

GMR VEMAGIRI POWER GENERATION LIMITED
IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH
31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of GMR Vemagiri Power Generation Limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of GMR Vemagiri Power Generation Limited ("the Company"), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss, including the statement of other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

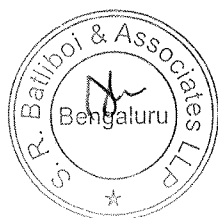
Management's Responsibility for the Ind AS financial statements

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit 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 Ind AS financial statements are free from material misstatement.

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



Basis for qualified opinion

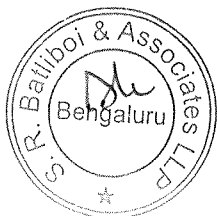
As detailed in note Note 36 to the accompanying Ind AS financial statements for the year ended March 31, 2018, the Company has ceased operations and have been incurring losses with a consequent erosion of net worth resulting from the unavailability of adequate supply of natural gas. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations by the Company at varying levels of capacity in the future and the appropriateness of the going concern assumption of the Company is dependent on its ability to establish consistent profitable operations as well as raising adequate finance to meet short term and long term obligations and accordingly we are unable to comment if any adjustments are required to the carrying value of the net assets as at March 31, 2018.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the accompanying Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, of its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and, except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The balance sheet, statement of profit and loss including the statement of other comprehensive income, and cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the accompanying Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The matter described in the Basis for Qualified Opinion paragraph above and Qualified Opinion paragraph of 'Annexure II' to this report, in our opinion, may have an adverse effect on the functioning of the Company;



S.R. BATLIBOI & ASSOCIATES LLP

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- (f) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) 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 II" to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 to the Ind AS financial statements;
 - 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 by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI firm registration number: 101049W/E300004



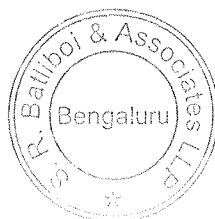
per Sandeep Karnani

Partner

Membership number: 061207

Place: New Delhi

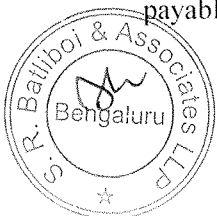
Date: May 02, 2018



Annexure I referred to in clause 1 of paragraph on the report on other legal and regulatory requirements of our report of even date

Re: GMR Vemagiri Power Generation Limited

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us by the management, the title deeds (Including the title deeds of the immovable property mortgaged with the lenders as security for the borrowings and confirmed by the lenders) of immovable properties included in fixed assets are held in the name of the Company.
- ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given, as applicable.
- v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to generation of hydro-electricity and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii) a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other material statutory dues as applicable to the Company, have generally been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Period for which amounts relates to	Forum where dispute is pending
The Customs Act, 1962	Customs duty	5,910.57	January 2004 to September 2006	Supreme Court of India
Andhra Pradesh Electricity Duty Act & Rules, 1939	Electricity Duty	4,821.39	September 2006 to November 2011	Chief Electrical Inspectorate, Government of Andhra Pradesh
The Customs Act, 1962	Customs duty	36.37	April 2012 to February 2013	Customs, Excise and Service Tax Appellate Tribunal

viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

ix) According to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

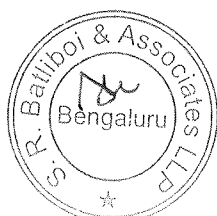
x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi) According to the information and explanations given to us by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

xiii) According to the information and explanations given to us by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.



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xv) According to the information and explanations given to us by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013 and hence, reporting requirements under clause 3(xv) are not applicable to the Company and, not commented upon.

xvi) According to the information and explanations given to us by the management, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R.BATLIBOI & ASSOCIATES LLP

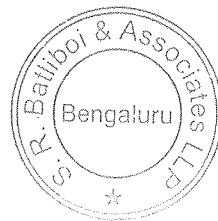
Chartered Accountants

ICAI firm registration number: 101049W/E300004


Per Sandeep Karnani

Partner

Membership number: 061207



Place: New Delhi

Date: May 02, 2018

Annexure II to the independent auditor's report of even date on the Ind AS financial statements of GMR Vemagiri Power Generation Limited

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 Vemagiri Power Generation Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to these Ind AS financial statements 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 over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS financial statements 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 the Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2018:

- (a) The Company's internal financial control with regard to assessment of carrying value of net assets as more fully explained in note 36 to the Ind AS financial statements were not operating effectively and could potentially result in the Company not providing for adjustments that may be required to be made to the carrying value of such net assets.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these Ind AS financial statements as of 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 issued by the ICAI, and except for the possible effect of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as of March 31, 2018.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the ICAI, as specified under Section 143(10) of the Act, the Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2018, and the related Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 Ind AS financial statements of the Company and this report affects our report dated May 02, 2018, which expressed a qualified opinion on those financial Ind AS statements.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



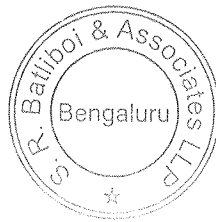
per Sandeep Karnani

Partner

Membership Number: 061207

Place: New Delhi

Date: May 02, 2018



GMR Vemagiri Power Generation Limited
Corporate Identity Number (CIN): U23201KA1997PLC032964
Balance Sheet as at March 31, 2018

		As at March 31, 2018 Rs. in Lakhs	As at March 31, 2017 Rs. in Lakhs
Assets			
Non-current assets			
Property, plant and equipment	3	283.29	284.76
Investment property	4	253.49	253.49
Intangible assets	5	51,376.27	55,908.31
Financial assets			
(i) Other financial assets	7	105.72	49.07
Non-current tax assets (net)		36.97	22.57
		52,055.74	56,518.20
Current assets			
Inventories	12	78.41	75.51
Financial assets			
(i) Trade receivables	8	-	-
(ii) Cash and cash equivalents	9	24.34	61.85
(iii) Bank balances other than (ii) above	10	-	-
(iv) Loans	6	-	162.30
(v) Other financial assets	7	337.61	483.38
Other current assets	11	121.54	150.46
		561.90	933.50
Total Assets		52,617.64	57,451.70
Equity and liabilities			
Equity			
Equity share capital	13	27,450.01	27,450.01
Other equity			
(i) Equity component of cumulative redeemable preference shares ('CRPS')	14	23,939.64	23,939.64
(ii) Securities premium	14	199.99	199.99
(iii) Retained earnings	14	(46,918.37)	(35,333.08)
Total equity		4,671.27	16,256.56
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	28,649.15	25,177.21
Net employee defined benefit liabilities	19(a)	10.96	3.06
Government grant	20	2,689.18	2,915.93
		31,349.29	28,126.20
Current liabilities			
Financial liabilities			
(i) Borrowings	15	3,322.34	1,216.52
(ii) Trade payables	16	3,271.36	2,741.88
(iii) Others financial liabilities	17	5,660.36	4,763.43
Government grant	20	256.75	256.75
Other current liabilities	18	2,860.79	2,842.00
Net employee defined benefit liabilities	19(a)	197.52	229.47
Provisions	19(b)	1,004.56	1,008.55
Liabilities for current tax (net)		23.40	10.34
		16,597.08	13,068.94
Total Liabilities		47,946.37	41,195.14
Total equity and liabilities		52,617.64	57,451.70

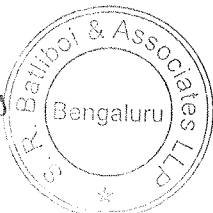
Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W / E300004
Chartered Accountants

Sandeep Kargani
per Sandeep Kargani
Partner
Membership number: 061207



Place: New Delhi
Date: May 02, 2018

For and on behalf of the Board of Directors of
GMR Vemagiri Power Generation Limited

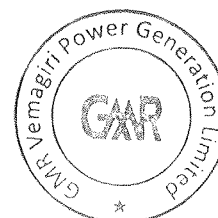
Sandeep Narayan Barde
Sandeep Narayan Barde
Director
DIN: 03140784

Ashish Jam
Ashish Jam
Chief Financial Officer

Place: New Delhi
Date: May 02, 2018

Arunendu Saha
Arunendu Saha
Director
DIN: 06776423

Nidhi Chandok
Nidhi Chandok
Company Secretary



GMR Vemagiri Power Generation Limited
Corporate Identity Number (CIN): U23201KA1997PLC032964
Statement of Profit and Loss for the year ended March 31, 2018

	Notes	March 31, 2018 Rs. in Lakhs	March 31, 2017 Rs. in Lakhs
Income			
Revenue from operations	21	168.15	12,881.36
Other income	22	302.98	3,590.92
Total income (I)		471.13	16,472.28
Expenses			
Cost of fuel consumed		-	10,292.37
Sub-contracting expenses		136.45	471.41
Consumption of stores and spares		18.28	93.41
Employee benefit expenses	23	1,084.07	1,097.76
Finance costs	25	4,430.15	7,102.43
Depreciation and amortisation expenses	24	4,535.02	4,921.98
Other expenses	26	1,883.31	3,701.77
Total expenses (II)		12,087.28	27,681.13
(Loss) / profit before tax (III = I-II)		(11,616.15)	(11,208.85)
Tax expense (IV)			
- Current tax		-	-
- Adjustment of tax relating to earlier periods		(25.78)	-
- Deferred tax		-	-
(Loss) / profit for the year (after tax) (V = III-IV)		(11,590.37)	(11,208.85)
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Re-measurement gains / (losses) on defined benefit plans		5.08	(9.27)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income / (loss) for the year, net of tax (VI)		5.08	(9.27)
Total comprehensive (loss) / income for the year (VII = V+VI) (Comprising loss for the year and other comprehensive income for the year)		(11,585.29)	(11,218.12)
Earnings per equity share (nominal value of share Rs. 10 each):			
Basic and diluted (Rs.)	28	(4.49)	(4.51)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date


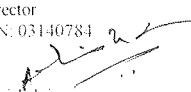
For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W / E300004
Chartered Accountants

per Sandeep Karjani
Partner
Membership number: 061207


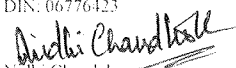


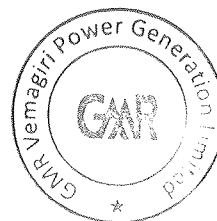
Place: New Delhi
Date: May 02, 2018

For and on behalf of the Board of Directors of
GMR Vemagiri Power Generation Limited


Sanjay Narayan Barde
Director
DIN: 03140784

Ashish Jain
Chief Financial Officer

Place: New Delhi
Date: May 02, 2018


Arunendu Saha
Director
DIN: 06776423

Nidhi Chandok
Company Secretary



GMR Vemagiri Power Generation Limited
Corporate Identity Number (CIN): U23201KA1997PLC032964
Statement of Changes in Equity for the year ended March 31, 2018

(A) Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid
As at March 31, 2017
As at March 31, 2018

Number	Rs. in Lakhs
274,500,140	27,450.01
274,500,140	27,450.01

(B) Other Equity

For the year ended March 31, 2018:

As at April 01, 2017
(Loss) / profit for the year
Other comprehensive income for the year
As at March 31, 2018

Equity component of CRPS	Securities premium	Retained earnings	Total
Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
23,939.64	199.99	(35,333.08)	(11,193.45)
-	-	(11,590.37)	(11,590.37)
-	-	5.08	5.08
23,939.64	199.99	(46,918.37)	(22,778.74)

For the year ended March 31, 2017:

As at April 01, 2016
(Loss) / profit for the year
Other comprehensive income for the year
As at March 31, 2017

Equity component of CRPS	Securities premium	Retained earnings	Total
Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
23,939.64	199.99	(24,114.96)	24.67
-	-	(11,208.85)	(11,208.85)
-	-	(9.27)	(9.27)
23,939.64	199.99	(35,333.08)	(11,193.45)

Summary of significant accounting policies

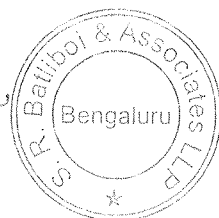
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The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R Batliboi & Associates LLP
ICAI firm registration number: 101049W / E300004
Chartered Accountants

Sandeep Karnan
per Sandeep Karnan
Partner
Membership number: 061207



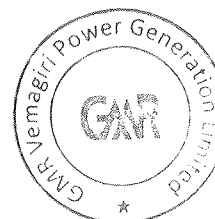
Place: New Delhi
Date: May 02, 2018

For and on behalf of the Board of Directors of
GMR Vemagiri Power Generation Limited

Samay Narayan Barde
Samay Narayan Barde
Director
DIN: 03140784
Ashish Jain
Ashish Jain
Chief Financial Officer

Arunendu Saha
Arunendu Saha
Director
DIN: 06776423
Nidhi Chandok
Nidhi Chandok
Company Secretary

Place: New Delhi
Date: May 02, 2018



Particulars	Rs. in Lakhs	
	March 31, 2018	March 31, 2017
A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
(Loss) / profit before tax	(11,616.15)	(11,208.85)
Non-cash adjustments to reconcile (loss)/profit before tax to net cash flows:		
Add: Depreciation and amortisation expenses	4,535.02	4,921.98
Add / Less: Exchange differences (net)	(6.11)	4.60
Less: Profit on disposal of property, plant and equipment	(0.10)	-
Less: Provision no longer required written back	-	(1,809.20)
Less: Income from Government grants	(256.75)	(256.75)
Add: Finance costs	4,430.15	7,102.43
Less: Interest income	(11.66)	(1,472.23)
Operating (loss) / profit before working capital changes	(2,925.60)	(2,718.02)
Working capital adjustments:		
Increase / (decrease) in trade payables	489.87	(798.61)
(Decrease) / increase in provisions	(18.97)	63.04
Increase / (decrease) in other liabilities	18.79	(250.12)
Increase / (decrease) in other financial liabilities	34.86	58.11
Decrease / (increase) in trade receivables	-	4,704.00
Decrease / (Increase) in other assets	28.92	(31.00)
(Increase) / decrease in other financial assets	(125.28)	(110.92)
(Increase) / decrease in inventories	(2.90)	(4.85)
Decrease / (increase) in loans and advances	-	0.15
Cash generated from / (used in) operations	(2,500.31)	911.78
Direct taxes paid (net of refunds)	24.44	111.86
Net cash flow from / (used in) operating activities	(2,475.87)	1,023.64
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets including intangible assets	(1.51)	(20.56)
Proceeds from sale of property, plant and equipment	0.10	-
(Investments in) / Maturity of deposits for a period exceeding three months (net)	(56.05)	0.66
Interest received on bank deposit / others	282.11	1,526.61
Loans given to Holding Company	-	(1,940.00)
Loans repaid by Holding Company	162.30	5,572.10
Net cash flow from / (used in) investing activities	386.95	5,138.81
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Repayment of long term borrowings	-	(1,817.14)
Proceeds from short term borrowings	2,195.99	983.49
Repayment of short term borrowings	(90.16)	(4,379.53)
Finance costs paid	(54.41)	(914.32)
Net cash flow from / (used in) financing activities	2,051.42	(6,127.50)
Net (decrease) / increase in cash and cash equivalents	(37.51)	34.95
Cash and cash equivalents at the beginning of the year	61.85	26.90
Cash and cash equivalents at the end of the year (Refer note 9)	24.34	61.85

Summary of significant accounting policies

2.2

Explanatory notes to statement of cash flows

1. Changes in liabilities arising from financing activities:-

Particulars	Liabilities arising from financing activities	
	Long term borrowings (refer note 15)	Short term borrowings (refer note 15)
As at April 01, 2017	25,177.21	1,216.52
Cash flows	-	2,105.82
Non-cash changes		
Foreign exchange fluctuations	-	-
Change in fair values	3,471.94	-
As at March 31, 2018	28,649.15	3,322.34

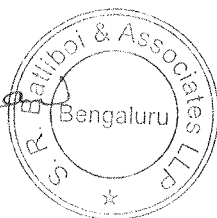
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W / E300004
Chartered Accountants

per Sandeep Karmali
Partner
Membership number: 061207

Place: New Delhi
Date: May 02, 2018



For and on behalf of the Board of Directors of
GMR Vemagiri Power Generation Limited

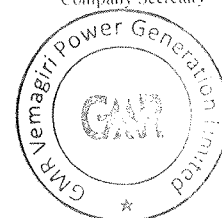
Sanjay Narayan Barde
Director
DIN: 03140784

Ashish Jain
Chief Financial Officer

Arunendu Saha
Director
DIN: 06776423

Nidhi Chandok
Company Secretary

Place: New Delhi
Date: May 02, 2018

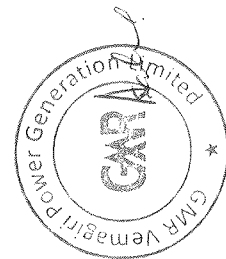


3 Property, plant and equipment

Rs. in Lakhs					
Particulars	Land	Office equipments	Furniture and fixtures	Vehicles	Total
Cost					
As at April 01, 2016	256.01	11.90	1.04	9.13	278.08
Additions	-	1.40	0.31	18.65	20.36
Disposals	-	-	-	-	-
As at March 31, 2017	256.01	13.30	1.35	27.78	298.44
Additions	-	1.51	-	-	1.51
Disposals	-	0.00	-	-	0.00
As at March 31, 2018	256.01	14.81	1.35	27.78	299.95
Accumulated depreciation					
As at April 1, 2016	-	2.81	1.02	4.01	7.84
Charge for the year	-	1.49	0.02	4.33	5.84
Disposals	-	-	-	-	-
As at March 31, 2017	-	4.30	1.04	8.34	13.68
Charge for the year	-	0.56	0.03	2.39	2.98
Disposals	-	-	-	-	-
As at March 31, 2018	-	4.86	1.07	10.73	16.66
Net book value					
As at March 31, 2017	256.01	9.00	0.31	19.44	284.76
As at March 31, 2018	256.01	9.95	0.28	17.05	283.29

(a) As at March 31, 2018, immovable properties of the Company (excluding investment properties) are pledged against the borrowings availed by GMR Warora Energy Limited ('GWEL'), a fellow subsidiary. Refer note 38.

(b) The Company has given 80 acres of land on an operating lease to GMR Rajahmundry Energy Limited ('GREL'). The gross and net block of land given on operating lease has been disclosed under 'Investment Property' (refer note 4) and balance Rs. 256.01 Lakhs has been considered above as 'Land'.



4 Investment property

		Rs. in Lakhs
Particulars	Investment property	
Cost		
As at April 01, 2016		253.49
Additions		-
Disposals		-
As at March 31, 2017		253.49
Additions		-
Disposals		-
As at March 31, 2018		253.49
Accumulated depreciation		
As at April 01, 2016		-
Charge for the year		-
Disposals		-
As at March 31, 2017		-
Charge for the year		-
Disposals		-
As at March 31, 2018		-
Net book value		
As at March 31, 2017		253.49
As at March 31, 2018		253.49

Notes

(a) Information regarding income and expenditure of Investment property:

		Rs. in Lakhs
Particulars	March 31, 2018	March 31, 2017
Rental income derived from investment property (Note 21)	39.69	37.80
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit / (loss) arising from investment properties before depreciation and indirect expenses	39.69	37.80
Less: Depreciation for the year	-	-
Profit / (loss) arising from investment properties before indirect expenses	39.69	37.80

(b) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

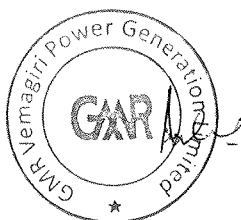
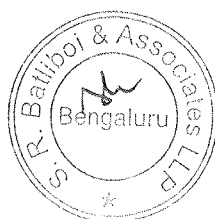
Fair value hierarchy disclosures for investment properties have been provided in Note 34.

(c) Reconciliation of fair values of Investment Property:

		Rs. in Lakhs
Particulars	Land	
As at April 01, 2016		16,000.00
Fair value difference		-
Purchases		-
As at March 31, 2017		16,000.00
Fair value difference		2,000.00
Purchases		-
As at March 31, 2018		18,000.00

Description of valuation techniques used and key inputs to valuation on investment properties as per the valuation report:

Particulars	March 31, 2018	March 31, 2017
Classification of land	Industrial land	Industrial land
Government value of land (Rs. In lakhs)	8,154.72	5,824.80
Total extent of the plot	80 Acres	80 Acres
Prevailing market rate per acre (Rs. In lakhs)	225.00	200.00
Fair value of the investment property (Rs. In lakhs)	18,000.00	16,000.00
Name of valuer	M. V. V Ramanujam	M. V. V Ramanujam



5 Intangible assets

Particulars	Computer software	Concession assets	Rs. in Lakhs Total
Cost			
As at April 01, 2016	23.90	66,488.62	66,512.52
Additions	-	0.20	0.20
Disposals	-	-	-
As at March 31, 2017	23.90	66,488.82	66,512.72
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2018	23.90	66,488.82	66,512.72
Amortisation			
As at April 01, 2016	10.35	5,677.92	5,688.27
Charge for the year	9.35	4,906.79	4,916.14
Disposals	-	-	-
As at March 31, 2017	19.70	10,584.71	10,604.41
Charge for the year	4.20	4,527.84	4,532.04
Disposals	-	-	-
As at March 31, 2018	23.90	15,112.55	15,136.45
Net book value			
As at March 31, 2017	4.20	55,904.11	55,908.31
As at March 31, 2018	-	51,376.27	51,376.27

(a) During the year ended March 31, 2010, the Company was granted a refund of customs duty of Rs.6,909.58 Lakhs which was paid earlier towards the import of plant and machinery. Subsequently, the Company received a refund of Rs. 5,910.57 Lakhs.

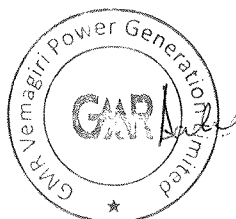
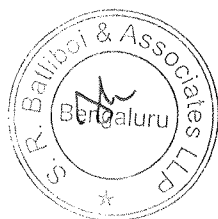
During the year ended March 31, 2011, the Company received an intimation from the Office of the Joint Director General of Foreign Trade ("DGFT") for cancellation of duty drawback refund order received in 2009-10 to the extent of the unpaid amount of Rs. 999.01 Lakhs.

During the year ended March 31, 2012, the Company received a further intimation from DGFT for cancellation of duty drawback refund order of Rs. 5,910.57 Lakhs received in 2009-10, thereby seeking refund of the amount the Company received earlier. Based on an expert's opinion the management is confident that the duty drawback refund granted earlier was appropriate and that the cancellation of the duty drawback refund is not tenable. Accordingly, no adjustment has been made with regard to the refund of Rs. 5,910.57 Lakhs already received by the Company in the financial statements of the Company.

The Company has filed a writ petition with the Hon'ble High Court of Delhi in November 2011. During the year ended March 31, 2015, the matter has been transferred to Hon'ble Supreme Court of India and will be concluded along with other similar cases and is pending finalization as at March 31, 2018.

The Company considers Rs. 5,910.57 Lakhs as government grant received as per Ind AS 20 - 'Accounting for Government Grants and Disclosure of Government Assistance' and recognises the same as income on a straight line basis in the Statement of profit and loss over the concession period.

b) Service Concession Arrangements (refer note 2.2 (c))



6 Loans

Rs. in lakhs

Current	
March 31, 2018	March 31, 2017
-	162.30
-	162.30

Loan to related party (Unsecured, considered good) (refer note 32)
- Represents Inter Corporate Deposit (ICD) provided to GEI, which carried an interest rate of 9% p.a. ICD had a tenor of one year or as mutually agreed between the parties. The ICD along with interest thereon has been repaid by GEI during the current year.
Total

7 Other financial assets

Rs. in lakhs

Non current		Current	
March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Non-current bank balance (refer note 10)	81.24	25.19	-
Interest accrued on fixed deposits	-	-	0.64
Interest accrued on loan to related party (refer note 32)	-	-	271.05
Security deposits	24.48	23.88	-
Receivables from related party (refer note 32)	-	-	336.50
Other receivables	-	-	0.47
Total	105.72	49.07	483.38

Non-current bank balance (refer note 10)
Interest accrued on fixed deposits
Interest accrued on loan to related party (refer note 32)
Security deposits
Receivables from related party (refer note 32)
Other receivables
Total

8 Trade receivables

Rs. in lakhs

Current	
March 31, 2018	March 31, 2017
Unsecured, considered doubtful	155.59
Provision for doubtful receivables	155.59
-	(155.59)
-	-

Unsecured, considered doubtful
Provision for doubtful receivables

Notes:

1. 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.
2. No trade or other receivable are due from related parties.
3. Trade receivables are non-interest bearing and are generally on terms of 5 to 30 days.

9 Cash and cash equivalents

Rs. in lakhs

Current	
March 31, 2018	March 31, 2017
Cash and cash equivalents (refer note 38)	
Balances with banks:	
- On current accounts	18.44
Cash on hand	5.90
Total	24.34
	60.09
	1.76
	61.85

Cash and cash equivalents (refer note 38)
Balances with banks:
- On current accounts
Cash on hand
Total

10 Bank balances other than cash and cash equivalents

Rs. in lakhs

Non current		Current	
March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Restricted balances with banks ²	81.24	25.19	-
Amount disclosed under other non-current financial assets (refer note 37)	81.24	25.19	-
Total	(81.24)	(25.19)	-
-	-	-	-

Restricted balances with banks²
Amount disclosed under other non-current financial assets (refer note 37)
Total

(a) Refer note 38

(b) As at March 31, 2018, margin money deposit includes deposits amounting to Rs. 25.19 lakhs (March 31, 2017: Rs. 25.19 lakhs) have been pledged towards the Letter of Credit facility availed by the Company from a bank for the purpose of working capital requirements of the Company. Further, deposits amounting to Rs. 56.05 lakhs (March 31, 2017: Nil) have been pledged towards the Letter of Credit facility availed by the Company from a bank for the purpose of procurement of gas under the Spot Gas Sales Agreement entered into by the Company during the year.

11 Other assets

Rs. in lakhs

Non current		Current	
March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unsecured, considered good unless stated otherwise			
Advances against material and services (refer note 32)	-	-	56.72
Advances to employees	-	-	14.33
Prepaid expenses	-	-	50.40
Unsecured, considered doubtful			
Balance with statutory / government authorities (unsecured)	163.29	163.29	-
Less: Provision for doubtful advances	(163.29)	(163.29)	-
Total	-	-	121.54
			150.46

Unsecured, considered good unless stated otherwise
Advances against material and services (refer note 32)
Advances to employees
Prepaid expenses

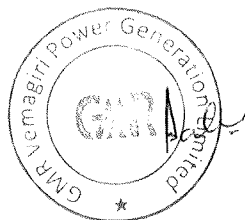
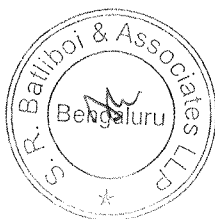
Unsecured, considered doubtful
Balance with statutory / government authorities (unsecured)
Less: Provision for doubtful advances
Total

12 Inventories

Rs. in lakhs

Current	
March 31, 2018	March 31, 2017
Stores, spares and components (at lower of cost and net realisable value)	78.41
Total	78.41
	75.51

Stores, spares and components (at lower of cost and net realisable value)
Total



13 Share capital

a) Authorised share capital

As at April 01, 2016
Increase / (decrease) during the year
As at March 31, 2017
Increase / (decrease) during the year
As at March 31, 2018

Equity Shares		Preference Shares	
Number	Rs. in Lakhs	Number	Rs. in Lakhs
300,000,000	30,000.00	50,000	50,000.00
-	-	-	-
300,000,000	30,000.00	50,000	50,000.00
-	-	-	-
300,000,000	30,000.00	50,000	50,000.00

b) Issued equity capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid

As at April 01, 2016
Changes during the year
As at March 31, 2017
Changes during the year
As at March 31, 2018

Number in Lakhs	Rs. in Lakhs
274,500,140	27,450.01
-	-
274,500,140	27,450.01
-	-
274,500,140	27,450.01

c) Issued preference share capital

As at April 01, 2016
Changes during the year
As at March 31, 2017
Changes during the year
As at March 31, 2018

CRPS		Equity component of CRPS	
Number	Rs. in Lakhs	Number	Rs. in Lakhs
50,000	50,000.00	-	23,939.64
-	-	-	-
50,000	50,000.00	-	23,939.64
-	-	-	-
50,000	50,000.00	-	23,939.64

d) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 10 per share. Every member holding equity shares therein shall have voting rights in proportion to member's share of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in ensuing Annual General meeting.

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

e) Terms/ rights attached to CRPS

CRPS are for a tenure of ten years and carry a dividend at 7.00% per annum (p.a.). CRPS are redeemable at par prior to the end of the tenure at any time after one year from the date of allotment, at the option of subscriber, either partially or wholly, with a three months prior notice to the Company.

As per section 47 of the Act, where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such preference shareholders shall have a right on all the resolutions placed before the Company. The Company has not paid preference dividend since the date of issue of CRPS i.e. from the year ended March 31, 2013 till March 31, 2018. During the year ended March 31, 2017, GMR Power Corporation Limited (GPC), a fellow subsidiary has sold the shares to GMR Energy Limited (GEL), the Holding Company and as at March 31, 2018, CRPS are held by GEL. (Also refer note 31)

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

Out of shares issued by the Company, shares held by its Holding Company, Ultimate Holding Company and their subsidiaries/ associates are as below

	March 31, 2018	March 31, 2017
	Rs. in Lakhs	Rs. in Lakhs
GEL, the Holding Company	27,450.01	27,450.01

274,500,134 (March 31, 2017: 274,500,134) equity shares of Rs 10 each fully paid

GEL, the Holding Company
50,000 (March 31, 2017: 50,000) CRPS of Rs 100,000 each fully paid

50,000.00 50,000.00

Further 6 shares are held by the nominees of GEL. (March 31, 2017: Jointly held)

g) Details of shareholders holding more than 5% equity shares in the Company

	March 31, 2018		March 31, 2017	
	Number	% holding	Number	% holding
Equity shares of Rs. 10 each fully paid				
GEL ¹	274,500,140	99.99%	274,500,140	99.99%
Equity component of CRPS of Rs. 100,000 each issued and fully paid ²				
GEL	50,000	100.00%	50,000	100.00%

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

1. Further 6 shares are held by the nominees of GEL.

2. These notes covers the equity component of the issued CRPS. The liability component is reflected in financial liabilities - borrowings (note 15)

14 Other equity

Capital contribution from parent / related parties (Equity component of CRPS)

Balance at the beginning and end of the year (refer note 13 (c))

23,939.64 23,939.64

Share premium

Balance at the beginning and end of the year

199.99 199.99

Retained earnings

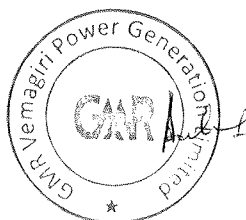
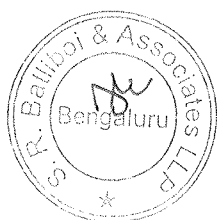
Balance at the beginning of the year
Less: profit / (loss) for the year
Less: Re-measurement (losses) / gains on defined benefit plans
Balance at the end of the year

(35,333.08) (24,114.96)
(11,500.37) (11,208.85)
5.08 (9.27)

(46,918.37) (35,333.08)

Total

(22,778.74) (11,193.45)



15 Borrowings

Rs. in lakhs

Liability component of compound financial instruments:
CRPS:

7.00% CRPS (unsecured)¹ (refer note 13(c) and 13(d))
Total non current borrowings

	Non current	Current
March 31, 2018	March 31, 2017	March 31, 2018
28,649.15	25,177.21	-
28,649.15	25,177.21	-

The above amount includes
Unsecured borrowings
Less: Amount clubbed under 'Other financial liabilities'
Net amount

28,649.15	25,177.21	-
-	-	-
28,649.15	25,177.21	-

Other loans (unsecured) (refer note 32)

Loan from the Holding Company²
Loans from GMR Power Corporation Limited (GPCL)³
Loans from GMR Generation Asset Limited (GGAL)⁴

-	-	2,195.99
-	-	150.01
-	-	967.34
-	-	3,222.34

Aggregate Secured borrowings
Aggregate Unsecured borrowings

-	-	-
-	-	3,222.34

1. CRPS:

At March 31, 2018 and March 31, 2017 the Company has issued 50,000 cumulative redeemable preference shares of Rs. 100,000 each fully paid up. Refer note 13(c) for the terms of issue of CRPS. The presentation of the liability and equity portions of these CRPS is explained in the summary of significant accounting policy.

2. Loan from the Holding Company:

Represents ICD provided by GEL, carries a Nil interest rate. ICD is repayable within 11 months or such other time as may be mutually agreed between the parties.

3. Loans from GPCL:

Represents ICD provided by GPCL, carries an interest rate of 7.00% p.a. (March 31, 2017: 9.00% p.a.) ICD is repayable on demand.

4. Loans from GGAL:

Represents ICD carrying an interest rate of 12.50% p.a. ICD is repayable within one year or such other time as may be mutually agreed between the parties.

16 Trade Payables

Rs. in lakhs

Trade payables
Trade payables to related parties (refer note 32)
Total

Current
March 31, 2018
3,035.70
235.66
3,271.36

1. Based on information available with the Company, there are no suppliers which are registered as micro, small or medium enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006' as at March 31, 2018 and March 31, 2017.

2. Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing.
- For explanations on the Company's credit risk management processes, refer note 34 (c).
- The dues to related parties are unsecured.

17 Other financial liabilities

Rs. in lakhs

Interest accrued but not due on borrowings (refer note 32)
Non trade payable (refer note 32)
Other payables
Total

Current
March 31, 2018
131.62
1,413.17
4,115.56
5,660.36

18 Other liabilities

Rs. in lakhs

Unearned revenue
Statutory liabilities
Total

Current
March 31, 2018
2,750.53
110.26
2,860.79

19(a) Net employee defined benefit liabilities

Rs. in lakhs

Provision for employee benefits
Provision for compensated absences (refer note 30)
Provision for gratuity (refer note 30)
Provision for other employee benefits
Total

Non current	Current
March 31, 2018	March 31, 2017
-	102.24
10.96	5.47
-	89.81
10.96	197.52

19(b) Provisions

Rs. in lakhs

Provision for operation and maintenance (refer note 37)
Total

Current
March 31, 2018
1,004.56
1,004.56

20 Government grants

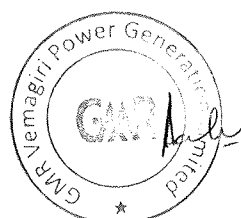
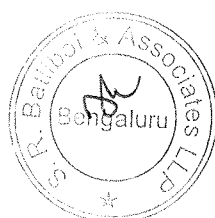
Rs. in lakhs

Government grants (refer note 34a)
Total

Non current	Current
March 31, 2018	March 31, 2017
2,689.18	2,945.93
2,689.18	2,945.93

As at April 01,
Received during the year
Released to the statement of profit and loss
As at March 31,

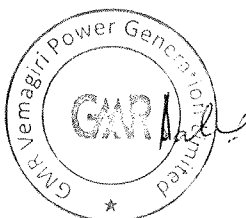
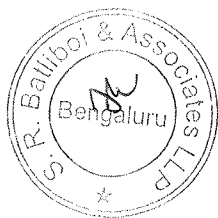
March 31, 2018	March 31, 2017
3,202.68	3,459.43
(256.75)	(256.75)
2,945.93	3,202.68



21 Revenue from operations		<i>Rs. in lakhs</i>	
Sale of products		March 31, 2018	March 31, 2017
Income from sale of electrical energy		-	13,060.41
Less: Prompt payment rebate		-	(279.85)
Other operating revenue:			
Land lease rental		39.69	37.80
Income from facility services		66.15	63.00
Sale of certified emission reductions		62.31	-
Total		168.15	12,881.36
22 Other income		<i>Rs. in lakhs</i>	
		March 31, 2018	March 31, 2017
Provision no longer required written back		-	1,809.20
Government grants (refer note 20)		256.75	256.75
Miscellaneous income		31.28	52.74
Interest income on			
- Loans to related parties (refer note 32)		1.17	271.05
- Bank deposits		3.58	6.51
- Others		6.91	1,194.67
Exchange differences (net)		3.19	-
Profit on sale of Property, plant and equipment		0.10	-
Total		302.98	3,590.92
23 Employee benefit expenses		<i>Rs. in lakhs</i>	
		March 31, 2018	March 31, 2017
Salaries, wages and bonus		980.09	1,014.23
Contribution to provident and other funds (refer note 30)		66.63	64.24
Gratuity expenses (refer note 30)		24.64	0.71
Staff welfare expenses		12.71	18.58
Total		1,084.07	1,097.76
24 Depreciation and amortisation expenses		<i>Rs. in lakhs</i>	
		March 31, 2018	March 31, 2017
Depreciation on property, plant and equipment (refer note 3)		2.98	5.84
Amortisation of intangible assets (refer note 5)		4,532.04	4,916.14
Total		4,535.02	4,921.98
25 Finance costs		<i>Rs. in lakhs</i>	
		March 31, 2018	March 31, 2017
Interest expenses		892.91	3,782.17
Interest on borrowings measured at amortised cost		3,513.66	3,084.88
Bank charges		23.58	235.38
Total		4,430.15	7,102.43
26 Other expenses		<i>Rs. in lakhs</i>	
		March 31, 2018	March 31, 2017
Electricity and water charges		444.83	303.85
Rent		190.61	100.72
Rates and taxes		77.64	149.18
Insurance		99.18	156.59
Repairs and maintenance		171.85	338.95
Security expenses		122.25	126.23
Travelling and conveyance		65.47	113.97
Communication costs		8.30	9.11
Legal and professional fees		592.71	612.81
Directors' sitting fees		1.04	3.45
Payment to auditors (refer details below)		19.00	18.35
Donation		17.82	3.15
Exchange differences (net)		-	7.37
Logo fees		0.02	0.01
Claims from customer		-	1,684.82
Miscellaneous expenses		72.50	73.21
Total		1,883.31	3,701.77
Payment to auditors (including goods and service tax / service tax)		<i>Rs. in lakhs</i>	
		March 31, 2018	March 31, 2017
As auditor :			
Audit fees		17.70	17.25
Reimbursement of expenses		1.30	1.10
Total		19.00	18.35
27 Income Tax			

The Company has no taxable income for the financial year ended March 31, 2018 and accordingly, no current tax expense has been recorded.

The Company has significant carry forward unused tax losses. Since it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised, no deferred tax asset has been recognised in the financials for the unused carry forward tax losses and the taxable losses for the year.



28 Earnings Per Share ('EPS')

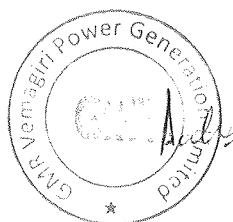
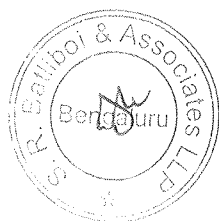
Basic EPS amounts are calculated by dividing the profit/loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

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

Particulars	March 31, 2018	March 31, 2017
Face value per share (Rs. Per share)	10	10
Weighted Average number of equity shares used for computing EPS (Basic and Diluted)	274,500,140	274,500,140
(Loss) / profit for the year (after tax) (Rs. in Lakhs)	(11,590.37)	(11,208.85)
Less: Dividend on CRPS (Rs. in Lakhs) including dividend distribution taxes thereon (refer note 31 (II) (A) (c)) (net of finance costs)	740.59	1,161.35
(Loss) / profit attributable to equity share holders (Rs. in Lakhs)	(12,330.96)	(12,370.20)
EPS - Basic and diluted (Rs. per share)	(4.49)	(4.51)

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29 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure 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.

Significant judgements and the estimates relating to the carrying values of assets and liabilities include provision for employee benefits and others provisions, commitments and contingencies and determination of carrying value of intangible assets including assets accounted under service concession arrangement.

A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Service concession arrangements

The Company has considered the PPA entered into by it as concession arrangement as per Appendix A of "Service Concession Arrangements" under Ind AS 11. For details, refer note 2.2 (c).

B. 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.

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. In respect of financial guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer note 31 for further disclosure.

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 interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Refer note 30 for further disclosures.

Discounting rate

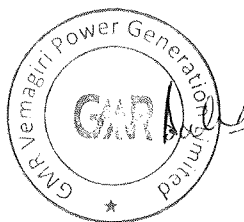
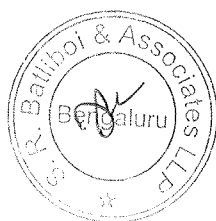
The Company has considered incremental borrowing rate of 13.79% p.a. for the years ended March 31, 2018 and March 31, 2017 for measuring financial assets and financial liabilities at amortised cost.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments 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 34 for further disclosures.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.



30. Gratuity and other post-employment benefit plans

a) Defined contribution plan

Contribution to provident and other funds included under employee benefit expense (note 23) are as below:

Particulars	Rs. in Lakhs	
	March 31, 2018	March 31, 2017
Provident and pension fund	44.35	44.72
Superannuation fund	22.28	19.52
Total	66.63	64.24

b) Defined benefit plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit:

i. Net employee benefit expenses (recognised as "Employee benefit expenses" (note 23)):

Particulars	Rs. in Lakhs	
	March 31, 2018	March 31, 2017
Current service cost	11.17	16.98
Past service cost - plan amendments	12.85	-
Net interest cost on defined benefit obligations/ (assets)	0.62	(16.27)
Cost recognised in the statement of profit or loss	24.64	0.71

ii. Remeasurement (gains) / loss recognised in other comprehensive income:

Particulars	Rs. in Lakhs	
	March 31, 2018	March 31, 2017
Actuarial (gain)/ loss on obligations due to defined benefit obligations experience	(0.70)	3.16
Actuarial (gain)/ loss on obligations due to defined benefit obligations assumption changes	(3.15)	5.05
Actuarial loss / (gain) arising during the year	(3.85)	8.21
Return on plan assets (lesser)/ greater than discount rate	1.23	(1.06)
Actuarial loss / (gain) recognised in OCI	(5.08)	9.27

Balance sheet

iii. Net defined benefit asset/ (liability):

Particulars	Rs. in Lakhs	
	March 31, 2018	March 31, 2017
Defined benefit obligation	92.71	84.32
Fair value of plan assets	76.28	76.20
Plan asset / (liability)	(16.43)	(8.12)

iv. Changes in the present value of the defined benefit obligation are as follows:

Particulars	Rs. in Lakhs	
	March 31, 2018	March 31, 2017
Opening defined benefit obligation	84.32	59.58
Interest cost	5.80	4.46
Current service cost	11.17	16.98
Past service cost - plan amendments	12.85	-
Acquisition adjustments	(12.46)	-
Actuarial (gain)/ loss on obligations due to defined benefit obligations experience	(0.70)	3.16
Actuarial (gain)/ loss on obligations due to defined benefit obligations assumption changes	(3.15)	5.05
Benefits paid	(5.12)	(4.91)
Closing defined benefit obligation	92.71	84.32

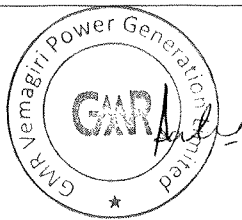
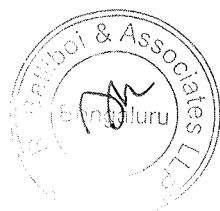
v. Changes in the fair value of the plan assets are as follows:

Particulars	Rs. in Lakhs	
	March 31, 2018	March 31, 2017
Opening fair value of plan assets	76.20	49.14
Expected return on plan asset	5.18	20.73
Acquisition adjustment	(12.46)	-
Contribution to the fund	11.25	12.30
Return on plan assets (lesser)/ greater than discount rate	1.23	(1.06)
Benefits paid	(5.12)	(4.91)
Closing fair value of plan assets	76.28	76.20

The Company expects to contribute Rs. 5.47 Lakhs (March 31, 2017: Rs 5.06 Lakhs) towards gratuity fund during the year April 01, 2018 to March 31, 2019.

vi. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2017	
	March 31, 2018	March 31, 2017
Investments with insurer	100%	100%



vii. The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	March 31, 2018	March 31, 2017
Discount rate (in %)	7.60%	7.10%
Salary Escalation (in %)	6.00%	6.00%
Attrition rate (in %)	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

viii. A quantitative sensitivity analysis for significant assumption as at March 31, 2018 and March 31, 2017 are as shown below:

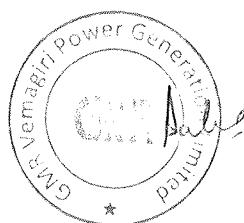
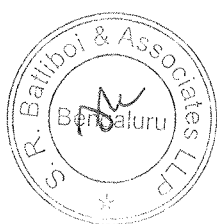
Particulars	Rs. in Lakhs	
	March 31, 2018	March 31, 2017
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(6.61)	(4.69)
Impact on defined benefit obligation due to 1% decrease in discount rate	7.55	5.41
Attrition rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	0.66	0.82
Impact on defined benefit obligation due to 1% decrease in attrition rate	(0.75)	(0.94)
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	6.59	4.28
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(6.24)	(3.98)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

ix. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Rs. in Lakhs	
	March 31, 2018	
March 31, 2019	5.47	
March 31, 2020	16.13	
March 31, 2021	9.78	
March 31, 2022	8.57	
March 31, 2023	10.61	
March 31, 2024 to March 31, 2028	74.28	

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2017: 10 years).



31 Commitments and Contingencies

I Leases

Operating lease commitments : Company as lessee

Certain premises are obtained on operating lease. The lease rent paid during the year ended March 31, 2018 is Rs. 190.61 Lakhs (March 31, 2017: Rs. 100.72 Lakhs). The lease term is for a period of eleven months and renewable as mutually agreed between the parties. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

II Contingencies

A. Contingent Liabilities

a) Refer note 5(a) with regards to matter related to Custom Duty.

b) During the year ended March 31, 2012, the Company had received a demand of Rs. 4,821.39 Lakhs for the period September 2006 to November 2011 from the Chief Electrical Inspectorate, Government of Andhra Pradesh ('GoAP'), whereby GoAP has imposed electricity duty on generation and sale of electrical energy calculated at the rate of six paise for each electricity unit generated by the Company since commencement of commercial operations. Based on an internal assessment and an expert opinion, the management is confident that the provisions of Electricity Duty Act and Rules, 1939 in respect of payment of electricity duty are not applicable to the Company. Accordingly, electricity duty liability of Rs. 6,309.98 (March 31, 2017: Rs. 6,364.54 Lakhs) for the period September 2006 to March 2018 has been considered as a contingent liability.

c) The arrears of cumulative dividend (net of finance costs) on preference share capital (including applicable dividend distribution taxes under the IT Act) held by GEL w.e.f October 28, 2016 (previously by GPCL) of Rs. 9,054.36 Lakhs (March 31, 2017: Rs. 8,313.77 Lakhs).

d) Bank Guarantee outstanding as at March 31, 2018 is Nil (March 31, 2017 Rs. 1,993.95 Lakhs). Refer note 10.

B. Litigation provided for

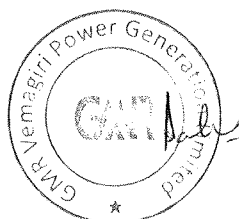
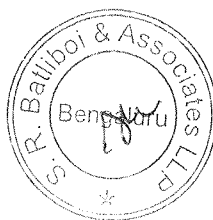
a) The management of the Company has created a provision of Rs. 163.29 Lakhs (March 31, 2017: Rs. 163.29 Lakhs), against service tax refund being disputed by the service tax authorities.

b) The management of the Company has created a provision of Rs. 14.80 Lakhs (March 31, 2017: Rs. 14.80 Lakhs) against dispute towards utilisation of duty entitlement pass book scrips for customs duty payment on certain import procurements.

III A search under Section 132 of the IT Act was carried out at the premises of the Company by the Income Tax Authorities on October 11, 2012, subsequently followed by search closure visits on various dates, to check the compliance with the provisions of the IT Act. The Income Tax Department has subsequently sought certain information/clarifications. The Company has not received any show cause notice/demand from the Income Tax Authorities. The management of the Company believes that it has complied with all the applicable provisions of the IT Act with respect to its operations.

IV Capital and other commitments

Sl. No.	Type of agreement	Period of agreement	Details of commitments
1	Power Purchase Agreement and subsequent amendments thereto	23 years from Commercial Operation Date ('COD') (i.e. September 16, 2006).	The Company has committed to sell and the DISCOMS have committed to purchase all available capacity of the project limited to the installed capacity of 370 MW. The Company has committed to provide availability declaration of at least 80% Plant Load Factor ('PLF') over a period of tariff year, as defined in the PPA, to DISCOMS. Failure by the Company to make the plant available for the committed PLF will reduce the consideration for the sale of energy as well as attract disincentives.
2	Long Term Assured Parts Supply Agreement and amendments thereto	41 years from date of agreement, i.e. December 29, 2003 or 120,000 factored fired hours whichever is earlier.	The Company has committed to pay variable charges on a quarterly / milestone basis, based on the actual fired hours of the plant.
3	Long Term Maintenance Agreement and amendments thereto	41 years from date of agreement, i.e. December 29, 2003 or 120,000 factored fired hours whichever is earlier.	The Company has committed to pay fixed quarterly charges in addition to variable quarterly charges, which are based on the actual fired hours of the plant. Further, the Company has committed to pay incentives on attainment of certain parameters by the sub-contractor.



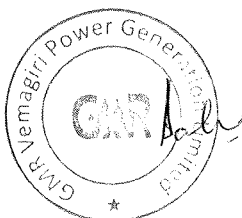
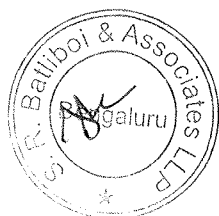
32. Related Party transactions

a) Names of related parties and description of relationship

Sl. No.	Description of relationship	Name of the related parties
(i)	Enterprises that control the Company	GMR Energy Limited ("GEL"), the Holding Company
(ii)	The enterprises that jointly control the Holding Company and its subsidiaries and joint ventures associates where transactions have taken place during the year	GMR Generation Asset Limited ("GGAL") (formerly known as GMR Renewable Energy Limited) GMR Infrastructure Limited ("GIL") GMR Enterprises Private Limited ("GEPL") (formerly known as GMR Holdings Private Limited) GMR Power Corporation Limited ("GPCL") Rava Security Services Limited ("RSSL") GMR Rajahmundry Energy Limited ("GREL") GMR Corporate Affairs Private Limited ("GCAPL") GMR Aviation Private Limited ("GAPL") Delhi International Airport Limited ("DIAL") GMR Varalakshmi Foundation ("GVF") GMR Chhattisgarh Energy Limited ("GCEL")
(iii)	Fellow subsidiaries where transactions have taken place during the year	GMR Warora Energy Limited ("GWEL") (formerly known as EMCO Energy Limited)
(iv)	Key managerial personnel and their relatives	Mr. Mathews P - Manager Mr. Ashish Jain - Chief Financial Officer Mr. Uday M Chitale - Independent Director (Resigned w.e.f from October 03, 2017) Mr. Subodh Kumar Goel - Independent Director (Resigned w.e.f from October 03, 2017) Mr. K. Parameswara Rao - Director (Resigned w.e.f from September 21, 2016) Mr. N.V. Varadachari - Director (Resigned w.e.f from September 21, 2016) Mr. Sanjay Narayan Barde - Director Mr. Arumendu Saha - Director Mrs. Meena Lochani Raghunathan - Director Mr. Gopal Rao M - Director Ms. Nidhi Chandhok - Company secretary Mrs. B. Ramadevi - Relative

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

Particulars	Rs. in Lakhs	
	March 31, 2018	March 31, 2017
i. Short term borrowings - Unsecured		
a) Transaction with GEL		
- ICD from GEL	2,195.99	-
- ICD repaid to GEL	-	-
- Interest on ICD	-	-
b) Transaction with GGAL		
- ICD from GGAL	-	967.34
- ICD repaid to GGAL	-	500.00
- Interest on ICD	120.92	40.06
c) Transaction with GPCL		
- ICD from GPCL	-	16.15
- ICD repaid to GPCL	90.17	2,784.87
- Interest on ICD	13.44	193.85
ii. Long term borrowings - Unsecured		
- Interest on liability component of CRPS from GPCL	-	1,715.62
- Interest on liability component of CRPS from GEL	3,471.94	1,335.56
iii. Loans and advances		
- ICD given to GEL	-	1,940.00
- ICD received from GEL	-	5,572.10
- ICD refund from GEL	162.30	-
- Interest on ICD	1.17	271.05
iv. Land lease rental		
- GREL	39.69	37.80
v. Income from facility services		
- GREL	66.15	63.00
vi. Rent paid		
- GCAPL	2.76	2.76
- DIAL	179.40	81.84
- Mrs. B. Ramadevi	4.04	16.12



Particulars	Rs. in Lakhs	
	Year ended March 31, 2018	March 31, 2017
vii. Logo fees paid - GEPL	0.01	0.01
viii. Legal and professional fees (cross charges) - GIL	36.61	115.24
ix. Travelling and conveyance - GAPI	-	25.00
x. Security charges - RSSI	118.88	121.16
xi. Electricity and water charges - DIAL	28.17	18.09
xii. Miscellaneous expenses - GVF	12.46	-
xiii. Pledge of fixed deposit given on behalf of the Company		
- Fixed deposit given - GGAL	-	-
- Fixed deposit extinguished- GGAL	-	2,000.00

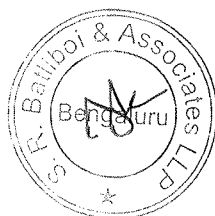
xvi. Outstanding balance at the year end	March 31, 2018	March 31, 2017
a) Short term borrowings - Unsecured		
- GEL	2,195.99	-
- GGAL	967.34	967.34
- GPCL	159.01	249.18
b) Liability component of CRPS - GEL	28,649.15	25,177.21
c) Equity component of CRPS - GEL	23,939.64	23,939.64
d) Non-trade payable - Current - GREI	1,261.46	1,261.46
e) Trade payable - Current		
- GEPL	0.04	0.03
- GIL	33.75	-
- GCAPL	7.45	6.30
- RSSI	125.07	54.81
- GPCL	1.43	0.14
- DIAL	55.47	105.52
- GCCL	1.61	1.61
- GVF	10.31	-
- Mrs. B Ramadevi	0.53	1.19
f) Other financial asset - Current		
- GREI	336.38	212.29
- GWEL	0.12	-
g) Advances against material and services - Current		
- GEPL	5.69	17.69
- GIL	-	40.24
h) Interest accrued but not due on borrowings		
- GPCL	0.48	5.78
- GGAL	131.15	22.33
i) Loans and advances - Unsecured - GEL	162.00	162.30
j) Interest accrued on loan - GEL	-	271.05

Remuneration paid to Key Managerial Personnel

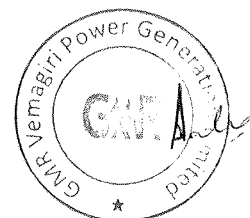
Details of Key Managerial Personnel	Year ended March 31, 2018		Year ended March 31, 2017	
	Short term Employee benefits	* Sitting fees	Short term Employee benefits	Sitting fees
a) Mr. Subodh Kumar Goel	-	0.72	-	1.55
b) Mr. Uday Madhav Chitale	-	0.33	-	0.86
c) Mr. K Parameswara Rao	-	-	-	0.69
d) Mr. N V Varadarajulu	-	-	-	0.35
e) Mr. Mathews P. Manager	47.21	-	31.56	-
f) Ms. Nidhi Chandhok - Company secretary	7.31	-	6.27	-
g) Mr. Ashish Jain - Chief Financial Officer	18.48	-	17.88	-

Notes:

- (i) Refer note 38 with respect to creation of first ranking pari passu charge on the fixed assets and on the excess cash flows of the Company
(ii) Refer note 4 for the details of land given on operating lease to certain related parties
(iii) The remuneration to the key managerial personnel does not include the provisions for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole
(iv) The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company



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33. Segment Information

The Company has only one reportable business segment, which is generation and supply of power and operates only in India. There are no customers / assets that are located outside India.

34. Disclosures on Financial Instruments

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

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

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2018 and March 31, 2017.

Rs. in Lakhs

Particulars	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets				
At Amortised cost				
Cash and cash equivalents	24.34	61.85	24.34	61.85
Loans	-	162.30	-	162.30
Other financial assets	443.33	532.45	443.33	532.45
Total	467.67	756.60	467.67	756.60
Financial liabilities				
At Amortised cost				
Borrowings	31,971.49	26,393.73	31,971.49	26,393.73
Trade payables	3,271.36	2,741.88	3,271.36	2,741.88
Others financial liabilities	5,660.36	4,763.43	5,660.36	4,763.43
Total	40,903.21	33,899.04	40,903.21	33,899.04

(b) Fair value hierarchy

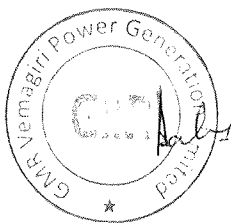
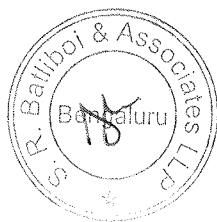
Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

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

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

The Company do not have any Level 1 and Level 2 financial assets / liabilities as at March 31, 2018, and March 31, 2017. Further, there have been no transfers between Level 1, Level 2 and Level 3 during the period.

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(c) Financial risk management objectives and policies

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

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

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk - Interest rate risk

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

The Company manages its interest rate risk by having fixed rate loans and borrowings only.

(b) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Rs. in Lakhs	
	Change in USD rate	Effect on profit before tax
March 31, 2018	5%	(121.41)
	-5%	121.41
March 31, 2017	5%	(119.54)
	-5%	119.54

Credit risk

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 467.67 lakhs, Rs. 756.60 lakhs, as at March 31, 2018 and March 31, 2017 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, loans and other financial assets.

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date. The Company does not hold collateral as security. Further, the 2 customers of the Company contributes to 100% of the receivables.

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

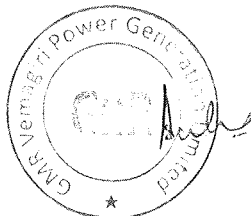
Liquidity risk

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Due within 1 year	Due between 1 to 5 years	Due after 5 years	Total
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Year ended				
March 31, 2018				
Borrowings (other than CRPS)	3,322.34	-	-	3,322.34
CRPS	-	28,649.15	-	28,649.15
Other financial liabilities	5,660.36	-	-	5,660.36
Trade and other payables	3,271.36	-	-	3,271.36
	12,254.06	28,649.15	-	40,903.21
Year ended				
March 31, 2017				
Borrowings (other than CRPS)	1,216.52	-	-	1,216.52
CRPS	-	-	25,177.21	25,177.21
Other financial liabilities	4,763.43	-	-	4,763.43
Trade and other payables	2,783.72	-	-	2,783.72
	8,763.67	-	25,177.21	33,940.88



35. Capital management

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

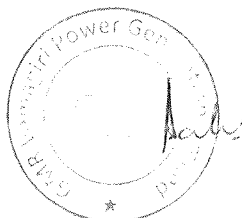
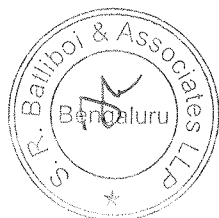
The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings.

For the purpose of the Company's capital management, capital includes issued equity capital, equity component of CRPS, securities premium and all other equity reserves attributable to the equity holders of the Company.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

Particulars	Rs. in Lakhs	
	March 31, 2018	March 31, 2017
Borrowings	31,971.49	26,393.73
Less: Cash & cash equivalents (refer note 9)	(24.34)	(61.85)
Total debt (i)	31,947.15	26,331.88
Capital Component		
Equity share capital	27,450.01	27,450.01
Equity component of CRPS	23,939.64	23,939.64
Securities premium	199.99	199.99
Retained earnings	(46,918.37)	(35,333.08)
Total Capital (ii)	4,671.27	16,256.56
Capital and borrowing (iii = i + ii)	36,618.42	42,588.44
Gearing ratio % (i / iii)	87%	62%

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



36. In view of lower supplies / availability of natural gas to the power generating companies in India, the Company is facing shortage of natural gas supply and delays in securing gas linkages. As a result, the Company had not generated and sold electrical energy since May 2013 till March 31, 2015. The Company had emerged as a successful bidder in the auction process organised by the Ministry of Power and operated on an intermittent basis from August 2015 till September 2016. The Company has not been operational since September 2016. The Company has been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply.

Further, during the year ended March 31, 2014, in case of GVPGL's litigation with APDISCOMs, Appellate Tribunal for Electricity ('APTEL') had passed orders declaring that natural gas for the purpose of Power Purchase Agreement ('PPA') includes Regasified Liquefied Natural Gas ('RLNG'). Subsequently, during the year ended March 31, 2018, pursuant to the appeal filed by APDISCOMs, the Honorable Supreme Court has held that RLNG is not natural gas for the purpose of the said PPA and accordingly GVPGL cannot be entitled for capacity charges based on availability declaration for generation of power on the basis of RLNG.

The management is evaluating various approaches / alternatives to deal with the situation and is confident that GoI would take further necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. The management has also carried out a valuation assessment of the Company during the year ended March 31, 2018 which includes certain assumptions relating to availability and pricing of domestic and imported gas, future tariff and other operating parameters which it believes, reasonably reflect the future expectations from the project. The management of the Company will monitor these aspects closely and take actions as are considered appropriate and is confident that it will be able to generate sufficient profits in future years and meet its financial obligations as they arise. Based on the aforementioned reasons, business plans and a valuation assessment carried out by an external expert, the management of the Company considers that the going concern assumption and the carrying value of the net assets as at March 31, 2018 are appropriate and accordingly the financial statements of the Company do not include any adjustment that might result from the outcome of this uncertainty. In the meantime, GEL has committed to provide necessary support to the Company as may be required for the continuance of its normal business operations.

37 Provisions

Provision for incentives for operation and maintenance contract

Rs. in Lakhs

Particulars	March 31, 2018	March 31, 2017
Opening balance	1,008.55	1,026.54
Additions during the year (inclusive of exchange differences)	(3.99)	(17.99)
Write back during the year	-	-
Closing balance *	1,004.56	1,008.55

* Includes Rs. 211.66 Lakhs (March 31, 2016: Rs. 212.50 Lakhs) for which commercial invoices have been received by the Company from the service

- 38 During the year ended March 31, 2017, GWEL, a fellow subsidiary has availed borrowings from ICICI Bank Limited, pursuant to which a first ranking pari passu charge on the immovable properties (excluding investment properties) and on the excess cash flows of the Company has been created.

39 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

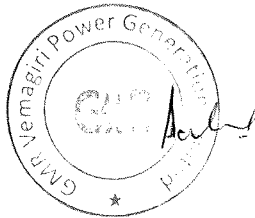
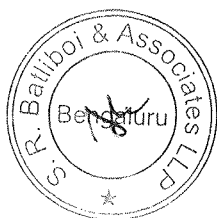
The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 - Revenue from Contracts with Customers

Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

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




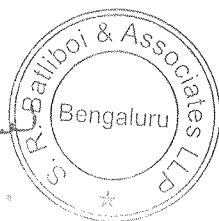
GMR Vemagiri Power Generation Limited
Corporate Identity Number (CIN): U23201KA1997PLC032964
Notes to the financial statements for the year ended March 31, 2018

- 40 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.
- 41 Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date


For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W / E300004
Chartered Accountants



per Sandeep Karnani
Partner
Membership number: 061207




Place: New Delhi
Date: May 02, 2018

For and on behalf of the Board of Directors of
GMR Vemagiri Power Generation Limited


Sanjay Narayan Barde
Director
DIN: 03140784


Ashish Jain
Chief Financial Officer


Arunendu Saha
Director
DIN: 06776423


Nidhi Chandok
Company Secretary

Place: New Delhi
Date: May 02, 2018

