INDEPENDENT AUDITOR'S REPORT

TO,
The Members Of
GMR Solar Energy Private Limited
New Delhi

Report on the Financial Statements

We have audited the accompanying financial statements GMR Solar Energy Private Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2018, the statement of Profit and Loss, for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.This Responsibility, also, includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures, selected, depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner, so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, its profit/loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements: None
Our opinion is not modified in respect of these matters.

Other Matter

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

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

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditors 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 of the matter specified in paragraphs 3 and 4 of the Order.
- As required by section 143(3) of the Act, we report that:
  - 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.
  - 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.
  - The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

SKN & Company New Delhi Chartered Accountants

Pankaj Kukreja, Partner
M. No: 504343
SKN & Company
Chartered Accountants
Firm Registration Number: 023323N
Place: Delhi
Date: 30.06.2018

Annexure A to Independent Auditor's Report:

With reference to the annexure referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of GMR Solar Energy Private Limited on the financial statements for the year ended 31st March 2018, we report that:

I. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of the fixed assets,

(b) The Company is having one plant and machinery under fixed assets, which is available as per physical verification.

(c) The title deeds of immovable properties are held in the name of the company.

II. The Company does not have any inventory during the year hence reporting under this clause does not arise.

III. The Company has not granted loans, secured or unsecured to companies covered in the register maintained under section 189 of the Companies Act, 2013 hence reporting under this clause does not arise.

IV. In respect of loans, investments, guarantees, and security, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

V. The Company has not accepted deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

VI. Maintenance of cost records is not prescribed under section 148 of the Companies Act, 2013 hence reporting under this clause does arise.

VII. (a) The company is regular in depositing undisputed statutory dues including Income tax, sales-tax, service tax, customs duty, excise duty, value added tax, Goods and service tax, cess and other statutory dues to the appropriate authorities.

(b) No dues of income tax or sales tax or service tax or customs duty or excise duty or value added tax or Goods and Service tax have not been deposited on account of any dispute.

VIII. The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank Government or dues to debenture holders.

IX. The Company has not raised money by way of Initial public offer or further public offer (including Debt instruments) and Term Loans.

X. According to the information and explanations given to us no fraud by the company or no fraud on the company by its officers or employees have been noticed or reported during the year.

XI. The Company has not paid or provided any managerial remuneration as per provision of section 197 read with schedule V to the Companies Act.

XII. The Company is not a Nidhi Company hence reporting under this clause is not applicable.

XIII. All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 as applicable and details have been disclosed in the financial statements etc. as required by Accounting Standards;

XIV. The Company has made allotment of Equity shares against the Share Application Money received in the previous year.

XV. The Company has not entered into any non-cash transactions with directors or persons connected with him.

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

SKN & Company New Delhi Chartered Accountants

Pankaj Kukreja, Partner
M. No: 504343
SKN & Company
Chartered Accountants
Firm Registration Number: 023323N
Place: Delhi
Date: 30.06.2018

GMR Solar Energy Private Limited
Balance sheet as at March 31, 2018

Amount (in Rs)

	Notes	March 31, 2018 Rs.	March 31,2017 Rs.
Equity and liabilities			
Shareholders' funds			
Share capital	3	24,100,000	24,000,000
Reserves and surplus	4	4,450,501	(1,552,079)
Share Application Money Pending Allotment	5	-	100,000
		28,550,501	22,547,921
Non-current liabilities			
Long Term Borrowings	6	69,531,387	45,107,394
Deferred Tax Liability		2,204,528	1,867,648
		71,735,914	**46,975,042**
Current liabilities			
Short-term borrowings	6	-	-
Other current liabilities	7	8,036,089	43,642,992
Short-term provisions	8	2,106,058	1,300,134
		10,142,148	44,943,125
TOTAL		**110,428,563**	**114,466,087**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	97,451,299	101,528,059
		97,451,299	101,528,059
Current assets			
Current investments		-	-
Inventories		-	-
Short-term loans and advances	10	2,599,282	21,296
Trade receivables	11	2,117,483	-
Other current assets	12	161,363	2,972,964
Cash and cash equivalents	13	8,099,136	9,943,769
		12,977,263	12,938,029
TOTAL		**110,428,563**	**114,466,087**

Corporate information	1
Summary of significant accounting policies	2

The accompanying notes are an integral part of financial statements
As per our report of even date.

For SKN & Company
ICAI firm registration number: 0023323N
Chartered Accountants

Pankaj Kukreja
Partner
Membership no.: 504343

Place: New Delhi
Date:30th June,2018

For and on behalf of the board of directors
GMR Solar Energy Private Limited

Prabir Kumar Majumdar
Director
DIN:03591200

Ranjit Singh Matharoo
Director
DIN: 07617929

Place: New Delhi
Date:30th June,2018

GMR Solar Energy Private Limited

Cash flow statement for the year ended March 31,2018

	March 31,2018 (Amount in Rs.)	March 31,2017 (Amount in Rs.)
Cash flow from operating activities		
Profit before tax from continuing operations	7,830,439	401,167
Profit before tax	7,830,439	401,167
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	4,076,759	390,922
Finance costs	7,177,183	523,481
Provision for Tax	- 1,490,979	(85,599)
Cash generated from /(used in) operations	17,593,403	1,229,972
Direct taxes paid (net of refunds)	- 167,808	64,303
Net cash flow from/ (used in) operating activities (A)	**17,425,594**	**1,294,275**
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	-	(101,918,981)
Increase/ (decrease) in other current liabilities	(35,606,902)	43,642,992
Increase/ (decrease) in Short-term provisions	(601,253)	1,214,535
Decrease / (increase) in Short Term Loans & Advances	(1,003,000)	-
Decrease / (increase) in Other Currnet Assets	2,811,601	(2,972,964)
Decrease / (increase) in Trade Receivables	(2,117,483)	-
Net cash flow from/ (used in) investing activities (B)	**(36,517,036)**	**(60,034,418)**
Cash flows from financing activities		
Issue of Equity Share capital	-	24,000,000
Proceeds from Long-term borrowings	24,423,993	45,107,394
Share Application Money received, but shares not allotted	-	100,000
Interest/ Finance Charges Paid	(7,177,183)	(523,481)
Net cash flow from/ (used in) in financing activities (C)	**17,246,810**	**68,683,913**
Cash and cash equivalents at the beginning of the year	9,943,769	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,844,632)	9,943,769
Cash and cash equivalents at the end of the year	**8,099,136**	**9,943,769**
Components of cash and cash equivalents		
Cash on hand	-	-
With banks- on current account		-
- Current account	8,099,136	9,943,769
Total cash and cash equivalents	**8,099,136**	**9,943,769**

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on 'Cash Flow Statements' issued by the Institute of Chartered Accountants of India.

This cash flow statement referred to our report of even date

For SKN & Company
ICAI firm registration number: 0023323N
Chartered Accountants

Pankaj Jhukreja
Partner
Membership no.: 504343

Place: New Delhi
Date:30th June,2018

For and on behalf of the board of directors
GMR Solar Energy Private Limited

Prabir Kumar Majumdar
Director
DIN:03591200

Ranjit Singh Matharoo
Director
DIN: 07617929

Place: New Delhi
Date:30th June,2018

GMR Solar Energy Private Limited
Statement of profit and loss for the year ended March 31, 2018

Particulars	Notes	March 31, 2018 Rs.	March 31,2017 Rs
Continuing operations			
Income			
Revenue from Operations	14	20,714,482	1,834,793
Other income	15	1,969,705	169,220
Total Income (i)		**22,684,187**	**2,004,013**
Expenses			
Other expenses	16	3,599,805	688,443
Depreciation	17	4,076,759	390,922
Finance Cost	18	7,177,183	523,481
Total Expenses (ii)		14,853,748	1,602,846
Profit / (Loss) before tax		**7,830,439**	**401,167**
Tax expense			
Current Tax	19	1,492,776	85,599
Deferred Tax	19	336,880	1,867,648
Tax (expense)/Income of Earlier years	19	1,797	-
Profit/(loss) for the year from continuing operations (A)		**6,002,580**	**(1,552,079)**
Profit/(loss) for the year (A+B)		**6,002,580**	**(1,552,079)**
Earnings per equity share [nominal value of share Rs. 10]			
Basic			
Computed on the basis of profit from continuing operations		2.49	(0.65)
Computed on the basis of total profit for the year		2.49	(0.65)
Diluted			
Computed on the basis of profit from continuing operations		2.49	(0.65)
Computed on the basis of total profit for the year		2.49	(0.65)

Corporate information	1
Summary of significant accounting policies	2

The accompanying notes are an integral part of financial statements
As per our report of even date.

For P Kukreja & Co
ICAI firm registration number: 027302N
Chartered Accountants

Pankaj Kukreja
Partner
Membership no.: 504343

Place: New Delhi
Date:30th June,2018

For and on behalf of the board of directors
GMR Solar Energy Private Limited

Prabir Kumar Majumdar
Director
DIN:03591200

Ranjit Singh Matharoo
Director
DIN: 07617929

Place: New Delhi
Date:30th June,2018

GMR Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2018

3 **Share capital**

	March 31, 2018 Rs.	March 31,2017 Rs.
Authorized Shares		
30,00,000 equity shares of Rs. 10 each	**30,000,000**	**30,000,000**
Issued, subscribed and fully paid-up shares		
24,10,000 equity shares of Rs.10 each fully paid up	24,100,000	24,000,000
Total issued, subscribed and fully paid-up share capital	**24,100,000**	**24,000,000**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity Shares

	March 31, 2018		March 31,2017	
	No.	Rs	No.	Rs
At the beginning of the period	2,400,000	24,000,000	-	-
Issued during the period	10,000	100,000	2,400,000	24,000,000
Outstanding at the end of the period	2,410,000	24,100,000	2,400,000	24,000,000

(b) Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all prefrential amounts. The distribution will be in pro to the number of equity shares held by the shareholders.

(c) 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 are as below:

	March 31, 2018 Rs	March 31,2017 Rs
GMR Enterprises Private Limited, the immediate holding company.*		
24,10,000 equity shares of Rs. 10 each fully paid up	2,410,000	2,400,000
	2,410,000	2,400,000

(d) Details of shareholders holding more than 5% shares in the company

	March 31, 2018		March 31,2017	
	No.	% holding in	No.	% holding in
Equity shares of Rs. 10 each fully paid				
GMR Enterprises Private Limited the immediate holding company	2,410,000	100%	2,400,000	100%

As per records of the Company, including its regester of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

SKN & Company New Delhi Chartered Accountants

GMR Solar Energy Private Limited GMR

GMR Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2018

4 Reserves and surplus

	March 31, 2018	March 31,2017
	Rs	Rs
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(1,552,079)	-
Profit for the year	6,002,580	(1,552,079)
Total reserves and surplus	**4,450,501**	**(1,552,079)**

5 Share Application Money Pending Allotment

	March 31, 2018	March 31,2017
	Rs	Rs
Share Application Money received from GMR Entertprises Private Limited	-	100,000
	-	100,000

6 Borrowings

	Non-current		Current	
	March 31, 2018	March 31,2017	March 31, 2018	March 31,2017
	Rs	Rs	Rs	Rs
Term Loan from Andhra Bank (*)-Secured Loan	69,531,387	45,107,394	7,454,545	1,863,636
	69,531,387	**45,107,394**	**7,454,545**	**1,863,636**

(*) The Company has taken Term Loan from Andhra Bank of Rs.8.2 cr out of which Rs. 7.70 Crores has been disbursed . Interest rate is 10.50% Per annum. The Loan is repayable in 44 equal quarterly installments with a gestation period of 4 quarters from the date of first disbursement. The Loan is secured by way of exclusive charge on all project assets including Plant & machinery.

7 Other liabilities

	Non-current		Current	
	March 31, 2018	March 31,2017	March 31, 2018	March 31,2017
Current Maturities of Term Loan	-	-	7,454,545	1,863,636
Non trade payables	-	-	482,264	41,778,355
Statutory Payables - TDS	-	-	8,265	1,000
Other Advances	-		91,015	-
	-	-	**8,036,089**	**43,642,992**

8 Provisions

	Non-current		Current	
	March 31, 2018	March 31,2017	March 31, 2018	March 31,2017
Provision for taxation (net)	-	-	1,492,776	85,599
Other Provisions	-	-	613,282	1,214,535
	-	-	**2,106,058**	**1,300,134**

SKN & Company New Delhi Chartered Accountants

GMR Solar Energy Private Limited GMR

GMR Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2018

10 Loans and advances

	Non-current		Current	
	March 31, 2018	March 31,2017	March 31, 2018	March 31,2017
Security Deposits (*)			1,000,000	
MAT Credit Entitlement Receivable	-			
Other Advances and Loans				
Advance to Employees	-	-	3,000	-
TDS Receivables	-	-	1,596,282	21,296
	-	-	2,599,282	21,296

(*) The Company has paid an amount of Rs. 10 Lakhs to Celebi Delhi Cargo Terminal Management Private Limited as Security Deposit for tendoring a new Bid for procurement of 4 MW Solar Roof Top Power project.

11 Trade Receivables

	March 31,2018	March 31,2017
	Rs.	Rs
Unsecured, considered good unless stated otherwise outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good*	-	-
(A)	-	-
Trade receivable Outstanding for a period less than six months from the date they are due for payment		
Secured considered good		
Unsecured, considered good unless stated otherwise	2,117,483	-
Doubtful	-	-
(B)	2,117,483	-
Total (A) + (B)	2,117,483	-

12 Other Assets

	Non-current		Current	
	March 31, 2018	March 31,2017	March 31, 2018	March 31,2017
Interest Accrued on Bank Deposit	-	-	-	132,349
Prepaid Insurance	-	-	161,363	251,228
Unbilled Revenue (*)	-	-	-	1,616,138
Other Receivables	-	-	-	973,249
	-	-	161,363	2,972,964

(*) Unbilled Revenue pertains to Mar-17

13 Cash and cash equivalents

	Non-current		Current	
	March 31, 2018	March 31,2017	March 31, 2018	March 31,2017
Balances with scheduled banks:				
– On current accounts	-	-	799,136	443,769
- On Fixed Deposits (Fixed Deposits with maturity lessthan 3 months)	-	-	7,300,000	9,500,000
	-	-	8,099,136	9,943,769

SKN & Company New Delhi Chartered Accountants

GMR Solar Energy Private Limited

GMR Solar Energy Private Limited
Notes to financial statements for the year ended March 31, 2018

14	Revenue from Operations	March 31,2018	March 31,2017
		Amount in Rs.	Amount in Rs.
	Sale of Energy	20,714,482	1,834,793
		20,714,482	**1,834,793**

	Details of Products Sold	March 31,2018	March 31,2017
		No of Units.	No of Units.
	Electricity Units Sold (in KWH)	2,761,931	244,639

15	Other income	March 31,2018	March 31,2017
		Amount in Rs.	Amount in Rs.
	Interest Income on Bank Deposits	368,089	169,220
	Misc Income	1,601,616	-
		1,969,705	**169,220**

16	Other expenses	March 31,2018	March 31,2017
		Amount in Rs.	Amount in Rs.
	O&M/ Contracting charges	2,077,177	-
	Communication Expenses	11,471	-
	Insurance charges	271,382	28,340
	Miscallenous expenses	38	57,061
	Office Maintainence	2,808	-
	Professional & Consultancy Expenses	1,093,083	-
	Payment to auditor (Refer details below)	41,300	17,700
	Printing & Stationery	3,955	-
	Staff Welfare	50,000	253
	Rates & Taxes	37,606	524,424
	Travelling Expenses	7,385	57,309
	Interest on Delayed Payment of Taxes	3,600	3,356
		3,599,805	**688,443**

Payment to auditor

	March 31,2018	March 31,2017
	Amount in Rs.	Amount in Rs.
As auditor:		
Audit fee	41,300	17,700
Limited review	-	-
In other capacity:		
Other services (certification fees)	-	-
	41,300	**17,700**

17	Depreciation	March 31,2018	March 31,2017
		Amount in Rs.	Amount in Rs.
	Depreciation on Assets	4,076,759	390,922
		4,076,759	**390,922**

18	Finance costs	March 31,2018	March 31,2017
		Amount in Rs.	Amount in Rs.
	Interest charge on RTL-Secured Loan	7,055,281	455,142
	Bank Charges/Finance Charges	121,902	68,339
		7,177,183	**523,481**

19	Taxes	March 31,2018	March 31,2017
	Current Taxes	1,492,776	85,599
	Deferred Taxes	336,880	1,867,648
	Income Tax Expenses of Earlier Years	1,797	-
		1,831,453	**1,953,247**

SKN & Company Chartered Accountants New Delhi

GMR Solar Energy Private Limited

GMR Solar Energy Private Limited
Notes to Financial Statements for the year ended 31st March 2018

Statement on Significant Accounting Policies and Notes to the Accounts

1. **Corporate Information**

GMR Solar Energy Private Limited was incorporated under the provisions of the Companies act, 2013, having its Registered Office at Unit No: 6th Floor, World Mark-II, Asset 8, Aerocity, NH-8, New Delhi-110 037 and was promoted by GMR Enterprises Private Limited, the holding company, to develop and operate 2 MW Solar Energy based Power Plant at International Cargo Terminal, IGI airport, New Delhi.

The Company has achieved COD on 25th Feb'2017.

The entire power generated is being sold to Celebi Delhi Cargo Terminal Management India Pvt Ltd as per PPA terms.

2. **SIGNIFICANT ACCOUNTING POLICIES**

a. **Basis of Preparation of Financial Statements:**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles ('Indian GAAP') in India. The Financial Statements have been prepared to comply in all material respects with Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), read with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

b. **Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. **Revenue Recognition:**

i) Revenue from sale of energy is recognized on accrual basis in accordance with the provisions of the Power Purchase Agreement {PPA}, after Commercial Operation Date.

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

d. **Fixed Assets and Capital Work-in-progress:**

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Assets under installation or under construction and the related advances as at the balance sheet date are shown as Capital Work in Progress.

S.K.N & Company Chartered Accountants New Delhi

GMR Solar Energy Private Limited GMR

e. Depreciation:

The depreciation on the tangible fixed assets is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of Companies Act, 2013 except in case of plant and machinery where the life of the asset is considered as 25 years as prescribed by Central Electricity Regulatory Commission ('CERC') being the regulatory authority in the energy sector. Assets individually costing less than Rs. 5,000, which are fully depreciated in the year of acquisition

Leasehold land is amortised over the tenure of the lease except in case of power plants where it is amortised from the date of commercial operation. Leasehold improvements are amortised over the primary period of the lease or estimated useful life whichever is shorter.

f. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Cost of acquisition is inclusive of expenditure incidental to acquisition.

g. Borrowing Costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets till the period such assets are ready to put to use. A qualifying asset is one that takes substantial period of time to get ready for its intended use or sale. Other borrowing costs not attributable to the acquisition of any capital asset or investments are recognised as expenses in the period in which they are incurred.

h. Employee Benefits

a) Defined Contribution Plans

Contributions paid/payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc. in accordance with the applicable laws and regulations are recognised as expenses during the period in which the employees perform the services that the payments cover.

The Group makes monthly contributions and has no further obligations under such plans beyond its contributions.

b) Defined Benefit Plan

The liability as at the Balance Sheet date is provided for based on the actuarial valuation, under Projected Unit Credit Method at the Balance Sheet date, carried out by an independent actuary. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised immediately in the Profit and Loss account as an income or expense.

c) Other Long term employee benefits

Employee benefits including compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date based on

SKN & Company Chartered Accountants New Delhi

GMR Solar Energy Private Limited GMR

actuarial valuation method of Projected Unit Credit carried out at each Balance Sheet date. Actuarial Gains and Losses are recognised immediately in the Profit and Loss account as an income or expense.

d) Short term employee benefits

Short term employee benefits including compensated absences as at the Balance Sheet date are recognised as an expense as per the Group's schemes based on the expected obligation on an undiscounted basis.

i. Foreign Currency Transactions

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions. The Original cost of Fixed Assets acquired through foreign currency borrowings at the end of each financial year is adjusted for any change in liability arising out of expressing the outstanding foreign currency loan at the rate of exchange prevailing at the date of balance sheet.

Long term foreign currency monetary assets & liabilities, which does not relate to acquisition of fixed assets, are translated at the exchange rates prevailing on the balance sheet date and the resultant exchange differences are accumulated in the foreign currency monetary item translation reserve and amortized over the balance period of such long term asset/liability.

Monetary assets & monetary liabilities other than long term are translated at the exchange rate prevailing on the balance sheet date & the resultant gain/ loss is recognized in the financial statements.

j. Taxes on Income

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured on the tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

During the F.Y. 2016-17, Deferred tax Liability of Rs. 18, 67,648/-has been recognized.

k. Earnings Per Share

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

SKN & Company New Delhi Chartered Accountants

GMR Solar Energy Private Limited GMR

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l. Cash and Cash equivalents:

Cash for the purposes of cash flow statement comprise cash in hand and at bank (including deposits with maturity period of less than 3 months from balance sheet date) and cash equivalents comprise of short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

m. Provisions:

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

n. Leases:

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

O. Impairment:

All the fixed assets including intangible assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment (being the excess of carrying value over the recoverable value of the asset) is charged to the Profit and Loss account in the respective financial year. Recoverable amount is higher of the net selling price of an asset and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

P. Contingent Liabilities:

SKN & Company New Delhi Chartered Accountants

GMR Solar Energy Private Limited GMR

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and, to the extent not provided for, are disclosed by way of notes on the accounts.

II. Notes to the Accounts

21 **Capital commitments:**

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances as on 31st March, 2018 is Nil (31st March, 2017: Nil)

Other Commitments: Nil

22 **Employee Benefits:**

As there are no employees, the company has not determined the liability for gratuity and long term compensated absences in accordance with revised AS 15.

23 **List of Related Parties:**

Holding Company	GMR Enterprises Private Limited (Formerly Known as GMR Holdings Private Limited)
Fellow Subsidiaries	GMR Infrastructure Limited GMR Sports Private Limited GMR League Games Private Limited GMR Infratech Private Limited Cadence Enterprises Private Limited PHL Infrastructure Finance Company Private Limited Geokno India Private Limited GMR Projects Private Limited Vijay Nivas Real Estates Private Limited Fabcity Properties Private Limited Kondampeta Properties Private Limited Hyderabad Jabilli Properties Private Limited Leora Real Estates Private Limited Pashupati Artex Agencies Private Limited Ravivarma Realty Private Limited GMR Holding (Malta) Limited GMR Infrastructure (Malta) Limited GMR Holdings (Overseas) Limited GMR Holdings (Mauritius) Limited Crossridge Investments Ltd. Interzone Capital Limited GMR Holdings Overseas (Singapore) Pte Limited GMR Energy Limited GMR Power Corporation Limited GMR Vemagiri Power Generation Limited GMR Energy Trading Limited GMR (Badrinath) Hydro Power Generation Private Limited GMR Mining and Energy Private Limited GMR Kamalanga Energy Limited GMR Consulting Services Limited (formerly

SKN & Company Chartered Accountants New Delhi

GMR Solar Energy Private Limited

	known as GMR Consulting Services Private Limited) SJK Powergen Limited GMR Coastal Energy Private Limited GMR Bajoli Holi Hydropower Private Limited GMR Londa Hydropower Private Limited GMR Kakinada Energy Private Limited (Erstwhile Londa Hydro Power Private Limited) GMR Warora Energy Limited (Formerly known as EMCO Energy Limited) GMR Genco Assets Limited Himtal Hydro Power Co. Private Limited GMR Upper Karnali Hydro Power Public Limited GMR Energy (Mauritius) Limited GMR Lion Energy Limited GMR Energy (Cyprus) Ltd GMR Energy (Netherlands) BV PT Dwikarya Sejati Utma PT Duta Sarana Internusa PT Barasentosa Lestari PT Unsoco Karnali Transmission Company Pvt. Ltd. Marsyangdi Transmission Company Pvt. Ltd. GMR Maharashtra Energy Limited GMR Bundelkhand Energy Private Limited GMR Rajam Solar Power Pvt Ltd (formerly known as GMR Uttar Pradesh Energy Private Limited) GMR Indo-Nepal Energy Links Limited GMR Indo-Nepal Power Corridors Limited GMR Generation Assets Limited (GGAL) GMR Power Infra Limited GMR Coal Resources PTE. Limited GMR Krishnagiri SEZ Limited Advika Properties Private Limited Aklima Properties Private Limited Amartya Properties Private Limited Baruni Properties Private Limited Camelia Properties Private Limited Eila Properties Private Limited Gerbera Properties Private Limited Lakshmi Priya Properties Private Limited Honeysuckle Properties Private Limited Idika Properties Private Limited Krishnapriya Properties Private Limited Nadira Properties Private Limited Prakalpa Properties Private Limited Purnachandra Properties Private Limited Shreyadita Properties Private Limited Sreepa Properties Private Limited Bougainvillea Properties Private Limited GMR SEZ & Port Holdings Private Limited (erstwhile GMR Oil & Natural Gas Private Limited)

SKN & Company Chartered Accountants New Delhi

GMR Solar Energy Private Limited GMR

	Deepesh Properties Pvt Ltd Padmapriya Properties Pvt Ltd Kakinada SEZ Private Limited Larkspur Properties Private Limited Pranesh Properties Private Limited Radhapriya Properties Private Limited Asteria Real Estates Private Limited GMR Hosur Industrial City Private Limited (formerly known as Lantana Properties Private Limited) GMR Hosur EMC Limited Honeyflower Estates Private Limited Namitha Real Estates Private Limited East Godavari Power Distribution Company Private Limited Suzone Properties Private Limited Lilliam Properties Private Limited GMR Highways Limited GMR Tuni Anakapalli Expressways Limited GMR Tambaram Tindivanam Expressways Limited GMR Ambala Chandigarh Expressways Private Limited GMR Pochanpalli Expressways Limited GMR Hyderabad Vijayawada Expressways Private Limited GMR Chennai Outer Ring Road Private Limited GMR Highways Projects Private Limited GMR Kishangarh Udaipur Ahmedabad Expressways Limited Delhi International Airport Private Limited Delhi Aerotropolis Private Limited GMR Airports Limited GMR Airport (Global) Limited GMR Airports (Mauritius) Limited GMR Airports (Malta) Limited Delhi Duty free Services Private Limited Delhi Airport Parking services Private Limited GMR Hyderabad International Airport Ltd Gateways for India Airports Private Limited GMR Hyderabad Aerotropolis Limited GMR Hyderabad Airport Resource Management Limited GMR Hyderabad Aviation SEZ Limited GMR Hyderabad Multiproduct SEZ Limited Hyderabad Airport Security Services Limited Hyderabad Duty Free Retail Limited GMR Hotels and Resorts Limited GMR Airport Handling Services Company Limited GMR Airport Developers Limited GADL (Mauritius) Limited GADL International Limited GMR Hyderabad Airport Power Distribution Limited GMR Aerospace Engineering Limited

SKN & Company Chartered Accountants New Delhi

GMR Solar Energy Private Limited GMR

	(Formerly known as MAS GMR Aerospace Engineering Company Limited) GMR Aero Technic Limited (Formerly known as MAS GMR Aero Technic Limited) GMR Male International Airport Private Limited GMR Malé Retail Private Limited Dhruvi Securities Private Limited GMR Corporate Center Limited GMR Aviation Private Limited GMR Corporate Affairs Private Limited GMR Business Process And Services Private Limited Raxa Security Services Limited GMR Infrastructure (Mauritius) Limited GMR Infrastructure (UK) Limited GMR Infrastructure (Singapore) PTE. Limited GMR Infrastructure (Cyprus) Limited GMR Infrastructure (Global) Limited GMR Energy (Global) Limited GMR Infrastructure Overseas (Malta)Limited (Formerly known as GMR Infrastructure Overseas Sociedad Limitada) GMR Energy Projects (Mauritius) Limited GMR Infrastructure (Overseas) Limited GMR Utilities Private Limited
Key Management Personnel	Mr. Prabir Kumar Majumdar, Director Mr. Ranjit Singh Matharoo, Director

Transactions with related parties during the year.

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

Amt in Rs.

Particulars	**For the year ended 31st March 2018**	**For the year ended 31st March 2017**
I. Enterprise that control the company-GMR Enterprises Private Limited		
a) Share Capital Received	1,00,000	24,000,000
b)Share Application Money pending Allotment	Nil	1,00,000

b) Closing balances with the above related parties are as given under:

Amt in Rs.

Particulars	**For the year ended 31st Mar 2018**	**For the year ended 31st Mar 2017**
I) GMR Enterprises Private Limited		
a) Share Capital	24,100,000	24,000,000
b) Share Application Money pending Allotment	Nil	1,00,000

SKN & Company New Delhi Chartered Accountants

GMR Solar Energy Private Limited GMR

24 Earnings per Share (EPS)

Particulars	As on 31st March 2018	As on 31st March 2017
Nominal value of Equity Shares(Rs. Per share)	10	10
Total No. of Equity Shares outstanding at the beginning of the Period/Year	Nil	Nil
Total No. of Equity Shares outstanding at the end of the Period/Year	2,410,000	2,400,000
Weighted average No. of Equity shares for Basic earnings per Share	2,410,000	2,400,000
Profit as per Profit and loss Account	6,002,580	(1,552,079)
Less: Dividend on Preference shares (including tax thereon)	-	-
Profit/ (Loss) for Earning per share	6,002,580	(1,552,079)
Earnings per Share (EPS)	2.49	(0.65)

25 Additional information

a) Details of Managerial remuneration:-

Amt in Rs.

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
i) Salaries and Allowances	Nil	Nil
ii)Company's Contribution to Provident fund and Other funds	Nil	Nil

b) Information in regard to amounts paid to the auditor, whether as fees, expenses or otherwise for services rendered:-

Amt in Rs.

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
a) As Auditor	Nil	Nil
- Statutory Audit Fees	17,700/-	17,700/-
- Tax Audit Fees	23,600/-	Nil
b) As adviser, or in any other capacity, in respect of -	Nil	Nil
- Taxation Matters	Nil	Nil
- Company Law Matters	Nil	Nil
- Management/Certification Services	Nil	Nil
c) Other Services	Nil	Nil
d) Limited review	Nil	Nil
e) Reimbursement of expenses	Nil	Nil

c) Expenditure in Foreign Currency

Amt in Rs.

Particulars	Year ended 31st Mar 2018	Year ended 31st Mar 2017
Foreign Travel	Nil	Nil
Purchase of capital equipment	Nil	Nil
Registration fees	Nil	Nil

SKN & Company Chartered Accountants New Delhi

GMR Solar Energy Private Limited GMR

26 The Company has not entered into any cancelable operating lease agreements.

27 Pending Legal Litigation: The Company does not have any pending litigations which would impact its financial position

28 Material foreseeable losses: the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

29 There are no micro and small enterprises to which the company owes dues which are outstanding for more than 45 days as at March 31st, 2018. This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

30 Segment Reporting

The company is engaged primarily in the business of setting and running of Power plant. As the basic nature of the activities is governed by the same set of risk and returns these have been grouped as a single business segment. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Accounting Standard (AS-17) on Segmental Reporting issued by the ICAI are not applicable to the present activities of the company.

31 The Previous year's figures have been re-grouped and reclassified, wherever necessary, to confirm to those of current year.

For SKN & Company
Chartered Accountants

Pankaj Kukreja
M.NO: 504343
Firm Reg No: 023323N

Place: New Delhi
Date: June 30, 2018

For and on behalf of Board of Directors
of GMR Solar Energy Private Limited

Prabir Kumar Majumdar
Director
DIN: 03591200

Ranjit Singh Matharoo
Director
DIN: 07617929

Place: New Delhi
Date: June 30, 2018