

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMR POWER CORPORATION LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **GMR POWER CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 16 (a) & (b) to the standalone Ind AS financial statements for the year ended March 31, 2018 which describe uncertainty in the entire matter relating to claim /counter claim filed by the Company and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) being sub-judice before the Honorable Supreme Court of India and not attaining finality.

Our opinion is not qualified in respect of the aforesaid 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;

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- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter ;
- e) The sub-judice matter as described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) on the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- g) 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
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a. the Company has disclosed the impact of pending litigations on its financial position to the extent quantifiable in its standalone Ind AS financial statements – Refer Note No. 31 to the standalone Ind AS financial statements;
 - b. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note No. 32 to the standalone Ind AS financial statements;
 - c. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

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- d. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 08, 2016 to December 30, 2016 which are not relevant to these standalone Ind AS financial statements. Hence, reporting under this clause is not applicable.

for CHATURVEDI & SHAH
Chartered Accountants
Firm Registration Number : 101720W



Chandan Lala
Partner
Membership Number: 35671

Place: Mumbai
Date: April 23, 2018



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

In terms of the Annexure "A" referred to in our report to the members of the **GMR POWER CORPORATION LIMITED** ("the Company") on the standalone 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 property, plant and equipments.
- b) The Company has physically verified the property, plant and equipments during the year and 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. The property, plant and equipment other than vehicles are currently classified as held for sale.
- c) There are no immovable properties in the name of the Company and accordingly Paragraph 3(i)(c) of the Order is not applicable to the Company.
- ii) The inventories have been physically verified by the management of the Company during the year and in our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material. The inventories are currently classified as held for sale.
- iii) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties listed in the register maintained under Section 189 of the Act. Consequently requirements of paragraph 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- iv) As per the information and explanation given to us, the Company has not given any loans, made investments, guarantees, security to the parties covered under section 185 and Section 186 of the Act. Consequently requirement of paragraph 3(iv) of the Order is not applicable to the Company.
- v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, provision of paragraph 3(v) of the Order is not applicable to the Company. There are no orders from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi) There was no sale of electricity energy during the year and in the immediately preceding year. Consequently a requirement of paragraph 3(vi) of the order is not applicable to the Company.

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- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has generally been regular in depositing the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.

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

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

Nature of the Statute	Nature of Dues	Year to which it pertains	Amount Demanded (Rupees)	Forum where dispute is pending
Income-tax Act, 1961	Disallowance of MAT Credit	AY 2016-17	16,464,090	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Short deduction - Tax deducted at source	AY 2008-09 AY 2009-10 AY 2012-13	7,930 14,960 1,700	Pending before Assessing officer.
-do-	Delay in filing of e-TDS statement	AY 2015-16	1,040	Pending before Assessing officer.

- viii) According to the information and explanation given to us and records of the Company, the Company has neither taken any loans or borrowings from financial institutions, banks and Government nor has issued any debentures to any party. Accordingly the question of default doesn't arise.

- ix) According to the information and explanation given to us and records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Further, in our opinion and according to the information and explanation given to us, the company has not availed any term loans during the year.

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- x) During the course of examination of books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across with any material fraud by the Company or any fraud on Company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the adequate approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company, during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) In our opinion and according to the information provided to us, on perusal of the criteria of financial assets and financial income as per the last audited financial statements the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. The Company has not obtained registration in this regard.

for CHATURVEDI & SHAH

Chartered Accountants

Firm Registration Number : 101720W



Chandan Lala

Partner

Membership Number: 35671

Place: Mumbai

Date: April 23, 2018



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for Internal Financial Controls

The Board of Directors of Company 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") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting 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.

for CHATURVEDI & SHAH

Chartered Accountants

Firm Registration Number : 101720W



Chandan Lala

Partner

Membership Number: 35671

Place: Mumbai

Date: April 23, 2018



GMR Power Corporation Limited
CIN : U40105KA1995PLC016942
Balance sheet as at March 31, 2018

Particulars	Notes	Rupees in Millions	
		March 31, 2018	March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	0.32	352.24
Intangible assets	3	-	-
Financial assets			
Investments	4	5.40	5.40
Loans	5	224.52	14.85
Non Current Income tax asset (net)	18	116.19	47.07
		346.43	419.56
Current assets			
Inventories	8	-	18.98
Financial assets			
Investments	4	-	22.80
Trade receivables	9	1,141.19	1,141.23
Cash and cash equivalents	10	26.87	2.50
Loans	5	6,336.54	5,590.91
Other financial assets	6	961.36	1,355.97
Other current assets	7	66.34	66.13
Assets classified as held for sale	27	50.58	-
		8,582.88	8,198.52
Total Assets		8,929.31	8,618.08
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2,475.00	2,475.00
Other equity	12	246.69	216.27
Total equity		2,721.69	2,691.27
LIABILITIES			
Current liabilities			
Financial Liabilities			
Borrowings	13	136.43	8.00
Other financial liabilities	14	107.71	32.51
Trade Payable	15	214.91	163.07
Other current liabilities	16	5,667.75	5,644.01
Provisions	17	80.82	79.22
Total liabilities		6,207.62	5,926.81
TOTAL EQUITY AND LIABILITIES		8,929.31	8,618.08
Significant accounting policies	1		

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

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration Number : 101720W

Chandan Lala

Chandan Lala

Partner

Membership No.: 35671

Place: Mumbai

Date: April 23, 2018



For and on behalf of the Board of Directors

GMR Power Corporation Limited

Meena Lochani

Meena Lochani Raghunathan

Director

DIN: 07145001

Atul Aggarwal

Atul Aggarwal

Chief Financial Officer

Membership No.: 500466

Place: New Delhi

Date: April 23, 2018

Arunendu Saha

Arunendu Saha

Director

DIN: 06776423

Simple Jain

Simple Jain

Company Secretary

Membership No.: F 7560



Particulars	Notes	Rupees in Millions	
		Year ended March 31, 2018	Year ended March 31, 2017
Continuing Operations			
INCOME			
Other income	19	344.74	704.58
Total Income		344.74	704.58
EXPENSES			
Employee benefit expenses	20	3.73	7.11
Depreciation and amortisation expenses	21	0.21	0.21
Finance costs	22	23.56	0.77
Other expenses	23	6.84	3,486.57
Total Expenses		34.34	3,494.66
Profit/(loss) before exceptional items and tax expenses from continuing operations		310.40	(2,790.08)
Exceptional items	24	-	424.17
Profit/(loss) before tax expenses from continuing operations		310.40	(3,214.25)
Tax expenses of continuing operations			
Current tax	18	5.50	-
MAT Credit	18	(40.04)	-
Deferred tax	18	(0.16)	-
Income tax expense		(34.70)	-
Profit/(loss) after tax expenses from continuing operations		345.10	(3,214.25)
Discontinued Operations			
Profit/(loss) before tax expenses from discontinued operations	26	(69.99)	(533.05)
Tax expenses of discontinued operations			
Current tax		-	-
Deferred tax		-	(78.23)
Income tax expense		-	(78.23)
Profit/(loss) after tax expenses from discontinued operations		(69.99)	(454.82)
Profit/(loss) for the year		275.11	(3,669.07)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		0.48	(0.24)
Income tax effect		(0.16)	0.08
Other comprehensive income for the year (net of tax)		0.32	(0.16)
Total comprehensive income for the year		275.43	(3,669.23)
Earnings per equity share:			
(Face value of equity shares of Rs.10 each)	30		
(1) Basic / Diluted earning per share for continuing operations and discontinued operations		1.11	(14.82)
(2) Basic / Diluted earning per share for continuing operations		1.39	(12.99)
(3) Basic / Diluted earning per share for discontinued operations		(0.28)	(1.83)
Significant accounting policies	1		

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

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration Number : 101720W

Chandan Lala
Chandan Lala

Partner

Membership No.: 35671



Place: Mumbai

Date: April 23, 2018



For and on behalf of the Board of Directors

GMR Power Corporation Limited

Meena Lochani
Meena Lochani Raghunathan

Director

DIN: 07145001

Atul Aggarwal
Atul Aggarwal

Chief Financial Officer

Membership No.: 500466

Place: New Delhi

Date: April 23, 2018

Arunendu Saha
Arunendu Saha

Director

DIN: 06776423

Simple Jain
Simple Jain

Company Secretary

Membership No.: F 7560

GMR Power Corporation Limited

CIN : U40105KA1995PLC016942

Statement of changes in Equity for the year ended March 31, 2018

Particulars	Equity Share Capital	Other equity				Rupees in Millions
		General Reserve	Major Maintenance Reserve	Retained Earnings	Other Compre- hensive Income	Total equity
Balance as at April 1, 2016	₹ 2,475.00	₹ 217.97	₹ 200.00	₹ 3,459.07	₹ 1.25	₹ 6,353.29
Changes in equity for the year ended March 31, 2017						
Increase in issue of share capital	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Profit / (Loss) for the year	₹ -	₹ -	₹ -	₹ (3,669.07)	₹ -	₹ (3,669.07)
Recognition of Financial Guarantee issued to fellow subsidiary	₹ -	₹ -	₹ -	₹ (4.00)	₹ -	₹ (4.00)
Excess provision of Income tax provision of earlier period	₹ -	₹ -	₹ -	₹ 11.21	₹ -	₹ 11.21
Other comprehensive income						
Re-measurement gains/(loss) on defined benefit plans	₹ -	₹ -	₹ -	₹ -	₹ (0.16)	₹ (0.16)
Balance as at March 31, 2017	₹ 2,475.00	₹ 217.97	₹ 200.00	₹ (202.79)	₹ 1.09	₹ 2,691.27
Changes in equity for the year ended March 31, 2018						
Increase in issue of share capital	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Transferred to retained earnings	₹ -	₹ -	₹ (200.00)	₹ -	₹ -	₹ (200.00)
Profit / (Loss) for the year	₹ -	₹ -	₹ -	₹ 275.11	₹ -	₹ 275.11
Recognition of Financial Guarantee issued to fellow subsidiary	₹ -	₹ -	₹ -	₹ (4.73)	₹ -	₹ (4.73)
Write off of interest receivable from fellow subsidiary on instruction of equity participant	₹ -	₹ -	₹ -	₹ (240.28)	₹ -	₹ (240.28)
Transferred from Major Maintenance Reserve	₹ -	₹ -	₹ -	₹ 200.00	₹ -	₹ 200.00
Other comprehensive income						
Re-measurement gains/(loss) on defined benefit plans	₹ -	₹ -	₹ -	₹ -	₹ 0.32	₹ 0.32
Balance as at March 31, 2018	₹ 2,475.00	₹ 217.97	₹ -	₹ 27.31	₹ 1.41	₹ 2,721.69

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

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration Number : 101720W


Chandan Lala

Partner

Membership No.: 35671

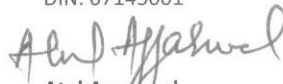
For and on behalf of the Board of Directors

GMR Power Corporation Limited


Meena Lochani Raghunathan

Director

DIN: 07145001


Atul Aggarwal

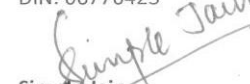
Chief Financial Officer

Membership No.: 500466


Arunendu Saha

Director

DIN: 06776423


Simple Jain

Company Secretary

Membership No.: F 7560

Place: Mumbai

Date: April 23, 2018



Place: New Delhi

Date: April 23, 2018



GMR Power Corporation Limited

CIN : U40105KA1995PLC016942

Statement of Cash flows for the year ended March 31, 2018

Rupees in Millions

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax from continuing operations	310.40	(3,214.25)
Profit / (loss) before tax from discontinued operations	(69.99)	(533.05)
Profit / (loss) before tax	240.41	(3,747.30)
Adjustments for Non-Cash items		
Interest & Finance Charges	29.01	5.89
Depreciation and amortisation	196.22	412.72
Loss/ (profit) on sale of property, plant and equipment	(261.60)	-
Interest income	(340.57)	(682.93)
Loss/ (Profit) on sale of Investments in mutual funds	(2.67)	(0.64)
Provision no longer required written back	(1.22)	(7.93)
Advances no longer recoverable written off	-	1.50
Loss/ (Profit) on sale of Investments in preference shares	-	424.17
Write off of property, plant and equipment	-	0.31
Allowance for doubtful ICDs & Accrued Interest	-	3,206.39
Re-measurement of defined benefit plans	0.48	(0.24)
Cash Flow before changes in working capital	(139.94)	(388.06)
Adjustment for changes in working capital :		
Increase/ (Decrease) in trade payables and others	130.33	41.58
Decrease / (increase) in trade receivables and others	(29.62)	192.61
Decrease/ (Increase) in Inventories	0.09	(0.05)
Cash generated from operations	(39.14)	(153.92)
Less: Taxes (paid) / refund	(34.58)	50.92
Net cash from / (used in) operating activities	(73.72)	(103.00)
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	-	(0.05)
Proceeds from sale of property, plant and equipment	385.61	-
Proceeds from sale of Mutual fund units	25.11	(21.80)
Proceeds from sale of Investments	-	1,960.00
Inter Corporate Deposit / Loans given	(954.79)	(2,164.23)
Decrease / (Increase) in Margin money and deposits	-	0.31
Interest received	516.11	321.12
Net Cash from/ (used in) investing activities	(27.96)	95.35
C CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings from Group Company	128.43	-
Interest and finance charges paid	(2.38)	(0.07)
Net Cash flow from / (used in) financing activities	126.05	(0.07)



GMR Power Corporation Limited

CIN : U40105KA1995PLC016942

Statement of Cash flows for the year ended March 31, 2018

Particulars	Rupees in Millions	
	Year ended March 31, 2018	Year ended March 31, 2017
D Net Increase/(Decrease) in Cash and Cash Equivalents [A+B+C]	24.37	(7.72)
Add: Cash and Cash Equivalents at the beginning of the year	2.50	10.22
Cash and Cash Equivalents as at the end of the year	26.87	2.50
Break-up of cash and cash equivalents		
Cash in hand	-	-
Balances with banks:		
in current accounts	26.87	2.50
Cash and Cash Equivalents as at the end of the year	26.87	2.50

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows.
- Effective from April 01, 2017, the Company adopted the amendments to Ind AS 7, which requires the 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 reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. Since the Company has adopted amendments to Ind AS 7 for the first time during the year, previous year reconciliation are not given. The reconciliation for the year is as given below:

Particulars	Rupees in Millions	
	Year ended March 31, 2018	
Short Term Borrowings		
Opening Balance		8.00
Proceeds / (repayment) of short term borrowings (net) *		128.43
Non-cash fair value changes		-
Closing balance		136.43

* - during the year the Company has renewed the inter corporate loan availed of Rs. 8.00 Millions which has not been considered under proceeds / repayment of short term borrowings disclosed above.



GMR Power Corporation Limited

CIN : U40105KA1995PLC016942

Statement of Cash flows for the year ended March 31, 2018

3 The previous year figures have been regrouped wherever necessary.

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

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration Number : 101720W



Chandan Lala

Partner

Membership No.: 35671

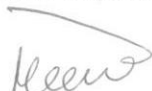


Place: Mumbai

Date: April 23, 2018

For and on behalf of the Board of Directors

GMR Power Corporation Limited



Meena Lochani Raghunathan

Director

DIN: 07145001



Atul Aggarwal

Chief Financial Officer

Membership No.: 500466

Place: New Delhi

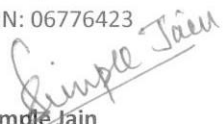
Date: April 23, 2018



Arunendu Saha

Director

DIN: 06776423



Simple Jain

Company Secretary

Membership No.: F 7560



1 Company Overview and Significant Accounting Policies:

1.1 Company overview:

GMR Power Corporation Limited ('GPCL' or 'the Company') is a Public limited Company domiciled in India. It was engaged in business of generation and sale of power. The Company had entered into a power purchase agreement (PPA) with Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) (formerly known as Tamil Nadu Electricity Board) for supply of power from its 200 MW plant situated at Basin Bridge, Chennai, India which had expired on February 14, 2015. In view of the expired PPA the Company during the year has discontinued the Power Generation operations and has initiated sale of its Plant and identified the buyer. The buyer is responsible for dismantling, demolishing the building and restoring the land to its original condition which has been partially completed. The Company is evaluating certain strategic restructuring options including mergers with other group companies and fellow subsidiaries including new avenues for the business.

Further, the Company is also engaged in extending inter corporate deposits / loans to Group Companies basically on short term basis and earns interest as the major source of income.

Information on other related party relationships of the Company is provided in Note no. 36.

The Ind AS financial statements of the Company for the year ended March 31, 2018 are authorised for issue in accordance with a resolution of the directors on April 23, 2018.

1.2 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 (refer accounting policy regarding financial instruments), 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 standalone Ind AS financial statements are presented in 'Indian Rupees' (INR) which is also the Company's functional currency and all values are disclosed to the nearest Millions with two decimals (INR 000,000.00), except when otherwise indicated.

d) Summary of significant accounting policies

i) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

ii) Property, Plant & Equipments:

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost including government grants and decommissioning costs less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties, levies. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months and having a value of more than 5 Lakhs.



1 Company Overview and Significant Accounting Policies:

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

Depreciation and amortisation

Depreciation on tangible assets are provided using straight line method over the useful life of the assets as technically estimated by the Management in terms of Schedule II to the Companies Act, 2013, except for diesel engine based power plant wherein life is taken as 19 years which is less than as specified in Schedule II to the Companies Act.

Buildings on lease hold land are depreciated over the tenure of the lease.

Leasehold assets are amortized at rates based on the tenure of the lease or the rates specified in Schedule II of the Companies Act, 2013, whichever is higher.

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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Machinery spares which are specific to a particular item of Property, Plant & Equipments and whose use is expected to be irregular are capitalized as Property, Plant & Equipments.

iii) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

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

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

iv) Borrowing cost

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

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

v) Government grants

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



1 Company Overview and Significant Accounting Policies:

vi) Leases

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

A lease is classified at the inception date as a finance lease or an operating lease.

Company as a lessee :

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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.

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

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

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

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

- a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Company as a lessor :

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

- a. another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or
- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

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

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

vii) Inventories

Inventories are valued as follows:

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



1 Company Overview and Significant Accounting Policies:

viii) Impairment of non-financial assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

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

- i. in the case of an individual asset, at the higher of the net selling price and the value in use; and
- ii. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

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

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

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

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

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

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

ix) Provisions and Contingent Liabilities

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

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

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

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

Provisions and contingent liability are reviewed at each balance sheet.



1 Company Overview and Significant Accounting Policies:

x) Decommissioning liability

Decommissioning Liability are recognised for those lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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

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

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

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

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

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

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

- The date of the plan amendment or curtailment, and
- 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:

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

xii) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

Effective Interest Method :

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



1 Company Overview and Significant Accounting Policies:**a. Financial Assets****Financial assets at amortised cost**

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

Financial assets measured at fair value

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

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

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

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses rate the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will results if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are predicted over the next 12 months.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

De-recognition of financial assets

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

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

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

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

b. Financial liabilities and Equity Instruments**Classification as debt or equity**

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

Equity Instruments

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



1 Company Overview and Significant Accounting Policies:

Financial Liabilities

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

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

Financial liabilities at FVTPL

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

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

Fair values are determined in the manner described in note 'xvii' below.

Financial liabilities at amortised cost

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

Financial liabilities at amortised cost

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.

De-recognition of Financial liabilities

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

Offsetting of financial instruments

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

Derivative financial instruments

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

Embedded Derivative financial instruments

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

Preference shares and Subordinate Debt

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

On issuance of the convertible preference shares/ subordinate debt, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

The Company issues preference shares/ debt to the Holding Company / Parent / Equity Participants which are at below market rate of interest. The Company fair values the liability component of such financial instruments using a market rate for an equivalent instrument. The difference between the carrying value and the fair value of the liability component is recognised as a contribution from parent and recognised in other equity. The regular unwinding of the financial instrument is recognised in the statement of profit and loss under 'finance cost'.



1. Company Overview and Significant Accounting Policies:

xiii) Revenue Recognition

Revenue is recognized 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.

- a) Revenue from sale of energy is recognized as per the terms of the Power Purchase Agreements (PPAs) and Letter of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') on accrual basis and includes unbilled revenue accrued up to the end of the accounting year.

Revenue from energy units sold on merchant basis is recognized in accordance with billings made to consumers based on the units of energy delivered and the rate agreed with the customers.

- b) Revenue from sale of power is net of prompt payment rebate eligible to the customers.
c) Claims for delayed payment charges and any other claims, which the Company is entitled to under the PPAs, are recognised on reasonable certainty to expect ultimate collection and on acceptance by the customers.
d) Revenue earned in excess of billings has been included under "other assets" as unbilled revenue and billings in excess of revenue have been disclosed under "other liabilities" as unearned revenue.

e) Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

f) Dividends:

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

xiv) Cash and cash equivalents

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

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

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

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

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

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

xvi) Foreign currencies

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

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

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

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



1 Company Overview and Significant Accounting Policies:

xvii) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

xviii) Taxes on income

Current income tax

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

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

Deferred tax

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

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

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

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

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

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



1 Company Overview and Significant Accounting Policies:

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

xix) Earnings per share

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

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

xx) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset;
- An active programme to locate a buyer and complete the plan has been initiated;
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

1.3 Significant accounting judgements, estimates and assumptions

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

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

A. Critical Accounting Estimates and Assumptions :

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

i. Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961. Deferred tax assets recognised to the extent of the corresponding deferred tax liability. Also Refer Note No. 18.

ii. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 28 and 29 for further disclosures.



1 Company Overview and Significant Accounting Policies:**iii. Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

iv. Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note no. 34(b).

B. Significant judgements**i. Property Plant and Equipment and Intangible Assets**

Property, plant and equipment and Intangible Assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation / amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired/ constructed and reviewed periodically, including at each financial year end. The lives are based on the technical assessment which has relied on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence and Government Policies impacting the assets use. Refer note 2 and 3 for details of value of non current assets and its depreciation/ amortisation.

ii. Provision for decommissioning liability (Asset Retirement Obligation)

The Company has entered into an agreement with the Customer for the sale of the Power Plant during the year based on the e auction conducted by it. In terms of the same the customer is under an obligation to take possession of the plant after dismantling the power plant and bringing back the plant site to the original condition to facilitate handover of the site back to TANGEDCO. The Asset Retirement Obligation towards decommissioning of the Plant has been carried over to the next financial year pending completion of the sale of assets as the Company is of the view that full restoration of the plant site remains to be the obligation of the Company inspite of the agreement with the Customer which is not yet Completed.

iii. Recognition of Minimum Alternate Tax (MAT) Credit

The Company, during the year, has recognised MAT credit pertaining to Financial year 2012-13 (Assessment Year 2013-14) of Rs. 40.04 Millions, considering the re-assessment of the business plan and availability of taxable profit in the future. Refer Note No. 18.03.

1.4 New and amended Ind AS effective as on April 1, 2017

As per Companies (Indian Accounting Standards) Amendment Rules, 2017, the Company has adopted following amendments made to Ind AS for annual periods beginning on or after 1st April, 2017:

Ind AS 102 - Share based payments

The amendments to Ind AS 102 addresses three classification and measurement issues. These relate to measurement of cash-settled awards, modification of cash-settled awards and equity settled awards that include a 'net settlement' feature in respect of withholding taxes. Amendments to Ind AS 102 does not have an impact on the financial position of the company.

Ind AS 7 - Statement of Cash Flows

The amendments to Ind AS 7 introduces an additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from i) cash flows, such as draw downs and repayments of borrowings, ii) non-cash changes (ie., changes in fair values), changes resulting from acquisitions and disposals of subsidiaries/businesses and the effect of foreign exchange differences.

The Management is of the opinion that the disclosure requirements contained therein have been fully adhered to and are appropriately disclosed in the Statement of Cash Flows forming part of these financial statements and there is no material implication which is necessary to be effected in the statement of cash flows.



1 Company Overview and Significant Accounting Policies:

1.5 Introduction of new standards and amendments to existing standards issued but not effective as on April 1, 2017

- A. The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The amendments are applicable to the Company from April 01, 2018. The amendments made in the Rules are with respect to the following standards:
- i) New Standard Ind AS 115, 'Revenue from Contracts with Customers' which supersedes Ind AS 11, 'Construction Contracts' and Ind AS 18, 'Revenue' and consequential amendments to other Ind AS due to notification of Ind AS 115.
 - ii) Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' clarifying that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration.
 - iii) Amendments to Ind AS 12, 'Income Taxes', clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments further clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets.
- B. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IFRS 15, 'Revenue for Contracts with Customers', IAS 21, 'The Effects of Changes in Foreign Exchange Rates' and IAS 12, 'Income Taxes' respectively.
- i) Ind AS 40- Investment Property, Ind AS 28-Investment in Associates and Joint Ventures, Ind AS 112- Disclosure of Interests in Other entities have also been amended with effect from 1st April 2018 which are not applicable to the Stand alone financial statements of the Company.
 - ii) The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the standalone financial statements. The Management however believes that the implication on financial statement of the above mentioned standards if any will not be material.



Particulars	Office Equipments	Plant and Equipments (owned)	Plant and Equipments (On lease) ^c	Building (on leasehold land)	Furniture and Fixtures	Vehicles	Total
Gross block							
As at April 1, 2016	7.30	1,014.91	-	159.52	1.32	1.21	1,184.26
Additions	0.05	-	-	-	-	-	0.05
Disposals	0.97	1.24	-	-	-	-	2.21
As at March 31, 2017	6.38	1,013.67	-	159.52	1.32	1.21	1,182.10
Additions	-	-	-	-	-	-	-
Disposals	6.38	684.52	-	159.52	1.32	-	851.74
Transferred to asset held for sale (Note no.27)	-	329.15	-	-	-	-	329.15
As at March 31, 2018	-	-	-	-	-	1.21	1.21
Depreciation							
As at April 1, 2016	5.63	332.63	-	80.93	0.27	0.45	419.91
Charge for the year	0.61	332.46	-	78.32	0.23	0.22	411.84
Deductions	0.96	0.93	-	-	-	-	1.89
As at March 31, 2017	5.28	664.16	-	159.25	0.50	0.67	829.86
Charge for the year	0.70	195.02	-	0.14	0.14	0.22	196.22
Deductions	5.98	561.72	-	159.39	0.64	-	727.73
Transferred to asset held for sale (Note no.27)	-	297.46	-	-	-	-	297.46
As at March 31, 2018	-	-	-	-	-	0.89	0.89
Net block							
As at March 31, 2017	1.10	349.51	-	0.27	0.82	0.54	352.24
As at March 31, 2018	-	-	-	-	-	0.32	0.32



GMR Power Corporation Limited

CIN : U40105KA1995PLC016942

Notes to the financial statements for the year ended March 31, 2018

Note:

- a. Deemed Cost: The Company for the Financial Year 2016-17, had adopted Indian Accounting Standards ('Ind AS') under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has elected to use its previous GAAP carrying value as at April 01, 2015, being the opening balance sheet date for the purpose of first time adoption of Indian Accounting Standards as per Para D7AA of Ind AS 101, 'First-time Adoption of Indian Accounting Standards'. Accordingly the value of gross block disclosed above includes carrying value of assets at the transition date (i.e., April 01, 2015) which is considered as deemed cost.
- b. The Company, during the year, has entered into agreement with Mjunction Services Limited for identification of potential buyer through e-auction in respect of power plant asset (except for Steam Turbine Generator) and accordingly a successful buyer was identified as M/s Anton Engineering ('Buyer'). The Company placed sale order on buyer for sale of 4x50 MW Diesel based power plant located at Basin Bridge, Chennai on 'as is where is basis' for a consideration of Rs. 570.00 Millions for transferring the entire power plant assets including stores and spares, demolishing of buildings and restoration of plant site. In terms of the sale order, the buyer removes the assets under an invoice based on the segments / lots defined in the sale order over the period of time where by the risks and rewards are transferred. Accordingly, the power plant assets that were pending in the site to be removed having books value of Rs. 31.69 Millions has been classified as held for sale and disclosed in Note No. 27. The profit from sale of the assets removed by the buyer amounting to Rs. 261.00 Millions which has been invoiced has been disclosed under Note No. 26 as exceptional items under other income from discontinued operations.
- c. The Steam Turbine Generator classified under Plant and Equipment on lease is carried at Re. 1.
- d. Assets are owned and are used for own use, unless otherwise mentioned.



3 Intangible assets

Rupees in Millions

Particulars	Computer Software	Total
Gross block		
As at April 1, 2016	2.52	2.52
Additions	-	-
Disposals	-	-
As at March 31, 2017	2.52	2.52
Additions	-	-
Disposals	-	-
As at March 31, 2018	2.52	2.52
Amortisation		
As at April 1, 2016	1.64	1.64
Charge for the year	0.88	0.88
Disposals	-	-
As at March 31, 2017	2.52	2.52
Charge for the year	-	-
Disposals	-	-
As at March 31, 2018	2.52	2.52
Net block		
As at March 31, 2017	-	-
As at March 31, 2018	-	-

Note:

Deemed Cost: The Company for the Financial Year 2016-17, had adopted Indian Accounting Standards ('Ind AS') under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has elected to use its previous GAAP carrying value as at April 01, 2015 being the opening balance sheet date for the purpose of first time adoption of Indian Accounting Standards as per Para D7AA of Ind AS 101, 'First-time Adoption of Indian Accounting Standards'. Accordingly the value of gross block disclosed above includes carrying value of assets at the transition date (i.e., April 01, 2015) which is considered as deemed cost.



4 Investments		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
Non-current investments			
Investment in equity instruments of Associates	5.40	5.40	
	5.40	5.40	
Current investments (Unquoted)			
Liquid mutual fund units	-	22.80	
	-	22.80	
Total carrying value			
Details of Investments			Rupees in Millions
Particulars	March 31, 2018	March 31, 2017	
Non-current investments			
Unquoted			
Investments carried at cost			
Investment in equity instruments of Associates			
270,000 (March 31, 2017: 270,000) equity shares of Rs.10 each fully paid-up in GMR Tambaram Tindivanam Expressways Ltd ¹	2.70	2.70	
270,000 (March 31, 2017: 270,000) equity shares of Rs.10 each fully paid-up in GMR Tuni Anakapalli Expressways Ltd ¹	2.70	2.70	
Total non-current investments (A)	5.40	5.40	
Aggregate value of unquoted investments	5.40	5.40	
Current investments			
Unquoted			
Investments carried at fair value through profit or loss			
ICICI Prudential Liquid Regular Plan -Growth			
Nil (March 31, 2017 : 94,942.071) units of ICICI Prudential Liquid Regular plan- Growth @ Rs. 240.1565/- each)	-	22.80	
Total current investments (B)	-	22.80	
Aggregate value of unquoted investments	-	22.80	
Total Investments (A+B)	5.40	28.20	

¹ - 250,000 Equity shares of Rs. 10 each fully paid up, held in GMR Tambaram Tindivanam Expressways Private Limited and GMR Tuni Anakapalli Expressways Private Limited included above, are pledged as security towards loan facilities availed by the respective investee companies.



5 Loans	Rupees in Millions	
	March 31, 2018	March 31, 2017
Particulars		
Non-current		
Unsecured considered good		
<i>Carried at amortised cost</i>		
Security deposit		
related parties [refer note no. 36(vii)]	-	4.82
other	0.64	10.03
Loan to related parties [refer note no. 36(vii)]		
Inter Corporate deposit	223.88	-
Total non-current balance loans (A)	224.52	14.85
Current		
Unsecured considered good		
<i>Carried at amortised cost</i>		
Security deposit		
related parties [refer note no. 36(vii)]	10.75	5.48
other	9.38	-
Loan to related parties [refer note no. 36(vii)]		
Inter Corporate deposit	4,208.62	3,477.71
Inter Corporate loan	2,106.81	2,106.81
Loans to employees	0.98	0.91
	6,336.54	5,590.91
Unsecured, considered doubtful *		
Inter Corporate deposit	2,883.20	2,883.20
Inter Corporate loan	323.19	323.19
	3,206.39	3,206.39
Less: Allowances for doubtful loans / deposits	(3,206.39)	(3,206.39)
	-	-
Total current balance loans (B)	6,336.54	5,590.91
Total loans (A+B)	6,561.06	5,605.76

* - During the previous year, the Company has provided for credit loss on inter corporate deposit / loan granted to fellow subsidiaries in view of the enterprise valuation obtained from an expert which had fair valued these deposits/loans at a lower value than the transaction value [Refer Note No. 36(vii)]. The Company has not recognised interest income on portion of loan on which credit loss is provided for considering prudence.



6 Other financial assets		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
Current			
Unsecured considered good			
<i>Carried at amortised cost</i>			
Other receivables			
related parties [refer note no. 36(vii)]	2.67	0.37	
others *	26.64	-	
Other advances and recoverable from related parties [refer note no. 36(vii)]	0.88	0.88	
Interest accrued on Inter corporate loans / deposits **	931.17	1,354.72	
Total current balance of other financial assets	961.36	1,355.97	

* - receivable from M/s Anton Engineering towards sale of power plant assets as referred to in Note No. 2(b).

** - During the year, the Company has partially written off interest accrued from fellow subsidiary amounting to Rs. 240.28 Millions receivable up to March 31, 2017. In view of the transaction being in the nature of distribution on instruction from the equity participant, the interest written off has been adjusted to retained earnings. Refer Note No. 12(c) and 36(vii).

The Company further has not recognised interest for FY 2017-18 on the outstanding inter corporate deposit / loan advanced to GMR Kamalanga Energy Limited and SJK PowerGen Limited in view of the waiver effective from April 1, 2017.

7 Other assets		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
Non-current			
Total non-current balance of other assets (A)	-	-	
Current			
Unsecured considered good			
Advances recoverable in cash or kind			
Trade	65.00	64.67	
Others			
Prepaid expenses	-	0.71	
Gratuity plan asset (net of provision) [refer note no. 34(b)]	1.34	0.75	
Total current balance of other assets (B)	66.34	66.13	
Total other assets (A+B)	66.34	66.13	

8 Inventories		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
<i>(Valued at lower of cost and net realizable value)</i>			
Stores and spares *	18.89	18.98	
	18.89	18.98	
Less: Transferred to assets held for sale (Refer note no.27)	(18.89)	-	
Total	-	18.98	

* - stores and spares are to be transferred / sold along with the power plant assets as referred to in Note No. 2(b). Accordingly, has been classified as held for sale and disclosed in Note No. 27.



9 Trade receivables	Rupees in Millions	
	March 31, 2018	March 31, 2017
Particulars		
Unsecured, considered good		
others	1,141.19	1,141.23
Total	1,141.19	1,141.23

Notes:

a) Trade receivables are interest bearing and are generally on terms of 1 to 60 days.

b) *Credit concentration:*

As on balance sheet date Trade receivables from State Electricity Distribution Companies (DISCOMS) under expired Long term power purchase agreement constitutes 100% (March 31, 2017 : 100.00%).

c) *Expected credit loss*

The majority of the receivables are from DISCOMS which are Government undertakings. The Company has certain power sales bills receivable pending litigations. The Company also has certain payables to the said customers which has not been released pending recovery of the receivables. The receivables are interest bearing, hence the provision for time value of money is not required. The amount receivables from the Discoms are considered good by the management of the Company considering its past recoveries and experiences with the customer.

d) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

10 Cash and cash equivalents	Rupees in Millions	
	March 31, 2018	March 31, 2017
Particulars		
Cash in hand	-	-
Balances with banks:		
in current accounts	26.87	2.50
Total	26.87	2.50

Break-up of financial assets	Rupees in Millions	
	March 31, 2018	March 31, 2017
Particulars		
Financial asset carried at cost		
Investment in equity instruments of Associates	5.40	5.40
Financial asset carried at amortised cost		
Trade receivables	1,141.19	1,141.23
Cash and cash equivalents	26.87	2.50
Loans	6,561.06	5,605.76
Other financial assets	961.36	1,355.97
Financial assets carried at fair value through profit or loss		
Liquid mutual fund units	-	22.80
Total	8,695.88	8,133.66



11. Share capital	Rupees in Millions	
	March 31, 2018	March 31, 2017
Particulars		
Authorised		
250,000,000 (March 31, 2017: 250,000,000) Equity Shares of Rs 10/- each	2,500.00	2,500.00
Issued, Subscribed and Paid up		
247,500,000 (March 31, 2017: 247,500,000) Equity Shares of Rs 10/- each	2,475.00	2,475.00
Total	2,475.00	2,475.00

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

Particulars	Numbers	Rupees in Millions
March 31, 2018		
Balance at the beginning of the year	247,500,000	2,475.00
Shares issued during the year	-	-
Balance at the end of the year	247,500,000	2,475.00
March 31, 2017		
Balance at the beginning of the year	247,500,000	2,475.00
Shares issued during the year	-	-
Balance at the end of the year	247,500,000	2,475.00

b. Terms/Rights Attached to equity Shares

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

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

c. Restrictions on the distribution of dividends :

The Board shall propose to the shareholders the maximum possible dividend payable under applicable law. Upon such recommendation shareholders shall declare dividends as follows -

- All such dividends & profits shall be paid to shareholders in their existing shareholding pattern.
- Any such dividend or other distribution shall be based on profit generated by the Company or on appropriate basis permitted by the applicable laws.

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

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

Particulars	Numbers	Rupees in Millions
March 31, 2018		
Equity Shares at par value of Rs 10/- each		
GMR Generation Assets Limited	126,225,000	1,262.25
March 31, 2017		
Equity Shares at par value of Rs 10/- each		
GMR Generation Assets Limited	126,225,000	1,262.25



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

Particulars	Numbers	Rupees in Millions
March 31, 2018		
GMR Generation Assets Limited	126,225,000	51.00%
Odeon Limited, Mauritius	121,274,300	49.00%
March 31, 2017		
GMR Generation Assets Limited	126,225,000	51.00%
Odeon Limited, Mauritius	121,274,300	49.00%

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

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

12 Other equity	Rupees in Millions	
	March 31, 2018	March 31, 2017
a) General Reserve	217.97	217.97
b) Major Maintenance Reserve		
Balance at the beginning of the year	200.00	200.00
Less: Transferred to retained earnings*	(200.00)	-
Balance at the end of the year	-	200.00
c) Surplus in the statement of profit and loss		
Balance at the beginning of the year	(202.79)	3,459.07
<i>Adjustment to retained earnings</i>		
Recognition of Financial Guarantee issued to fellow subsidiary	(4.73)	(4.00)
Excess provision of Income tax provision of earlier period	-	11.21
Write off of interest receivable from fellow subsidiary on instruction of equity participant [Refer Note No. 36(vii)]	(240.28)	-
Transferred from Major Maintenance Reserve	200.00	-
Profit / (Loss) for the year	275.11	(3,669.07)
Balance at the end of the year	27.31	(202.79)
d) Other comprehensive income		
Balance at the beginning of the year	1.09	1.25
Transactions during the year:		
Re-measurement gains (losses) on defined benefit plans (net of taxes)	0.32	(0.16)
Balance at the end of the year	1.41	1.09
Total	246.69	216.27

* - The Company has discontinued its Power Generation operations pursuant to non renewal of PPA by TANGEDCO and initiated dismantling and sale of the plant during the year. In view of the same the Major Maintenance reserve which was appropriated out of the profits in the earlier years being no longer required is transferred to retained earnings during the year.



13 Borrowings	Rupees in Millions	
	March 31, 2018	March 31, 2017
Particulars		
Short-term		
Unsecured		
Inter Corporate Loan from related party [refer note (a) below and 36 (vii)]	136.43	8.00
Total short-term borrowings	136.43	8.00

Nature of security and terms of Repayment:**(a) Inter Corporate Deposit**

The inter-corporate loan is repayable at the end of the agreement period not later than March 31, 2018. Applicable rate of interest on principle amount for the year varies between 9% to 12.25%.

14 Other Financial Liabilities	Rupees in Millions	
	March 31, 2018	March 31, 2017
Particulars		
Current financial liabilities		
<i>Other financial liabilities at amortised cost</i>		
Financial guarantee contracts	0.37	3.38
Current Maturities of finance lease obligations [refer note (a) below]	6.61	6.61
Interest Accrued and due on borrowings	22.21	1.15
Interest payable to vendor on delayed payment	16.97	16.97
Security deposit towards sale of power plant assets	57.00	-
Salaries, Bonus and other Payables to Employees	0.17	0.02
Other Payables	4.38	4.38
Total current other financial liabilities	107.71	32.51

Nature of security and terms of Repayment:**(a) Finance lease:**

Leasehold assets represent steam turbine generator obtained under Finance lease which is secured against Plant & Equipments leased under the Finance Lease arrangement. The Lease amount shall be repaid in 5 equal annual instalments of Rs. 34.40 Lakhs over a period of 5 years at an interest rate of 10%. The lease term is 5 years after which the legal title is passed to the lessee. There is no escalation clause in the lease agreement. There are no restrictions imposed by the lease agreements. There are no sub leases.

15 Trade Payable	Rupees in Millions	
	March 31, 2018	March 31, 2017
Particulars		
Current balance		
due to micro and small enterprises (refer note (a) below)	-	-
due to related parties [refer note no. 36(vii)]	26.46	34.62
due to others	188.45	128.45
Total current trade payables	214.91	163.07

Note:

(a) There are no micro and small enterprises to which the Company owes dues or with which the Company had transactions during the year, based on the information available with the Company, which has been relied upon by the auditors.

Terms and conditions of the above financial liabilities:

For explanation on the Company's credit risk management processes, refer note no. 29

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



Break-up of financial liabilities		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
Financial asset carried at amortised cost			
Borrowings	136.43	8.00	
Other financial liabilities	107.71	32.51	
Trade Payable	214.91	163.07	
Total	459.05	203.58	

16 Other liabilities		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
Other current liabilities			
Advance received against claim [refer note (a) & (b) below]	5,370.02	5,370.02	
Advance received from customer [refer note (b)(iii) below]	272.67	272.67	
Advance received from other customers	0.06	0.06	
Statutory dues	25.00	1.26	
Total other current liabilities	5,667.75	5,644.01	

(a) Claims/counterclaims arising out of the Power Purchase Agreement (PPA) in respect of the dues recoverable from Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) (formerly known as Tamil Nadu Electricity Board) on account of Sale of Energy including reimbursement towards Interest on Working Capital, Minimum Alternate Tax, Rebate, Start/Stop charges and payment of land lease rentals to TANGEDCO respectively were pending settlement / reconciliation with TANGEDCO. In this regard, the Company had approached Tamilnadu Electricity Regulatory Commission (TNERC) to resolve the aforementioned claims/counterclaims. A favourable Order was received from TNERC on April 16, 2010 (hereinafter referred to as "the order") and in pursuance of the Order, the Company had filed its claim on April 30, 2010 amounting to Rs. 4,816.78 Millions.

TANGEDCO had filed a petition against TNERC Order in Appellate Tribunal for Electricity (APTEL). In terms of an interim Order on November 19, 2010 from APTEL, TANGEDCO made deposit of Rs. 5,370.02 Millions [March 31, 2017: Rs. 5,370.02 Millions] including interest on delayed payment of claim amount.

APTEL vide its Order dated February 28, 2012, upheld the claim of the Company and further directed the Company to verify and pay counter claims of TANGEDCO in respect of the benefits earned if any by the Company with regard to delayed payment towards fuel supply that are not in terms with Fuel Supply Agreement(FSA). The Company has appealed to the Honourable Supreme Court in Civil Appeals seeking certain interim relief with respect to the benefits pointed out by the Honourable APTEL on credit period of Fuel Supplies by HPCL. Supreme Court vide its Order dated April 24, 2014 has referred the dispute to TNERC for examining the contesting claim of the parties in so far as the quantum of amount is concerned. Both the parties have filed their respective petitions before Hon'ble TNERC in the month of August 2014 where TANGEDCO has raised claim of Rs. 2,850 Millions which the Company has refuted and raised counter claims. The matter has been finally heard by Hon'ble TNERC and reserved for order.

Further TANGEDCO has filed petition in the Supreme Court against APTEL Order, which is pending before Supreme Court.

(b) In accordance with the Company's accounting policy, pending acceptance of claims by TANGEDCO, pending adjudication of petition before the Supreme court, the Company has not recognized the following as income in the books of account:

i) the claims aggregating to Rs. 4,021.28 Millions and interest on delayed payment of claim aggregating to Rs. 553.24 Millions.

ii) Claim towards Supplementary Invoices submitted subsequent to April 30, 2010 with regard Start and Stop Charges of Rs. 164.42 Millions [March 31, 2017: 164.42 Millions] and interest on delayed payment of tariff invoices/supplementary bills of Rs. 2,212.91 Millions [March 31, 2017: Rs. 2,177.76 Millions].



(iii) Land Lease rentals (LLR) amounting to Rs. 284.82 Millions [March 31, 2017: Rs. 284.82 Millions] subsequent to the Order Date included in Tariff invoices was not recognized by the Company. The Company has received Rs. 272.67 Millions [March 31, 2017: Rs. 272.67 Millions] which was shown under Advance from Customers.

Accordingly, the amount received towards Claim amount and Claim towards LLR after the date of Order is shown as advance in the books of accounts pending adjudication of petition before the Supreme Court. The company on the basis, that substantial amount has been received though under protest, has offered the said claims up to March 31, 2014 as income in its tax returns under normal provisions of Income Tax Act, 1961 and has claimed the deduction as available under section 80 IA of the Income Tax Act, 1961, in view of the expert opinion received.

Further the Company has been legally advised that in view of appeal filed by TANGEDCO against the Order of APTEL in Honourable Supreme Court, the entire matter of claim is under sub judice and has not attained the finality.

17	Provisions	Rupees in Millions	
	Particulars	March 31, 2018	March 31, 2017
	Current Provisions		
	Provision for leave benefits	2.11	4.85
	Provision for employee benefits	1.72	2.95
	Provision for decommissioning liability [refer note (a) below]	76.99	71.42
	Total current provisions	80.82	79.22

Note:

(a) Movement for provision in Asset Retirement Obligation:

Particulars	Rupees in Millions	
	March 31, 2018	March 31, 2017
Balance at the beginning of the year	71.42	66.25
Add: Notional interest accounted on unwinding of liability	5.57	5.17
Balance at the year end	76.99	71.42



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Notes to the financial statements for the year ended March 31, 2018
18 Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

18.01 Income tax expense in the statement of profit and loss comprises:		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
Profit or loss section			
Continuing Operations			
Current Tax	5.50	-	
MAT Credit	(40.04)	-	
Deferred Tax	(0.16)	-	
	(34.70)	-	
Discontinued Operations			
Current Tax	-	-	
Deferred Tax	-	(78.23)	
	-	(78.23)	
Tax expense / (credit) to Statement of Profit and Loss	(34.70)	(78.23)	
Other comprehensive income section (OCI)			
Deferred tax related to items recognised in OCI during in the year:			
Re-measurement gains (losses) on defined benefit plans	0.16	(0.08)	
Tax expense / (credit) to Other Comprehensive Income	0.16	(0.08)	
Tax expense / (credit) to Total Comprehensive Income	(34.54)	(78.31)	

18.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

Profit / (Loss) before tax	240.41	(3,747.30)
Applicable tax rate	33.063%	34.608%
Tax effect of income / (loss)	(a) 79.49	(1,296.87)
Adjustments:		
Tax effect on re-measurement gains (losses)	0.16	(0.08)
Tax effect on non-taxable income (net)	(83.96)	-
Tax effect on non-deductible expenses (net)	89.13	1,055.52
Tax effect on items not debited to profit and loss but deductible	(79.44)	-
Tax effect of Income earned on Investments which are fair valued	-	988.74
Tax effect on sale of investments	0.12	-
	(b) (73.99)	2,044.18
Utilisation of Minimum Alternate Tax (MAT) Credit	(c) -	27.60
	(d)=(a+b-c)	5.50
Unused tax allowances and losses on which deferred tax asset not recognised	(e) -	(719.71)
Current tax	(f)=(d+e)	5.50
Recognition of deferred tax asset to the extent of deferred tax liability recognised directly under equity	(g) 0.16	78.23
Recognition of MAT Credit Entitlement	(h) (40.04)	-
Tax expense / (credit) to Statement of Profit and Loss	(i)=(f-g+h)	(34.70)



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Notes to the financial statements for the year ended March 31, 2018,
18 Income Tax

Particulars	March 31, 2018	Rupees in Millions	
		March 31, 2018	March 31, 2017
Tax expense / (credit) to Other Comprehensive Income (i)	0.16		(0.08)
Tax expense / (credit) to Total Comprehensive Income (j)=(h+i)	(34.54)		(78.31)

18.03 Non-current tax assets (net)

Particulars	March 31, 2018	Rupees in Millions	
		March 31, 2018	March 31, 2017
Opening Balance	47.07		86.78
Less: Current tax payable (including interest)	(5.50)		-
Less: Refund received during the year	(2.38)		(82.80)
Add: MAT Credit Entitlement *	40.04		-
Add: Excess provision of Income tax of earlier period	-		11.21
Add: Current taxes paid	36.96		31.88
Closing balance of Non-current tax assets (net)	116.19		47.07

* - The Company had Minimum Alternate Tax (MAT) credit for Rs. 40.04 Millions which was carried forward in the return of income from Financial Year 2012-13 (Assessment Year 2013-14). The MAT Credit was not recognised in the books of accounts up to March 31, 2017 as the Company did not anticipate any tax liability against which the credit could be utilised. During the current year, the management of the company had re-assessed the business plan considering the income arising out sale of the power plant assets over the future years and have assessed that it is certain that the company will have taxable income in near future. The management is also evaluating possible restructuring alternatives including merger and accordingly have recognized an amount of Rs. 40.04 Millions as MAT credit entitlement in the books of accounts in view of reasonable certainty as discussed above.

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

Particulars	March 31, 2018	Rupees in Millions	
		March 31, 2018	March 31, 2017
Deferred tax:			
Deferred tax liability			
Non-Current			
Property, plant and equipments and intangible assets	-		-
Total Non-Current	-		-
Current			
Fair value of investments	-		0.12
Assets classified as held for sale	16.89		-
Total Current	16.89		0.12
Gross deferred tax liability	16.89		0.12
Deferred tax asset			
Property, plant and equipments and intangible assets	1.35		4.03
Other financial liabilities	0.12		-
Provision for decommissioning liability	25.70		23.61
Unused losses	-		10.30
Total Non-Current	27.17		37.94



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Notes to the financial statements for the year ended March 31, 2018
18 Income Tax

Deferred tax:		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
Loans and advances	1,070.42	1,060.13	
Provision for Leave Encashment	0.70	1.60	
Total Current	1,071.12	1,061.73	
Gross deferred tax asset	1,098.29	1,099.67	
Net deferred tax (assets) / liability	(1,081.40)	(1,099.55)	
Less: Deferred Tax not recognised over uncertainty *	1,081.40	1,099.55	
Net deferred tax (assets) / liability	-	-	

* - The Company has been advised internally that the tax on allowances for doubtful loans / deposits amounting to Rs. 1,070.42 Millions may not be eligible as an allowable business expenditure, in view of the recent Supreme Court Judgement. Accordingly the Company has not recognised the Deferred Tax Asset with respect to the same and further, the Company considering uncertainty in future profitability has also not recognised the balance Deferred Tax Asset.

18.05 Reconciliations of deferred tax (liabilities) / assets

		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
Opening balance	-	78.31	
Tax income/(expense) during the period recognised in profit or loss	0.16	78.23	
Tax income/(expense) during the period recognised in OCI	(0.16)	0.08	
Amount recognised directly in equity	-	-	
Closing balance	-	-	

18.06 Amount recognised directly in equity

		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
Opening balance	-	-	
Add: Deferred tax recognised directly in equity during the year	-	-	
Closing balance of deferred tax netted off with other components of equity	-	-	



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Notes to the financial statements for the year ended March 31, 2018

19 Other income		Rupees in Millions	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
Interest income:			
on bank deposits	-	0.01	
on Inter Corporate Loans and Deposits [refer note no. 36(vii)]	332.84	506.41	
on unwinding of financial instruments (Investment in preference shares)	-	171.56	
on Income Tax Refund	1.50	13.08	
Net gain /(loss) on sale of Investments	2.67	0.64	
Fair value gain on financial instruments at fair value through profit or loss	7.73	4.95	
Provision no longer payable written back	-	7.93	
Total	344.74	704.58	
Note:			
Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:			
Unwinding of investment in preference shares classified at amortised cost	-	171.56	
20 Employee benefit expenses	Rupees in Millions		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
Salaries, wages and bonus	3.07	6.30	
Contribution to provident and other funds [refer note no. 34]	0.33	0.28	
Staff welfare expenses	0.33	0.53	
Total	3.73	7.11	
21 Depreciation and amortisation expenses	Rupees in Millions		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
Depreciation of tangible assets	196.22	411.84	
Less: Transferred to discontinued operation (Refer note no.26)	(196.01)	(411.63)	
Total	0.21	0.21	
22 Finance costs	Rupees in Millions		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
Interest expense			
on inter-corporate deposit	23.41	0.72	
other interest	0.03	-	
Bank and other finance charges	0.12	0.05	
Total	23.56	0.77	



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Notes to the financial statements for the year ended March 31, 2018

		Rupees in Millions	
23 Other expenses		Year ended March 31, 2018	Year ended March 31, 2017
Particulars			
Rent and hire charges		0.28	5.07
Rates and taxes		0.02	0.02
Insurance		-	0.03
Repairs and maintenance			
Others		0.21	0.34
Logo Charges		2.07	-
Communication costs		0.55	0.32
Legal and Professional charges		0.79	7.10
Travelling and conveyance		1.42	1.13
Payment to auditors			
Statutory Audit		0.89	0.88
Tax Audit		0.24	0.50
Directors' sitting fees		0.35	0.50
Contribution towards CSR [refer note no. 33]		-	8.76
Donation		-	23.50
Allowances for doubtful ICDs [Refer Note No. 36(vii)]		-	3,206.39
Accrued interest written off [Refer Note No. 36(vii)]		-	232.02
Miscellaneous expenses		0.02	0.01
Total		6.84	3,486.57

		Rupees in Millions	
24 Exceptional items (net)		Year ended March 31, 2018	Year ended March 31, 2017
Particulars			
Loss on Sale of Investment in preference shares *		-	424.17
Total		-	424.17

* - The Company had invested Rs. 5,341.37 Millions (including inter corporate deposit of Rs. 300.99 Millions and interest accrued thereon of Rs. 40.38 Millions) in GMR Vemagiri Power Generation Company Limited (GVPGCL) which is engaged in the business of generation and sale of electrical energy. Due to unavailability of adequate supply of natural gas, GVPGCL has incurred losses in the FY 2014-15 and FY 2015-16. With the announcement of E-RLNG gas scheme, the plant has operated from August 12, 2015 to September 30, 2015 under phase-I and from October 2015 to March 2016 under phase-II and April 2016 to September 2016 under phase-III.

Further in accordance with share purchase agreement signed by the company with GMR Energy Limited (GEL) on October 28, 2016 in the previous year, the company has sold the said cumulative redeemable preference shares costing Rs. 5,000.00 Millions fair valued in the books of account at Rs. 2,384.17 Millions as on the date of sale for a consideration of Rs. 1,960.00 Millions, based on the valuation done by an Expert, to GMR Energy Limited in terms of internal restructuring, which is less than the book value. This has resulted in a loss of Rs. 424.17 Millions to the Company. The investments were carried at a fair value in the books.

		Rupees in Millions	
25 The disaggregation of changes to OCI by each type of reserve in equity is shown below:		Year ended March 31, 2018	Year ended March 31, 2017
Particulars			
Re-measurement gains (losses) on defined benefit plans		0.48	(0.24)
Income tax effect		(0.16)	0.08
Total		0.32	(0.16)



GMR Power Corporation Limited

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Notes to the financial statements for the year ended March 31, 2018**26 Discontinued Operations**

During the year ended March 31, 2018, the Company has entered into an agreement for sale of its power plant assets located in Chennai. Accordingly the Company has disclosed the same as discontinued operations in terms of Ind AS 105:

	Rupees in Millions	
Profit / (Loss) from discontinued operations	Year ended March 31, 2018	Year ended March 31, 2017
INCOME		
Other income	8.86	0.20
Total Income	8.86	0.20
EXPENSES		
Employee benefit expenses	12.59	31.35
Depreciation and amortisation expenses	196.01	412.51
Finance costs	5.66	5.17
Other expenses	126.19	84.22
Total Expenses	340.45	533.25
Profit/(loss) before exceptional items and tax expenses	(331.59)	(533.05)
Exceptional items [(gains) / losses]*	(261.60)	-
Profit/(loss) from discontinued operations before tax expenses	(69.99)	(533.05)
Tax expenses of discontinued operations		
Current tax	-	-
Deferred tax	-	(78.23)
Tax expenses	-	(78.23)
Profit/(loss) from discontinued operations after tax expenses	(69.99)	(454.82)

* - includes profit on sale of power plant assets. For details refer note no. 2(b).

27 The details of assets / disposal group classified as held for sale and liabilities associated thereto are as under:

Particulars	March 31, 2018	March 31, 2017
Group of assets classified as held for sale		
Property, plant and equipments (Note 2)	31.69	-
Inventories (Note 8)	18.89	-
Total	50.58	-
Liabilities associated with group of assets classified as held for sale	-	-
Total	-	-
Net assets directly associated with held for sale	50.58	-



28 Financial Instruments

28.01 Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

a) The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Rupees in Millions						
Particulars	Refer note no.	Amortised cost	Financial assets/liabilities at fair value	Financial assets/liabilities at fair value	Total carrying value	Total fair value
<i>Financial assets:</i>						
Cash and cash equivalents	10	26.87	-	-	26.87	26.87
Other bank balances	10	-	-	-	-	-
<i>Investments:</i>						
in equity instruments of Associates	4	5.40	-	-	5.40	5.40
in preference shares of Associates	4	-	-	-	-	-
in Mutual Funds	4	-	-	-	-	-
Trade Receivables	9	1,141.19	-	-	1,141.19	1,141.19
Loans	5	9,767.45	-	-	6,561.06	6,561.06
Other financial assets	6	961.36	-	-	961.36	961.36
Total		11,902.27	-	-	8,695.88	8,695.88
<i>Financial liabilities</i>						
Borrowings	13	136.43	-	-	136.43	136.43
Trade payables	15	214.91	-	-	214.91	214.91
Other financial liabilities	14	107.71	-	-	107.71	107.71
Total		459.05	-	-	459.05	459.05

b) The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

Rupees in Millions						
Particulars	Refer note no.	Amortised cost	Financial assets/liabilities at fair value	Financial assets/liabilities at fair value	Total carrying value	Total fair value
<i>Financial assets:</i>						
Cash and cash equivalents	10	2.50	-	-	2.50	2.50
Other bank balances	10	-	-	-	-	-
<i>Investments:</i>						
in equity instruments of Associates	4	5.40	-	-	5.40	5.40
in preference shares of Associates	4	-	-	-	-	-
in Mutual Funds	4	-	22.80	-	22.80	22.80
Trade Receivables	9	1,141.23	-	-	1,141.23	1,141.23
Loans	5	8,812.15	-	-	5,605.76	5,605.76
Other financial assets	6	1,355.97	-	-	1,355.97	1,355.97
Total		11,317.25	22.80	-	8,133.66	8,133.66
<i>Financial liabilities</i>						
Borrowings	13	8.00	-	-	8.00	8.00
Trade payables	15	163.07	-	-	163.07	163.07
Other financial liabilities	14	32.51	-	-	32.51	32.51
Total		203.58	-	-	203.58	203.58



28 Financial Instruments

28.02 Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

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

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

a) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

Particulars	Rupees in Millions			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value through profit or loss:				
Investments:				
in Mutual Funds	-	-	-	-
Liabilities measured at fair value through profit or loss:				

b) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	Rupees in Millions			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value through profit or loss:				
Investments:				
in Mutual Funds	22.80	22.80	-	-
Liabilities measured at fair value through profit or loss:				

During the year ended March 31, 2018 and March 31, 2017 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of liquid mutual funds is based on net asset value quoted price. Derivative financial instruments are valued based on directly or indirectly observable inputs in the marketplace. Fair value is determined using Level 3 inputs at Discounted cash flows.

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

29 Financial risk management

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, 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.



29 Financial risk management

29.01 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 analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The analysis 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 analysis:

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 March 31, 2018 and March 31, 2017.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when expense is denominated in a foreign currency). Company's foreign currency exposure mainly relates to payment to supplier and it is paid at spot rate applicable on date of transaction. The details of unhedged exposure to foreign currency is given in Note No. 37.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's borrowings are at fixed rate, which do not expose it to significant interest rate risk.

29.02 Credit risk

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities primarily loans receivables, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

The maximum exposure of financial assets subject to credit risk was equal to the respective carrying amounts on the balance sheet date. None of the financial assets subject to credit risk are impaired. The Company's dues under power purchase agreement with Discoms are treated good and recoverable inspite of being past due being dues from government organization.

Aging analysis of the trade receivables has been considered from the date it is due:

Rupees in Millions

Particulars	March 31, 2018	March 31, 2017
Upto 3 months	-	-
3 to 6 months	-	-
More than 6 months	1,141.19	1,141.23
Total	1,141.19	1,141.23

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

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

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



29 Financial risk management

29.03 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

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

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

The following are the contractual maturities of non-derivative financial liabilities, including the estimated interest payment:

Particulars	Rupees in Millions				
	Carrying Amount	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2018					
Non-derivative financial liabilities					
Loan from related party	136.43	-	136.43	-	-
Trade payable	214.91	-	214.91	-	-
Other financial liabilities	107.71	-	107.71	-	-
Total	459.05	-	459.05	-	-

Particulars	Rupees in Millions				
	Carrying Amount	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2017					
Non-derivative financial liabilities					
Loan from related party	8.00	-	8.00	-	-
Trade payable	163.07	-	163.07	-	-
Other financial liabilities	32.51	-	32.51	-	-
Total	203.58	-	203.58	-	-

29.04 Capital management

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

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

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



29 Financial risk management

29.04 Capital management

Particulars	Rupees in Millions	
	March 31, 2018	March 31, 2017
Total Debt / borrowings	136.43	8.00
Capital Components		
Equity Share Capital	2,475.00	2,475.00
Reserves & Surplus	28.72	(201.70)
General Reserve	217.97	217.97
Major Maintenance Reserve	-	200.00
Total Capital	2,721.69	2,691.27
Capital and total debt	2,858.12	2,699.27
Gearing ratio (%)	4.77%	0.30%

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

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



30 Calculation of Earning per share (EPS):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. There is no dilutive potential ordinary shares as at March 31, 2018 and March 31, 2017. Thus, diluted EPS equals basic EPS.

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

Particulars	March 31, 2018	March 31, 2017
a. Nominal value of Equity shares (in Rupees per share)	10	10
b. Weighted average number of Equity shares at the year end (in Nos.)	247,500,000	247,500,000
c. Profit / (Loss) from continuing operations (Rupees in Millions)	345.10	(3,214.25)
d. Profit / (Loss) from discontinued operations (Rupees in Millions)	(69.99)	(454.82)
e. Basic/Diluted Earning per share for continuing operations and discontinued operations of Rs 10/- each (in Rs.) [(c+d)/(b)]	1.11	(14.82)
f. Basic/Diluted Earning per share for continuing operations of Rs 10/- each (in Rs.) [(c)/(b)]	1.39	(12.99)
g. Basic/Diluted Earning per share for discontinued operations of Rs 10/- each (in Rs.) [(d)/(b)]	(0.28)	(1.83)

31 Contingent liabilities and commitments

Particulars	March 31, 2018	March 31, 2017
Rupees in Millions		
Contingent Liabilities		
a. Claim of TANGEDCO for interest on delay in passing on duty draw back refund	15.60	15.60
b. Corporate Guarantees on behalf of GMR Chhattisgarh Energy Limited	1,900.10	-
c. Corporate Guarantees on behalf of GMR Vemagiri Power Generation Limited	-	1,750.00
d. Debit note received from Hindustan Petroleum Corporation Limited for differential rate on furnace oil.	12.70	12.70
e. Disputed Income tax demand including interest [refer note (i) below]	16.46	-
f. Disputed tax deducted at source including interest	0.03	-

- g. In terms of the APTEL Order as discussed in Note no. 16, there has been no demand from TANGEDCO in respect of counter claims of TANGEDCO for benefits derived if any on delayed payment of fuel supply. The said subject matter had been challenged by the Company in the Honourable Supreme Court of India. Supreme Court vide its Order dated April 24, 2014 has referred the dispute to TNERC for examining the contesting claim of the parties in so far as the quantum of amount is concerned. Both the parties have filed their respective petitions before Hon'ble TNERC in the month of August 2014 where TANGEDCO has raised claim of Rs. 2,850 Millions which the Company has refuted and raised counter claims. The matter has been finally heard by Hon'ble TNERC and reserved for order. The Management is of the opinion that TANGEDCO's claim is not tenable and no liability is foreseen which will result in the outflow of resources.
- h. During the year ended March 31, 2011, the Company had received a refund of customs duty of Rs. 295.70 Millions which was paid earlier towards the import of the plant and machinery and was passed on to TANGEDCO as a pass through as per the terms of the PPA. During the year ended March 31, 2012, the Company has received an intimation for cancellation of the duty draw back refund received earlier. The Company does not foresee any liability in respect of the same demand as the liability, if any, is to be recovered from TANGEDCO, the ultimate beneficiary of the refund received earlier.



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Notes to the financial statements for the year ended March 31, 2018

- i. In respect of Assessment year (AY) 2016-17, the Income tax return (ITR) has been processed u/s 143(1) by the Centralised Processing Centre (CPC) creating tax demand of Rs. 16.46 Millions. The CPC while processing the ITR has considered MAT Credit at Rs. 104.58 Millions as against eligible amount of Rs. 120.94 Millions resulting in creation of tax demand including interest. The CPC has not considered the amount of surcharge and cess while considering the amount of MAT Credit. The Company has preferred an appeal against the aforesaid demand before the Commissioner of Income-tax (Appeals) and the matter is pending disposal.
- j. In respect of the above contingent liabilities the company does not foresee any cash outflows in future.

Capital and other Commitments		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
a. Capital and other Commitments	-	-	

- 32 The Management of the Company is of the opinion that no provision is required to be made in its books of account other than those already provided if any, with respect to any material foreseeable losses under the applicable laws, accounting standards or long term contracts including derivative contracts.

33 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. During the year, the Company has not allocated any funds towards CSR activities. In the previous year, the funds were primarily allocated to a corpus and utilized on the activities which are specified in Schedule VII of the Companies Act, 2013.

		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
a. Gross amount required to be spent by the Company during the year	-	8.76	
b. Amount spent by the Company during the year:			
i) Construction/acquisition of any asset	-	-	
ii) On purposes other than (i) above	-	8.76	



34. Employee Benefits

a) Defined Contribution Plans :

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

Particulars	Rupees in Millions	
	March 31, 2018	March 31, 2017
Provident and pension fund	0.72	1.62
Superannuation fund	0.55	1.07
Total	1.27	2.69

b) Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2018 and March 31, 2017:

Particulars	Rupees in Millions	
	March 31, 2018	March 31, 2017
i) Change in defined benefit obligation		
Defined benefit at the beginning	3.91	4.42
Current Service Cost *	0.42	0.51
Interest expenses	0.19	0.31
Acquisition Cost/(Credit)	-	(0.80)
Re-measurement - Actuarial loss / (gain)	(0.44)	0.25
Benefits paid	(2.61)	(0.78)
Defined benefit at the end	1.47	3.91

* - includes past service cost of Rs. 9,414/- arising due to change in Gratuity ceiling from Rs. 1.00 Millions to Rs. 2.00 Millions.

ii) Change in fair value of plan assets:

Fair value of Plan Assets at the beginning	4.66	3.34
Expected return on plan assets	0.26	0.30
Acquisition Adjustment	-	(0.05)
Actuarial gains/ (losses)	0.03	0.00
Contributions by employer	0.47	1.85
Benefits paid	(2.61)	(0.78)
Fair value of plan assets at the end	2.81	4.66

iii) Amount Recognized in the Balance Sheet

Present Value of Obligation as at year end	1.47	3.91
Fair Value of plan assets at year end	2.81	4.66
Net (asset) / liability recognised	(1.34)	(0.75)

iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses.

Current Service Cost	0.42	0.51
Net interest on net defined benefit liability / (asset)	(0.07)	0.01
Total expense	0.35	0.52



Particulars	Rupees in Millions	
	March 31, 2018	March 31, 2017
v) Recognised in other comprehensive income for the year		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumption	-	0.20
Actuarial changes arising from changes in experience adjustments	(0.44)	0.05
Return on plan assets excluding interest income	(0.03)	(0.00)
Recognised in other comprehensive income	(0.47)	0.25
vi) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	0.09	0.45
Between 2 and 5 years	0.51	1.44
Between 5 and 10 years	1.77	3.41
vii) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / decrease on present value of defined benefit obligation as at year end		
(i) one percentage point increase in discount rate	(0.10)	(0.28)
(ii) one percentage point decrease in discount rate	0.11	0.31
(i) one percentage point increase in salary escalation rate	0.11	0.29
(ii) one percentage point decrease in salary escalation rate	(0.10)	(0.27)
(i) one percentage point increase in employee turnover rate	0.01	0.02
(ii) one percentage point decrease in employee turnover rate	(0.01)	(0.02)

Sensitivity Analysis Method

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

Particulars	Rupees in Millions	
	March 31, 2018	March 31, 2017
viii) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with Insurer managed funds	100%	100%
ix) Actuarial Assumptions		
Discount rate (p.a.)	7.60%	7.10%
Salary escalation	6.00%	6.00%
Weighted average duration of defined benefit obligation	10 Years	10 Years
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Rate of employee turnover	5.00%	5.00%

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2018 and March 31, 2017, the plan assets have been invested in insurer managed funds.

The Company expects to contribute Rs. 0.47 Millions to the gratuity fund during FY 2018-19.



Notes to the financial statements for the year ended March 31, 2018

Notes:

- i The estimates of future salary increases, considered in actuarial valuation, take into consideration for inflation, seniority, promotion and other relevant factors.
- ii The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

(c) Leave Encashment

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 2.11 Millions as at March 31, 2018, [March 31, 2017: Rs. 4.85 Millions].

(35) Operating Lease

The Company has entered into certain cancellable operating lease agreements mainly for plant site and office premises / furniture hire. Under these agreements refundable interest-free deposits have been given:

Particulars	Rupees in Millions	
	March 31, 2018	March 31, 2017
Lease rentals under cancellable lease	49.95	54.74

(36) List of Related Parties with whom transactions have taken place during the year:

- i. Parties where control exists :
 - Holding Company : GMR Generations Assets Limited [GGAL] w.e.f. October 20, 2016
 - GMR Energy Limited [GEL] up to October 20, 2016
- ii. Enterprises having control over the Company :
 - GMR Enterprises Private Limited [GEPL]
 - GMR Infrastructure Limited [GIL]
- iii. Fellow Subsidiary :
 - GMR Energy Limited [GEL] w.e.f. October 20, 2016
 - GMR Consulting Services Private Limited [GCSPL]
 - GMR Warora Energy Limited [GWEL]
 - GMR Corporate Affairs Private Limited [GCAPL]
 - RAXA Security Services Limited [RSSL]
 - GMR Energy Trading Limited [GETL]
 - GMR Chhattisgarh Energy Limited [GMRCEL]
 - GMR Vemagiri Power Generation Limited [GVPGI]
 - Dhruvi securities Private Limited [DSPL]
 - GMR Badrinath Hydro Generation Private Limited [GBHPL]
 - GMR Bundelkhand Energy Limited [GBEL]
 - GMR Kamalanga Energy Limited [GKEL]
 - SJK PowerGen Limited [SJKPL]
 - GMR Londa Hydropower Private Limited [GLHPL]
 - GMR Rajahmundry Energy Limited [GREL]
 - GMR Krishnagiri SEZ Limited [GKSL]
- iv. Enterprises where significant influence exists :
 - GMR Tuni-Anakapalli Expressways Private Limited [GTAEPL]
 - GMR Tambaram - Tindivanam Expressways Private Limited [GTTEPL]
- v. Other entities :
 - GMR Varalakshmi Foundation [GVF]
 - GMR Family Fund Trust [GFFT]
- vi. Key Management Personnel :
 - Sri Rakesh Kohli [Manager]



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Notes to the financial statements for the year ended March 31, 2018

vii. Details of the transactions are as follows : *		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
a. Logo fees paid to GMR Enterprises Private Limited [GEPL]	2.07	-	
b. Contribution towards Corporate Social Responsibility & Donations GMR Varalakshmi Foundation [GVF]	-	8.76	
c. Security charges Paid to: RAXA Security Services Limited [RSSL]	0.09	2.08	
d. Rent & Hire Charges GMR Corporate Affairs Private Limited [GCAPL] GMR Family Fund Trust [GFFT]	0.28 -	0.28 8.61	
e. Technical consultancy services paid to: GMR Infrastructure Limited [GIL]	0.50	2.50	
f. Interest and finance charges expenses: GMR Consulting Services Private Limited [GCSPL] GMR Generations Assets Limited [GGAL]	0.72 22.69	0.72 -	
g. Loss on sale of assets (net) GMR Vemagiri Power Generation Limited [GVPGL]	-	-	
h. Interest income on Inter Corporate deposits: GMR Vemagiri Power Generation Limited [GVPGL] Dhruvi securities Private Limited [DSPL] GMR Badrinath Hydro Generation Private Limited [GBHPL] GMR Kamalanga Energy Limited [GKEL] SJK PowerGen Limited [SJKPL] GMR Londa Hydropower Private Limited [GLHPL] GMR Energy Limited [GEL] GMR Generations Assets Limited [GGAL] GMR Infrastructure Limited [GIL] GMR Bundelkhand Energy Limited [GBEL]	1.34 21.70 11.41 - - 3.50 - 147.65 143.51 3.72	19.39 8.71 7.51 292.87 - 4.50 33.95 139.49 - -	
i. Sale of Scrap GMR Vemagiri Power Generation Limited [GVPGL] GMR Kamalanga Energy Limited [GKEL] GMR Warora Energy Limited [GWEL]	0.11 0.59 0.42	- - -	
j. Profit on sale of assets (net) GMR Kamalanga Energy Limited [GKEL] GMR Chhattisgarh Energy Limited [GMRCEL]	0.13 0.48	- -	



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Notes to the financial statements for the year ended March 31, 2018

Details of the transactions are as follows : *		Rupees in Millions	
Particulars		March 31, 2018	March 31, 2017
k. Remuneration paid to Key Management Personnel **			
Sri Rakesh Kohli		3.77	3.58
l. Sitting fees paid to Directors			
Sri Ben Lin Choon Ke		0.06	0.08
Sri Bimal Jayant Parekh		0.10	0.18
Sri Santhana Raman Vaidyanathan		0.10	0.18
Sri K P Rao		0.04	-
m. Inter corporate deposit / loan given			
GMR Vemagiri Power Generation Limited [GVPGI]			
Opening Balance		24.92	301.49
Add: Granted during the year		-	1.62
Less: Refunded / repaid during the year		9.02	278.19
Closing balance		15.90	24.92
GMR Energy Limited [GEL]			
Opening Balance		-	674.27
Add: Granted during the year		-	20.00
Less: Refunded / repaid during the year		-	694.27
Closing balance		-	-
GMR Generations Assets Limited [GGAL]			
Opening Balance		2,650.27	-
Add: Granted during the year		-	2,650.27
Less: Refunded / repaid during the year		2,650.27	-
Closing balance		-	2,650.27
GMR Badrinath Hydro Generation Private Limited [GBHPL]			
Opening Balance		163.00	-
Add: Granted during the year		-	163.00
Less: Refunded / repaid during the year		-	-
Closing balance		163.00	163.00
SJK PowerGen Limited [SJKPL]			
Opening Balance		3,472.72	3,472.72
Add: Granted during the year		-	-
Less: Refunded / repaid during the year		-	-
Closing balance		3,472.72	3,472.72
GMR Londa Hydropower Private Limited [GLHPL]			
Opening Balance		50.00	50.00
Add: Granted during the year		-	-
Less: Refunded / repaid during the year		-	-
Closing balance		50.00	50.00



GMR Power Corporation Limited

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Notes to the financial statements for the year ended March 31, 2018

Details of the transactions are as follows : *

Rupees in Millions

Particulars	March 31, 2018	March 31, 2017
Dhruvi securities Private Limited [DSPL]		
Opening Balance	310.00	8.20
Add: Granted during the year	-	310.00
Less: Refunded / repaid during the year	-	8.20
Closing balance	310.00	310.00
GMR Kamalanga Energy Limited [GKEL]		
Opening Balance	2,120.00	2,120.00
Add: Granted during the year	-	-
Less: Refunded / repaid during the year	-	-
Closing balance	2,120.00	2,120.00
GMR Infrastructure Limited [GIL]		
Opening Balance	-	-
Add: Granted during the year	3,647.20	-
Less: Refunded / repaid during the year	291.12	-
Closing balance	3,356.08	-
GMR Bundelkhand Energy Limited [GBEL]		
Opening Balance	-	-
Add: Granted during the year	381.00	-
Less: Refunded / repaid during the year	123.00	-
Closing balance	258.00	-
n. Inter corporate deposit / loan taken		
GMR Consulting Services Private Limited [GCSPL]		
Opening Balance	8.00	8.00
Received during the year	-	-
Repaid during the year	-	-
Closing balance	8.00	8.00
GMR Generations Assets Limited [GGAL]		
Opening Balance	-	-
Received during the year	452.63	-
Repaid during the year	324.20	-
Closing balance	128.43	-
o. Provision for diminution in value of Inter corporate deposit / loan		
SJK PowerGen Limited [SJKPL]	2,883.20	2,883.20
GMR Kamalanga Energy Limited [GKEL]	323.19	323.19
p. Sale of investment in preference share of GMR Vemagiri Power Generation Limited		
GMR Energy Limited [GEL]	-	1,960.00
q. Loss on sale of investment in preference share		
GMR Vemagiri Power Generation Limited [GVPGI]	-	424.17



GMR Power Corporation Limited

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Notes to the financial statements for the year ended March 31, 2018

Details of the transactions are as follows : *		Rupees in Millions	
Particulars	March 31, 2018	March 31, 2017	
r. <i>Investments held:</i>			
In equity instruments			
GMR Tuni-Anakapalli Expressways Private Limited [GTAEPL]	2.70	2.70	
GMR Tambaram - Tindivanam Expressways Private Limited [GTTEPL]	2.70	2.70	
In preference instruments			
GMR Vemagiri Power Generation Limited [GVPGGL]			
Opening Balance	-	2,212.60	
Add: Interest income on unwinding of investments	-	171.56	
Less: De-recognition of investment on sale	-	2,384.16	
Closing Balance	-	-	
s. <i>Refundable security deposit receivable from:</i>			
GMR Family Fund Trust [GFFT]	5.93	5.48	
RAXA Security Services Limited [RSSL]	4.82	4.82	
t. <i>Interest receivable on Inter Corporate deposit / loans</i>			
GMR Vemagiri Power Generation Limited [GVPGGL]	0.09	0.58	
Dhruvi securities Private Limited [DSPL]	1.66	8.23	
GMR Badrinath Hydro Generation Private Limited [GBHPL]	10.27	7.12	
GMR Kamalanga Energy Limited [GKEL]	825.94	1,066.22	
SJK PowerGen Limited [SJKPL]	-	232.02	
GMR Londa Hydropower Private Limited [GLHPL]	3.15	4.67	
GMR Generations Assets Limited [GGAL]	-	267.91	
GMR Infrastructure Limited [GIL]	86.71	-	
GMR Bundelkhand Energy Limited [GBEL]	3.35	-	
u. <i>Interest receivables written off</i>			
SJK PowerGen Limited [SJKPL]	-	232.02	
GMR Kamalanga Energy Limited [GKEL]	240.28	-	
v. <i>Interest payable on Inter Corporate deposit / loans</i>			
GMR Consulting Services Private Limited [GCSPL]	1.79	1.15	
GMR Generations Assets Limited [GGAL]	20.42	-	
w. <i>Equity Share Capital held by:</i>			
GMR Energy Limited [GEL]			
Opening Balance	-	1,262.25	
Add: Allotted during the year	-	-	
Less: Transferred during the year	-	1,262.25	
Closing Balance	-	-	
GMR Generations Assets Limited [GGAL]			
Opening Balance	1,262.25	-	
Add: Acquired during the year	-	1,262.25	
Closing Balance	1,262.25	1,262.25	



GMR Power Corporation Limited

CIN : U40105KA1995PLC016942

Notes to the financial statements for the year ended March 31, 2018

Details of the transactions are as follows : *		Rupees in Millions	
Particulars		March 31, 2018	March 31, 2017
x. Other amount due from:			
GMR Kamalanga Energy Limited [GKEL]		2.11	1.04
GMR Vemagiri Power Generation Limited [GVPGI]		0.18	0.05
GMR Warora Energy Limited [GWEL]		0.64	0.16
GMR Chhattisgarh Energy Limited [GMRCEL]		0.57	-
GMR Family Fund Trust [GFFT]		-	-
y. Other amount due to:			
GMR Enterprises Private Limited [GEPL]		2.07	2.57
RAXA Security Services Limited [RSSI]		1.82	6.39
GMR Corporate Affairs Private Limited [GCAPL]		18.24	17.96
GMR Rajahmundry Energy Limited (GREL)		-	0.68
GMR Chhattisgarh Energy Limited [GMRCEL]		-	0.07
GMR Infrastructure Limited [GIL]		0.77	0.28
GMR Badrinath Hydro Generation Private Limited [GBHPL]		-	1.82

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

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

37 Details of foreign currency exposure which have not been hedged by any derivative instrument or otherwise as on balance sheet date:

Particulars	Type of Currency	Amount in Foreign Currency	Rupees in Millions
March 31, 2018			
Payables towards goods and services	USD	232,609.14	15.20
	EUR	34,620.46	2.82
March 31, 2017			
Payables towards goods and services	USD	7,609.14	0.50
	EUR	34,620.46	2.44

38 The principal business of the Company is Generation and sale of power is governed by the same set of risk and returns these have been grouped as a single business segment. The income from financial assets are not a separate business and forms part of deployment of surplus funds of the power generation business. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Indian Accounting Standard (Ind AS) - 108 on Operating Segments are not applicable to the present activities of the company.



GMR Power Corporation Limited

CIN : U40105KA1995PLC016942

Notes to the financial statements for the year ended March 31, 2018

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

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration Number : 101720W



Chandan Lala

Partner

Membership No.: 35671



Place: Mumbai

Date: April 23, 2018

For and on behalf of the Board of Directors

GMR Power Corporation Limited



Meena Lochani Raghunathan

Director

DIN: 07145001



Atul Aggarwal

Chief Financial Officer

Membership No.: 500466

Place: New Delhi

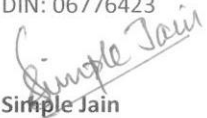
Date: April 23, 2018



Arunendu Saha

Director

DIN: 06776423



Simpi Jain

Company Secretary

Membership No.: F 7560



