and advances - related parties	1036000998	174,219.00	-	174,219.00	-
4	GEONHO	GEONHO India Private Limited (GEONHO)	Reimbursement of Expenses	37- Loan and advances - related parties	1036000998	4,533,879.61	-	4,533,879.61	-
5	IC3523	Palmaraya Properties Private Limited (PAPPL)	Reimbursement of Expenses	37- Loan and advances - related parties	1036000998	4,625,879.61	-	4,625,879.61	-
6	IC3523	Palmaraya Properties Private Limited (PAPPL)	Reimbursement of Expenses	37- Loan and advances - related parties	1036000998	4,625,879.61	-	4,625,879.61	-
7	IC3300	RAMADEVI RAMADEVI B	Security Deposit	37- Loan and advances - related parties	1036000998	44,395.50	-	44,395.50	-
						291,000.00	-	291,000.00	-

B. Payable / Summary Credit / Deposits Received / Interest Payable

Sl No	Short Code	Inter Company	Transaction Description	Sub Head	Show in Financials	ICAP Amount	Ind AS Adjustment Amount	Total (ICAP + IND AS Adjustments)	DTL/DTA on Ind AS Adjustments
1	IC1100	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	29,513,671.00	-	29,513,671.00	-
2	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	205,379,032.00	-	205,379,032.00	-
3	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	7,987,847.00	-	7,987,847.00	-
4	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	10,225.00	-	10,225.00	-
5	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	13,000.00	-	13,000.00	-
6	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	1,649,299,826.63	-	1,649,299,826.63	-
						291,000.00	-	291,000.00	-

C. Loan Taken from Group Companies / Share Application money receivable / Other Loans

Sl No	Short Code	Inter Company	Transaction Description	Sub Head	Show in Financials	ICAP Amount	Ind AS Adjustment Amount	Total (ICAP + IND AS Adjustments)	DTL/DTA on Ind AS Adjustments
1	IC1100	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	29,513,671.00	-	29,513,671.00	-
2	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	205,379,032.00	-	205,379,032.00	-
3	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	7,987,847.00	-	7,987,847.00	-
4	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	10,225.00	-	10,225.00	-
5	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	13,000.00	-	13,000.00	-
6	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	1,649,299,826.63	-	1,649,299,826.63	-
						291,000.00	-	291,000.00	-

D. Share Capital

Sl No	Short Code	Inter Company	Transaction Description	Sub Head	Show in Financials	ICAP Amount	Ind AS Adjustment Amount	Total (ICAP + IND AS Adjustments)	DTL/DTA on Ind AS Adjustments
1	IC1100	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	29,513,671.00	-	29,513,671.00	-
2	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	205,379,032.00	-	205,379,032.00	-
3	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	7,987,847.00	-	7,987,847.00	-
4	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	10,225.00	-	10,225.00	-
5	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	13,000.00	-	13,000.00	-
6	IC1110	GMR Infrastructure Limited (GIL)	Interest accrued-ICD	Other current liabilities	2007000006	1,649,299,826.63	-	1,649,299,826.63	-
						291,000.00	-	291,000.00	-

For Brahmaya & Co.
Firm registration number: 0005115
Chartered Accountants

G. Srinivas
Partner
Membership no: 006761
Place: New delhi
Date: 15/04/2018



For and on behalf of the Board of Directors

[Signature]
BPN Rao
Director
DIN: 0005115

[Signature]
Company Secretary



Related Party Transaction Details
For the Year ended March 31, 2018

Profit & Loss

GMR Krishnagiri SEZ Limited (KSESEZ)
Code : CS500

A. Expense

Sl No	Short Code	Inter Company	Transaction Description	Main Head	Sub Head	Flow in Expense Transaction (₹)	ICAP Amount	Ind AS adjustment Amount	Total (ICAP + Ind AS Adjustments)	DTL/DTA on Ind AS Adjustments
1	GIL	GMR Infrastructure Limited (GIL)	Capitalized expenses	Other capital	Consultancy, expenses	604003999	5,177,035.75		5,177,035.75	
2	BAKA	BKA Security Services Limited	Security Charge	Other expenses	Man power, Outsourced	0050000001	1,915,345.78		1,915,345.78	

For Brahmayya & Co
Firm registration number: 0005155
Chartered Accountants

G. Samiwal
Partner

Membership no: 086761

Place: New Delhi

Date: 25th April, 2018



For and on behalf of the Board of Directors

[Signature]

BVN Rao
Director

TIN: 00051167

[Signature]
Company Secretary

