

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SJK POWERGEN LIMITED

Report on the Financial Statements

We have audited the accompanying Standalone IND AS financial statements of **SJK Powergen Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss including 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 Financial Statements

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

Auditor's Responsibility

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

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

**GIRISH
MURTHY & KUMAR**
Chartered Accountants

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

Opinion

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

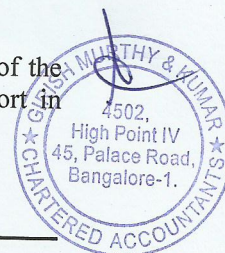
Emphasis of Matter

We draw the attention to note number 25 of the financial statements where in it is stated that the company has kept active developments of the power project on hold, in view of the uncertainty in the power sector. The management of the company is confident of continuing the project and hence justified the carrying value of capital work in progress.

Our Opinion is not qualified in respect of the aforesaid matter.

Report on Other Legal and Regulatory Requirements

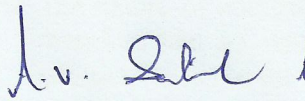
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of changes in equity dealt with by this Reports are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules, 2015 as amended,
 - (e) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report



**GIRISH
MURTHY & KUMAR**
Chartered Accountants

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The company does not have any pending litigation to be disclosed on its financial position in its financial statements.
 - b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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


A.V.SATISH KUMAR
Partner
Membership number: 26526



Bangalore
19th April 2018

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

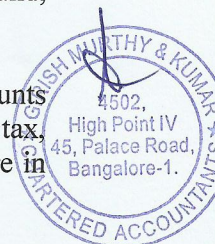
Re: SJK Powergen Limited

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

b. The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As the company has capitalised most of its assets during the year, no physical verification is carried out during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the titles of the immovable property are held in the name of the company
- ii. The nature of company's operations does not warrant requirement of holding stocks and therefore had no stocks of finished goods, stores, spare part and raw materials. Thus, paragraph 3(ii) of the order is not applicable to the company.
- iii. In our opinion and according to the information and explanations given to us, the company has not granted any secured or unsecured loans to the companies, firms, or other parties listed in the register maintained under section 189 of the companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of the section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The company has not accepted deposits from the public during the year and as such this clause is not applicable.
- vi. As there is no operation in the company, no cost records are required to be maintained under sub-section (1) of Section 148 of the Companies Act, 2013 for the activities carried out by the company. Hence reporting under this clause not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion the Company is generally regular in payment of undisputed statutory dues including Provident Fund, income tax, Goods and service tax, Customs Duty, Wealth tax and service tax Value added tax, and cess as applicable with appropriate authorities. We are informed by the company that the provisions of Employee state insurance scheme, Investor education and protection fund, and excise duty are not applicable.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, customs duty, wealth tax, service tax, value added tax, cess, goods and service tax and other material statutory dues were in



arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(c) Investor education and protection fund is not applicable to the Company.

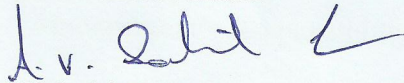
- viii. Based on our audit procedure and as per the information and explanation given by the management we are of the opinion that the company has not defaulted in the repayment of due to the financial institutions and banks.
- ix. The Company did not raise any money by way of initial public offer or further offer (including debt instruments) during the year. The term loan has been applied for the purpose for which they were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, and based on our examination of records of the Company, the company has paid/provided any managerial remuneration during the year, as per the provisions of the companies Act, 2013
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



**GIRISH
MURTHY & KUMAR**
Chartered Accountants

xvi. In our opinion and according to the information provided to us, on perusal of criteria of financial assets and income from such financial assets as per the last audited financial statements, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR GIRISH MURTHY & KUMAR
Chartered Accountants


A V Satish Kumar
Partner.

Membership No: 26526
FRN No.000934S

PLACE: Bangalore
DATE: 19th April 2018



Annexure B to Auditors' Report of even date

Annexure B to Auditors' Report of even date

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



**GIRISH
MURTHY & KUMAR**
Chartered Accountants

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

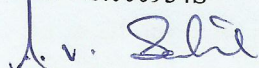
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR GIRISH MURTHY & KUMAR

Chartered Accountants

FRN No.000934S



A V Satish Kumar

Partner.

Membership No: 26526



DATE: 19th April 2018

PLACE: Bangalore

SJK Powergen Limited			
Statement of standalone assets and liabilities			
Amount in Rs.			
S.N	Particulars	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
1	ASSETS		
a)	Non-current assets		
	Property, plant and equipment	152,193,310	153,624,967
	Capital work in progress	1,146,107,941	1,146,107,941
	Other intangible assets	9,930	9,930
	Financial assets		
	Loans	35,000	102,168
	Other non-current assets	59,217,703	58,374,945
		1,357,563,883	1,358,219,950
b)	Current assets		
	Financial assets		
	Loans	4,377,664,332	697,791,501
	Cash and cash equivalents	12,474,570	1,151,263
	Other financial assets	302,471,882	36,702,955
	Other current assets	38,470,236	31,936,935
		4,731,081,020	767,582,653
	TOTAL ASSETS (a+b)	6,088,644,903	2,125,802,604
2	EQUITY AND LIABILITIES		
a)	Equity		
	Equity share capital	4,999,840	4,999,840
	Other equity	(2,067,654,433)	(2,549,288,917)
	Total equity	(2,062,654,593)	(2,544,289,077)
b)	Non-current liabilities		
	Financial liabilities		
	Borrowings	3,885,218,987	624,900,000
	Provisions	12,748	4,769
		3,885,231,735	624,904,769
c)	Current liabilities		
	Financial liabilities		
	Borrowings	3,472,718,926	3,472,718,927
	Other financial liabilities	789,252,428	560,897,072
	Other current liabilities	4,095,648	11,567,359
	Provisions	759	3,554
		4,266,067,761	4,045,186,912
	TOTAL EQUITY AND LIABILITIES (a+b+c)	6,088,644,903	2,125,802,604

As per our report of even date

For Girish Murthy & Kumar

Chartered Accountants

A V Satish Kumar

A V Satish Kumar

Partner

Membership No.26526

Firm Registration Number: 0009345

Place: Bangaluru

Date : 19th April 2018

For and on behalf of the Board of directors

S. N. Barde

S. N. Barde

Director

DIN-03140784

Prabir Kumar Majumdar

Prabir Kumar Majumdar

Director

DIN-03591200

Place: New Delhi

Date : 19th April 2018



Amount in Rs.					
SJK Powergen Limited					
Statement of Standalone Audited Results for Quarter and year ended March 31, 2018					
S.N	Particulars	Quarter ended		Year ended	
		31-Mar-18	31-Dec-17	31-Mar-18	31-Mar-17
	(Refer Notes Below)	(Refer Note 1)	Unaudited	(Refer Note 1)	Audited
A	Continuing Operations				
1	a) Other income				
	i) Others	188,647,212	96,254,181	223,447,545	284,901,394
	Total revenue	188,647,212	96,254,181	223,447,545	284,901,394
2	Expenses				
	(a) Employee benefits expense	115,770	23,060	21,202	138,830
	(b) Finance costs	221,970,159	94,610,510	357,015,173	316,580,669
	(c) Depreciation and amortisation expenses	215,069	71,950	265,968	287,019
	(d) Other expenses	5,799,738	135,104	3,700,609	5,934,842
	Total expenses	228,100,735	94,840,625	361,002,952	322,941,360
3	Profit/(loss) from continuing operations before exceptional items	(39,453,523)	1,413,557	(137,555,408)	(38,039,966)
4	Exceptional items	-	-	2,100,000,000	-
5	Profit/(loss) from continuing operations before tax expenses (3 ± 4)	(39,453,523)	1,413,557	1,962,444,592	(38,039,966)
6	Tax expenses of continuing operations				
	(a) Current tax	204,558	(204,558)	-	-
	(b) Deferred tax	-	-	-	-
	(c) Tax related to earlier periods	7,529,226	-	-	7,529,226
7	Profit/(loss) after tax from continuing operations (5 ± 6)	(47,187,307)	1,618,115	1,962,444,592	(45,569,192)
8	Other Comprehensive Income				
	(i) Items that will not be reclassified to profit or loss	2,177.00	-	-	2,177.00
9	Total other comprehensive income, net of tax for the respective period	2,177.00	-	-	2,177.00
10	Total comprehensive Income for the respective periods (7 ± 9)	(47,185,130)	1,618,115	1,962,444,592	(45,567,015)
11	Earnings per equity share				
	i) Basic/ Diluted before Exceptional items	(94.37)	3.24	3,924.88	(91.14)
	ii) Basic/ Diluted after Exceptional items	(94.37)	3.24	3,924.88	(91.14)
	iii) Basic/Diluted EPS from continued operations	(94.37)	3.24	3,924.88	(91.14)

Note 1 -

The figures of the last quarter of current and previous years are the balancing figures between the audited figures in respect of the full financials year and the published unaudited year to date figures for nine months ended for the respective years.

As per our report of even date

For Girish Murthy & Kumar
Chartered Accountants

A V Satish Kumar

Partner

Membership No.26526

Firm Registration Number: 0009345

Place: Bengaluru

Date : 19th April 2018

For and on behalf of the Board of directors

S. N. Barde

Director

DIN-03140784

Place: New Delhi

Date : 19th April 2018

Prabir Kumar Majumdar

Director

DIN-03591200



SJK Powergen Limited
Balance Sheet as at March 31, 2018

Amount in Rs.

Particulars	Notes	31-03-2018	31-03-2017
Assets			
Non-current assets			
Property, Plant and Equipment	2	152,193,310	153,624,967
Capital work-in-progress	3	1,146,107,941	1,146,107,941
Other Intangible assets	4	9,930	9,930
Financial assets			
Loans	5	35,000	102,168
Other non-current assets	6	59,217,703	58,374,945
		1,357,563,883	1,358,219,950
Current assets			
Financial assets			
Loans	7	4,377,664,332	697,791,501
Others	7	302,471,882	36,702,955
Cash and cash equivalents	8	12,474,570	1,151,263
Other current assets	9	38,470,236	31,936,935
		4,731,081,020	767,582,653
Total Assets		6,088,644,903	2,125,802,604
Equity and liabilities			
Equity			
Equity Share capital	10	4,999,840	4,999,840
Other equity	11	(2,067,654,433)	(2,549,288,917)
		(2,062,654,593)	(2,544,289,077)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	12	3,885,218,987	624,900,000
Provisions	13	12,748	4,769
		3,885,231,735	624,904,769
Current liabilities			
Financial liabilities			
Borrowings	14	3,472,718,926	3,472,718,927
Other financial liabilities	14	789,252,428	560,897,072
Provisions	15	759	3,554
Other current liabilities	16	4,095,648	11,567,359
		4,266,067,761	4,045,186,912
Total equity and liabilities		6,088,644,903	2,125,802,604

Summary of significant accounting policies


1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Girish Murthy & Kumar
Chartered Accountants


A V Satish Kumar
Partner
Membership No.26526
Firm Registration Number: 0009345

For and on behalf of the Board of directors

S. N. Barde
Director
DIN-03140784


Prabir Kumar Majumdar
Director
DIN-03591200

 Place: Bangaluru
Date : 19th April 2018

 Place: New Delhi
Date : 19th April 2018


SJK Powergen Limited
Statement of profit and loss for the year ended March 31, 2018

Amount in Rs.

Particulars	Notes	31-03-2018	31-03-2017
Continuing operations			
Income			
Other income	17	284,901,394	261,955,306
Total Income		284,901,394	261,955,306
Expenses			
Employee benefit expenses	18	138,830	110,796
Other expenses	19	5,934,842	9,045,083
Depreciation and amortisation expenses	20	287,019	337,919
Finance expenses	21	316,580,669	457,630,986
Total Expenses		322,941,360	467,124,784
Profit/(loss) before exceptional items and tax		(38,039,966)	(205,169,478)
Exceptional items (net)		-	-
Profit/(loss) before tax		(38,039,966)	(205,169,478)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Tax related to earlier periods	22	7,529,226	-
Profit/(loss) for the year		(45,569,192)	(205,169,478)
Other comprehensive income:			
Re-measurement gains / (losses) on defined benefit plans		2,177	-
Total comprehensive income for the year		(45,567,015)	(205,169,478)
Earnings per equity share			
Basic		(91.14)	(410.35)
Diluted		(91.14)	(410.35)

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Girish Murthy & Kumar

Chartered Accountants


A V Satish Kumar

Partner

Membership No.26526

Firm Registration Number: 000934S


For and on behalf of the Board of directors

S. N. Barde

Director

DIN-03140784


Prabir Kumar Majumdar

Director

DIN-03591200

Place: Bangaluru

Date : 19th April 2018

Place: New Delhi

Date : 19th April 2018



Particulars	31-03-2018	31-03-2017
Cash flow from operating activities		
Profit before tax	(38,039,966)	(2,305,169,476)
Adjustments for non-cash items		
Depreciation	287,019	337,919
Interest Income	(284,901,394)	(261,955,306)
Finance costs	316,580,669	457,633,659
Loans and interest written off	20,450	2,104,930,992
Remeasurement of defined benefit	2,177	-
Cash flow before changes in working capital	(6,051,045)	(4,222,213)
Adjustment for changes in working capital		
Increase/ (decrease) in other financial liabilities	(580,495)	-
Increase/ (decrease) in other current liabilities	(7,471,711)	(70,512,281)
Decrease / (increase) in other non current assets	(842,758)	-
Decrease / (increase) in other current assets	(14,062,527)	-
Decrease / (Increase) non current loans and advances	67,168	5,102,570
Decrease / (Increase) in other current financial assets	(265,768,927)	-
Increase / (decrease) in non-current provisions	7,979	1,129
Increase / (decrease) in current provisions	(2,795)	(97,382)
Net cash flow from/ (used in) operating activities (A)	(294,705,111)	(69,728,177)
Cash flows from investing activities		
Loans given to Group Companies	(3,394,991,887)	-
Decapitisation of Assets	1,144,638	-
Net cash flow from/ (used in) investing activities (B)	(3,393,847,249)	-
Cash flows from financing activities		
Repayment of long-term borrowings	-	70,700,000
Proceeds from long term borrowings	75,100,000	-
Proceeds from / (repayment) of borrowings from Group Companies	3,885,218,986	-
Interest paid	(260,443,319)	-
Net cash flow from/ (used in) in financing activities (C)	3,699,875,667	70,700,000
Net increase/(decrease) in cash and cash equivalents (A + B + C)	11,323,307	971,823
Cash and cash equivalents at the beginning of the year	1,151,263	179,440
Cash and cash equivalents at the end of the Period	12,474,570	1,151,263
Components of cash and cash equivalents		
With banks- on current account		
- Current account	12,474,570	1,151,263
Total cash and cash equivalents	12,474,570	1,151,263

As per our report of even date

For Girish Murthy & Kumar
Chartered Accountants


A V Satish Kumar
Partner
Membership No.26526
Firm Registration Number: 0009345



For and on behalf of the Board of directors



S. N. Barde
Director
DIN-03140784



Prabir Kumar Majumdar
Director
DIN-03591200

Place: Bangaluru
Date : 19th April 2018

Place: New Delhi
Date : 19th April 2018



SJK Powergen Limited**Additional Disclosure to Cash Flows statement for the year ended 31 March 2018****Amendment to Ind AS 7**

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

Amount in Rs.

S.N o.	Particulars	1-Apr-17	Cash Flows	Non Cash Charges		31-Mar-18
				Fair Value Changes	Others	
1	Long term borrowings from financial institution	624,900,000	75,100,000	-	-	700,000,000
2	Long term borrowings from Group companies	-	3,885,218,986	-	-	3,885,218,986
3	Short term borrowings from Group companies	3,472,718,926	-	-	-	3,472,718,926

As per our report of even date

For Girish Murthy & Kumar
Chartered Accountants



A. V. Satish Kumar

A V Satish Kumar
Partner
Membership No.26526
Firm Registration Number: 000934S

Place: Bangaluru
Date : 19th April 2018

For and on behalf of the Board of directors

S. N. Barde

S. N. Barde
Director
DIN-03140784

Prabir Kumar Majumdar

Prabir Kumar Majumdar
Director
DIN-03591200

Place: New Delhi
Date : 19th April 2018



SJK Powergen Limited

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

Amount in Rs.

Particulars	Equity Share Capital	Other equity		Total equity
		Securities premium account	Retained Earnings	
Balance as at April 1, 2016	4,999,840	41,692,000	(285,811,440)	(239,119,600)
Changes in equity for the year ended March 31, 2017				
Profit / (Loss) for the year	-	-	(205,169,478)	(205,169,478)
Adjustment to retained earnings	-	-	(2,100,000,000)	(2,100,000,000)
Balance as at March 31, 2017	4,999,840	41,692,000	(2,590,980,917)	(2,544,289,077)
Changes in equity for the year ended March 31, 2018				
Profit / (Loss) for the year	-	-	(45,569,192)	(45,569,192)
Adjustment to retained earnings (refer note no. 40)	-	-	527,201,499	527,201,499
Other comprehensive income	-	-	-	-
Re-measurement gains/(loss) on defined benefit plans	-	-	2,177	2,177
Balance as at March 31, 2018	4,999,840	41,692,000	(2,109,346,433)	(2,062,654,593)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Girish Murthy & Kumar
Chartered Accountants



A V Satish Kumar
Partner
Membership No.26526
Firm Registration Number: 0009345



For and on behalf of the Board of directors



S. N. Barde
Director
DIN-03140784



Prabir Kumar Majumdar
Director
DIN-03591200

Place: Bangaluru
Date : 19th April 2018



2 Property, Plant & Equipment						Amount in Rs.	
Particulars	Office Equipment	Computers	Furniture & Fixtures	Freehold Land	Leasehold Land	Total	
Gross block							
Cost or valuation	2,006,131	11,100	1,278,391	151,110,207	1,144,638	155,550,468	
As at 31st March 2016	-	-	-	-	-	-	
Additions	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	
As at 31st March 2017	2,006,131	11,100	1,278,391	151,110,207	1,144,638	155,550,468	
Additions	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	
IndAS adjustment - other adjustments	-	-	-	-	1,144,638	1,144,638	
As at 31st March 2018	2,006,131	11,100	1,278,391	151,110,207	-	154,405,830	
Accumulated depreciation							
As at 31st March 2016	1,379,379	0	208,204	-	-	1,587,584	
Charge for the year	129,589	-	208,328	-	-	337,917	
Disposals	-	-	-	-	-	-	
As at 31st March 2017	1,508,969	0	416,532	-	-	1,925,501	
Charge for the year	77,549	(0)	209,470	-	-	287,019	
Disposals	-	-	-	-	-	-	
As at 31st March 2018	1,586,518	0	626,002	-	-	2,212,520	
Net Block							
As at 31st March 2018	419,613	11,100	652,390	151,110,207	-	152,193,310	
As at 31st March 2017	497,162	11,100	861,860	151,110,207	1,144,638	153,624,967	
Lease hold land is 51.387 acres and the terms of lease hold land is 30 years.							

4 Other Intangible assets			Amount in Rs.	
Particulars	Computer Software	Total		
Gross block				
Cost or valuation	61,294	61,294		
As at 31st March 2016	-	-		
Additions	-	-		
Disposals	-	-		
As at 31st March 2017	61,294	61,294		
Additions	-	-		
Disposals	-	-		
As at 31st March 2018	61,294	61,294		
Accumulated depreciation				
As at 31st March 2016	51,364	51,364		
Charge for the year	-	-		
Disposals	-	-		
As at 31st March 2017	51,364	51,364		
Charge for the year	-	-		
Disposals	-	-		
As at 31st March 2018	51,364	51,364		
Net Block				
As at 31st March 2018	9,930	9,930		
As at 31st March 2017	9,930	9,930		



Amount in Rs.

3	Capital work-in-progress	31-03-2018	31-03-2017
	Salaries, allowances and benefits to employees	47,060,743	47,060,743
	Contribution to provident fund and others	3,373,019	3,373,019
	Staff welfare expenses	753,207	753,207
	Rent	35,404,258	35,404,258
	Rates and Taxes	2,744,444	2,744,444
	Repairs & Maintenance	1,797,946	1,797,946
	Consultancy & Professional Charges	65,536,685	65,536,685
	Electrical Charges	4,687,855	4,687,855
	Travelling and conveyance	10,704,702	10,704,702
	Communication Expenses	3,052,697	3,052,697
	Income tax	49,531,136	49,531,136
	Depreciation	1,610,928	1,610,928
	Amortisation	46,308	46,308
	Placement & Recruitment	956,099	956,099
	Fringe Benefit Tax	52,315	52,315
	Hire Charges	76,968	76,968
	Donations	12,756	12,756
	Security Charges	15,155,760	15,155,760
	Office Maintenance	2,125,294	2,125,294
	Guest House Maintenance	2,079,294	2,079,294
	Printing & Stationery	584,945	584,945
	Membership & Subscription	92,152	92,152
	Advertisement Expenses	308,856	308,856
	Bank/ other finance charges	33,275,486	33,275,486
	Books & Periodicals	415,394	415,394
	Meetings & Seminars	361,631	361,631
	Business Promotion	352,078	352,078
	Insurance	267,581	267,581
	Miscellaneous Expenses	9,203,907	9,203,907
	Interest	984,018,443	984,018,443
	CWIP Land	11,675,199	11,675,199
	CWIP Plant & Machinery	2,250,000	2,250,000
	Less:		
	Interest others	92,570,699	92,570,699
	Dividend income	2,260,329	2,260,329
	Profit from sale of unquote mutual funds	48,528,306	48,528,306
	Miscellaneous Income	100,812	100,812
	Total	1,146,107,941	1,146,107,941

Amount in Rs.

5	Non-current financial assets	31-03-2018	31-03-2017
	a. Loans		
	Carried at amortised cost		
	Security deposits		
	Unsecured, considered good, to related parties		
	Unsecured, considered good, to other parties	35,000	102,168
	Total	35,000	102,168

Amount in Rs.

6	Other non-current assets	31-03-2018	31-03-2017
	Capital advance	58,374,945	58,374,945
	Prepaid expenses	842,758	-
	Total	59,217,703	58,374,945

Amount in Rs.

7	Current financial assets	31-03-2018	31-03-2017
	Loans and advances to related parties*	4,377,664,332	697,728,337
	Loans to employees	-	63,164
		4,377,664,332	697,791,501
	Other current financial assets		
	Other receivables	302,471,882	36,702,955
	Total	4,680,136,214	734,494,456

* Loans and advances to related parties carries interest rates from 9.50% p.a. to 12.50% p.a repayable within 1 year from the date of deposit or such other time as may be mutually agreed between the parties.



		Amount in Rs.	
8	Cash and Cash Equivalent	31-03-2018	31-03-2017
	-Balances with Banks		
	-In current accounts	12,474,570	1,151,263
		12,474,570	1,151,263
	Total	12,474,570	1,151,263

		Amount in Rs.	
9	Other current assets	31-03-2018	31-03-2017
	Advance recoverable in cash or kind	1,765,002	3,195,096
	Advance income-tax (net of provision for taxation)	36,667,110	27,692,850
	Prepaid expenses	38,127	1,048,989
	Total	38,470,238	31,936,935

		Amount in Rs.	
10	Share Capital	31-03-2018	31-03-2017
	Authorised Shares 500,000 equity Shares of Rs.10/- each (March 31, 2017: 500,000 equity Shares of Rs.10/- each)	5,000,000	5,000,000
	Issued, subscribed and fully paid-up shares 499,984 equity Shares of Rs.10/- each (March 31, 2017: 499,984 equity Shares of Rs.10/- each)	4,999,840	4,999,840
	(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
	Equity Shares		
		31-03-2018	
		No.	Amount in Rs.
	At the beginning of the year	499,984	4,999,840
	Issued during the period	-	-
	Outstanding at the end of the period	499,984	4,999,840
	b) Terms/ rights attached to equity shares		
	The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pay dividend in indian rupees. The dividend proposed by the Board of director is subject to the approval of the		
	In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
	(C) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates		
	Out of equity issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:		
		31-03-2018	
		No. of shares held	Amount in Rs.
	GMR Generation Assets Ltd, The Holding Company(including its nominees)	349,984	3,499,840
	349,984 Equity Shares of Rs 10/- each		
	(d) Details of shareholders holding more than 5% shares in the company		
		31-03-2018	
		No.	% holding in
	GMR Generation Assets Limited, the immediate holding company (incl. its nominees) (Equity shares of Rs. 10/- each fully paid)	349,984	70.00
	Tottenham Finance Limited, Mauritius (Equity shares of Rs. 10/- each fully paid)	150,000	30.00

		Amount in Rs.	
11	Other equity	31-03-2018	31-03-2017
	Securities premium account		
	Balance as per the last financial statements	41,692,000	41,692,000
	Add: received during the year on issue of equity shares	-	-
	Less: amounts utilized toward security issue expense	-	-
	Closing Balance	41,692,000	41,692,000



Surplus/ (deficit) in the statement of profit and loss			
Balance as per last financial statements		(2,590,980,917)	(285,811,440)
Add: Accrued interest transferred to Equity (refer note no. 40)		527,201,499	-
Add: Net profit / (loss) for the year		(45,569,192)	(205,169,478)
Net surplus/(deficit) in the statement of profit and loss		(2,109,348,610)	(490,980,917)
Equity component of financial instruments		-	(2,100,000,000)
		(2,109,348,610)	(2,590,980,917)
Other items of comprehensive income		2,177	-
Total	B	(2,109,346,433)	(2,590,980,917)
Total reserves and surplus	(A+B)	(2,067,654,433)	(2,549,288,917)

Amount in Rs.

12	Non-current financial liabilities	31-03-2018	31-03-2017
	Borrowings		
	Secured Indian rupee term loan*	-	624,900,000
	Inter corporate deposits from group company (unsecured)**	3,885,218,987	-
	Total	3,885,218,987	624,900,000
<p>*Indian rupee term loan from SREI Infrastructure Finance carries interest @ 12%per annum, being SREI Benchmark Rate(18%) less Spread(6%). The entire loan is repayable on bullet repayment on the date falling 36 months from the date of first disbursement. The loan is falling due for repayment during the year ended 31st March 2019.</p> <p>** Inter corporate deposits (Unsecured) form GMR Infrastructures Limited at interest rate of 12.25% p.a.</p>			

Amount in Rs.

13	Non-current provisions	31-03-2018	31-03-2017
	Provision for employee benefits		
	Provision for leave encashment	12,748	4,769
	Total	12,748	4,769

Amount in Rs.

14	Current financial liabilities	31-03-2018	31-03-2017
	a. Borrowings		
	Inter corporate deposits from group company (unsecured)*	3,472,718,926	3,472,718,926
		3,472,718,926	3,472,718,926
	b. Other current financial liabilities		
	Current maturities of long term borrowings**	700,000,000	-
	Interest accrued and due on borrowings	85,973,091	463,915,113
	Interest accrued but not due on borrowings	-	93,122,127
	Non trade payables:		
	- Group Companies	-	3,011,340
	- Others	3,279,338	848,492
	Total	789,252,428	560,897,072
<p>* Inter corporate deposits (Unsecured) form GMR Power Corporation Limited at interest rate of 8.50% p.a. repayable within 1 year from the date of deposit or such other time as may be mutually agreed between the parties.</p> <p>**Indian rupee term loan from SREI Infrastructure Finance carries interest @ 12%per annum, being SREI Benchmark Rate(18%) less Spread(6%). The entire loan is repayable on bullet repayment on the date falling 36 months from the date of first disbursement. The loan is falling due for repayment during the year ended 31st March 2019.</p>			

Amount in Rs.

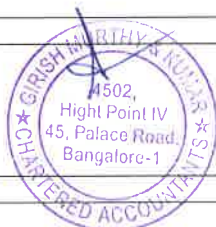
15	Current provisions	31-03-2018	31-03-2017
	Provision for employee benefits		
	Provision for leave encashment	759	3,553
	Total	759	3,553

Amount in Rs.

16	Other current liabilities	31-03-2018	31-03-2017
	TDS payable and other statutory dues	3,927,450	11,399,162
	Current tax liabilities (net)	168,197	168,197
	Total	4,095,648	11,567,359

Amount in Rs.

17	Other income	31-03-2018	31-03-2017
	Interest income on related party loans and others	284,611,915	261,822,569
	Interest income on bank deposit	63,500	-
	Misc. receipts	225,979	132,737
	Total	284,901,394	261,955,306



Amount in Rs.

18	Employee benefit expenses	31-03-2018	31-03-2017
	Salaries, wages and bonus	159,668	146,152
	Contribution to provident & other fund	8,133	12,487
	Gratuity Expense	(35,560)	(67,344)
	Staff welfare expenses	6,589	19,500
	Total	138,830	110,796

Amount in Rs.

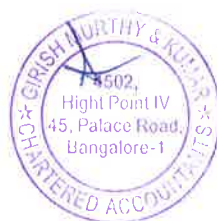
19	Other expenses	31-03-2018	31-03-2017
	Rent	474,562	2,441,064
	Travelling expenses	30,512	-
	Communication expenses	2,242	5,195
	Bank charges	21,991	2,673
	Repair & maintenance expenses	91,951	55,392
	Business Promotion	5,969	-
	Consultancy & Professional Charges	2,549,093	45,750
	Printing & stationary expenses	3,098	11,748
	Insurance	8,378	17,036
	Rates & taxes expenses	2,463,949	40,272
	Sitting Fees	105,300	120,500
	Books & periodicals expenses	950	4,398
	Payment to auditor (Refer details below)	70,800	57,400
	Interest on delayed Payment of Income Tax	84,780	-
	Loan and interest written off	20,450	4,930,992
	Miscellaneous Expenses	818	1,312,662
	Total	5,934,842	9,045,083
	Payment to auditor		
	Audit fee	47,200	34,600
	Tax audit fee	23,600	-
	Limited review fee / Other certification fee	-	22,800
	Total	70,800	57,400

Amount in Rs.

20	Depreciation and amortisation expenses	31-03-2018	31-03-2017
	Depreciation of tangible assets	287,019	337,919
	Total	287,019	337,919

Amount in Rs.

21	Finance expenses	31-03-2018	31-03-2017
	Interest expenses	316,580,669	457,630,986
	Total	316,580,669	457,630,986



SJK Powergen Limited

Statement of profit and loss for the year ended March 31, 2018

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

Amount in Rs.

Particulars	31-03-2018	31-03-2017
Tax expenses		
Current tax	-	-
Deferred tax	-	-
Tax related to earlier periods	7,529,226	-
Total taxes	7,529,226	-
Effective Tax Reconciliation for the year ended March 31, 2018		
(Amount in Rupees , unless otherwise stated)		
Income tax		
Accounting profit before tax/(Loss)	(38,039,966)	(205,169,478)
Tax rate	25.75%	29.87%
Tax at the applicable tax rate of 25.75% (March 31, 2017: 29.87%)	(9,795,291)	(61,284,123)
Adjustment in respect of current income tax of previous years	7,529,226	-
Utilisation of tax losses and unabsorbed depreciation	-	-
Deduction under tax holidays	-	-
Deferred tax**	9,795,291	61,284,123
At the effective income tax rate	7,529,226	-
Total tax expense reported in the statement of profit and loss	7,529,226	-

**Deferred tax asset has not been recognized on brought forward losses as there is no probability/convincing or other evidence that sufficient taxable profits will be available against which DTA will be adjusted.



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

Corporate Information:

SJK Powergen Limited is a Special Purpose Vehicle (SPV) acquired by GMR Generation Assets Limited, the holding company, to develop and operate 1320 MW coal based thermal power project in Lalpur Village, Shahdol District, Madhya Pradesh state. The Company is in the process of setting up of the project.

1. Summary of Significant Accounting Policies

a. Basis of Preparation:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees (INR).

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are non-current.

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

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



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

Property, plant and equipment

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

Property plant and equipment are stated at acquisition cost less accumulated depreciation and cumulative impairment. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Recognition:

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied.

Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognized.

Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalized as fixed assets.

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

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

All Project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / attributable to construction of project, borrowing cost incurred prior to the date of commercial operation and trial run expenditure are shown under Capital Work-in-Progress. These expenses are net of recoveries and income from surplus funds arising out of project specific borrowings after taxes.

Intangible assets

Intangible assets comprise technical know-how and computer software. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

The above periods also represent the management estimated economic useful life of the respective intangible assets.

Depreciation

The depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of Companies Act, 2013. Assets individually costing less than Rs. 5,000, which are fully depreciated in the year of acquisition.

Depreciation on additions is being provided on a pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the year is being provided up to the dates on which such assets are sold/disposed off. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

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

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

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The standalone financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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

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

- a) Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary),



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

b) Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. They are deferred in equity of the related to qualifying cash flow hedges and qualifying net investment in foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation difference on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation difference on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised on other comprehensive income.

Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after 1 April 2015:

The exchange differences pertaining to long term foreign currency working capital loans obtained or re-financed on or after 1 April 2015 is charged off or credited to profit & loss account under IndAS.

Forward Exchange Contracts not intended for trading or speculations purposes

The premium or discount arising at the inception of forward exchange contracts is amortized and recognized as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the Statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the year.

Borrowing cost

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

Impairment of non-financial assets

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



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

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

Goodwill (if available) is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

Provisions, Contingent liabilities, Contingent assets, and Commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost."



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

Contingent liability is disclosed in the case of:

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

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

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

Retirement and other Employee Benefits

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

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

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

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

Short term employee benefits

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

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

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

Defined benefit plans

Gratuity is a defined benefit scheme which is funded through policy taken from Life insurance corporation of India and Liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service. The cost of providing benefits under the scheme is determined on the basis of actuarial valuation under projected unit credit (PUC) method.



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

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

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

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

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

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

Long term employee benefits

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

Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

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



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

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

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

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

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

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

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

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

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

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



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

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

Impairment of financial assets

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

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

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

- a) Trade receivables or contract revenue receivables; and
- b) All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

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

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

- a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount' in the OCI.



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

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



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

Loans and borrowings: This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Reclassification of financial assets

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

Offsetting of financial instruments

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

Derivative financial instruments

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

Cash and Cash Equivalent

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

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

Foreign currencies

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

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company uses an average rate if the average approximates the actual rate at the date of the transaction.



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

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

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

► Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

► Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

► Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Fair value measurement

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

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

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

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

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

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

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

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

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



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

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

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

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

The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

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

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

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

On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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

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

- a) Disclosures for valuation methods, significant estimates and assumptions
- b) Contingent consideration
- c) Quantitative disclosures of fair value measurement hierarchy
- d) Investment in unquoted equity shares (discontinued operations)

Revenue recognition

Revenue from sale of energy is recognized on accrual basis in accordance with the provisions of the Power Purchase Agreement (PPA), after Commercial Operation Date and includes unbilled revenue accrued up to the end of the accounting year. Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to customers based on the units of energy delivered and the rate agreed with the customers.

The Claims for delayed payment charges and any other claims, which the Company is entitled to under the PPAs, are accounted for in the year of acceptance.



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

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

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

Interest income:

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

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

Taxes on income

Current income tax

Tax expense comprises current and deferred tax.

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

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

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

Deferred tax

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

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

- a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

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

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

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

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

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

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

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

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

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

► When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

► When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961 issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Earning per share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Significant accounting judgments, estimates and assumptions:

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the 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.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other 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 judgment and the use of estimates regarding the outcome of future events.

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 judgment 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.



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

23. Contingent Liability - as at 31st March 2018 is Nil (31st March 2017: Nil)

24. Capital Commitments:

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

Other Commitments as on 31st March 2018 is Nil (31st March 2017: Nil).

25. The Company has been setup as an SPV to develop and operate 1320 MW coal based Thermal Power Plant in Lalpur village in Madhya Pradesh. Due to current uncertainty in the Power Sector, the Company has taken a temporary pause in the implementation of the project and hence all expenses incurred during the year are charged to Profit and Loss Account. On implementation of the project, the company will be able to realize the carrying value of Capital Work in Progress and hence no adjustment has been made for carrying value.

26. During the year ended 31st March 2017, an internal reorganisation was carried out among GMR Energy Limited and some of its subsidiaries, including the Company, as required under the share subscription agreement and shareholders' agreement entered into by GMR Energy Limited with a strategic investor. As part of the reorganisation, the loan given by the Company to GMR Energy Limited was partially settled to the extent of Rs. 118.50 crores (amount including accrued interest of Rs. 130.44 crores). Additionally, considering certain restriction on GMR Energy Limited, resulting from such reorganisation, to repay any further amounts to the Company and the fact that the Company will continue to get benefitted from support of GMR Infrastructure Limited from time to time as may be required, the management had approved to waive off Rs. 210.00 crores towards the balance loan and accrued interest receivable from GMR Energy Limited. This amount has been shown as an adjustment to Other Equity during the previous year.

27. Gratuity and other post-employment benefit plans

Amount as at March 31, 2018 is Nil as there is no employee with the company as at March 31, 2018.

a) Defined contribution plans

During the year ended **31 March 2018**, the company has recognised Rs. 8,133 (**31 March 2017**: Rs. 12,478/-) in statement of profit and loss as under the following defined contribution plans.

Particulars	Amount in Rs.	
	31-03-2018	31-03-2017
benefits (contribution to):		
Provided and other fund	8,133	12,478
Superannuation fund	-	-
Total	8,133	12,478

b) Defined benefit plans

Particulars	Amount in Rs.	
	31-03-2018	31-03-2017
Plan assets at the year end, at fair value	-	1,052,130
Present value of benefit obligation at year end	-	-3,141
Net assets/(liability) recognized in the balance sheet	-	1,048,989

Assumptions used in determining the present value obligation of the interest rate guarantee under the



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

Deterministic Approach:

Amount in Rs.

Particulars	31-03-2018	31-03-2017
Discount rate	-	7.10%
Rate of salary increases	-	6.00%
Withdrawal rate	-	5%
Mortality	NA	Indian Assured Lives
	NA	Mortality (2006-08) (modified)Ult

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss for defined benefit plans/obligations:

Net employee benefit expense (recognized in statement of profit and loss) for the year ended 31st March, 2018

Amount in Rs.

Particulars	Gratuity	
	31-03-2018	31-03-2017
Current Service Cost	-	-2,650
Net interest on net defined liability	-	76,156
Actuarial (gain)/ loss on obligations	-	-1,193
Defined benefit costs	-	72,313

Balance sheet as at

Amount in Rs.

	31-03-2018	31-03-2017
Defined benefit obligation	-	(3,141)
Fair value of plan assets	-	1,052,130
Plan asset / (liability)	-	1,048,989

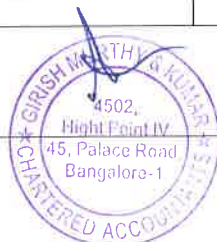
Amount in Rs.

Particulars	31-03-2018	31-03-2017
Opening defined benefit obligation	-	-
Interest cost	-	-
Current service cost	-	2,650
Acquisition credit	-	-
Benefits paid (including transfer)	-	-
Actuarial losses/ (gain) on obligation-experience & financial Assumptions	-	491
Closing defined benefit obligation	-	3,141

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

Amount in Rs.

Particulars	31-03-2018	31-03-2017
Opening fair value of plan assets	-	976,049
Acquisition Adjustment	-	-
Interest income on plan assets	-	76,156
Contributions by employer	-	627



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

Benefits paid (including transfer)	-	-
Return on plan assets greater/ (lesser) than discount rate	-	(702)
Closing fair value of plan assets	-	1,052,130

The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

	31-03-2018	31-03-2017
	(%)	(%)
Investments with insurer managed funds	-	100

Experience adjustments for the current and previous years are as follows:

Particulars	Amount in Rs.	
	31-03-2018	31-03-2017
Defined benefit obligation	-	(3,141)
Plan assets	-	1,052,130
Funded status	-	1,048,989
Experience (loss) adjustment on plan liabilities	-	-
Experience gain/ (loss) adjustment on plan assets	-	-
Actuarial gain due to change in assumptions	-	-

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

Particulars	Gratuity	
	31-03-2018	31-03-2017
Discount rate (in %)	-	7.10%
Salary Escalation (in %)	-	6.00%
Expected rate of return on assets	-	9.40%
Attrition rate (in %)	-	5.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Gratuity Plan Amount in Rs.

	31-03-2018		31-03-2017		31-03-2018	31-03-2017	31-03-2018	31-03-2017
Assumptions	Discount rate		Discount rate		Future salary increases		Attrition rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% increase	1% increase	1% increase
Impact on defined benefit obligation	-	-	(440)	540	-	541	-	(91)

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.

Expected contribution to post employment benefit plan for the year ending 31st March 2018 is Rs. Nil (March 31, 2017: Rs. Nil).

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



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

Liability towards Leave Encashment based on Actuarial valuation as on March 31, 2018 is Rs. Nil (March 31, 2017: Rs. 8,322).

28. Earnings per share (EPS):

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

Particulars	31-03-2018	31-03-2017
Nominal value of equity shares (Rs. per share)	10	10
Total number of equity shares outstanding at the beginning of the year	499,984	499,984
Total number of equity shares outstanding at the end of the year	499,984	499,984
Weighted average number of equity shares for Basic earnings per share	499,984	499,984
Profit as per profit and loss statement	(45,567,015)	(205,169,478)
Less: Dividend on Preference shares (including tax thereon)	-	-
Profit/ (Loss) for Earning per share	(45,567,015)	(205,169,476)
Earnings per Share (EPS)	(91.14)	(410.35)

29. Related Party Disclosures

Names of related parties and related party relationship

Holding Companies:

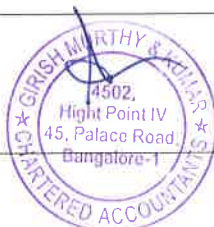
GMR Generation Assets Limited (GGAL) (Holding Company)
GMR Infrastructures Limited (GIL)

Ultimate Holding Company:

GMR Enterprises Private Limited (GEPL)

Fellow Subsidiaries:

S.N.	Name of Subsidiary
1	GMR Aerostructure Services Limited (GASL)
2	GMR Sports Private Limited
3	GMR League Games Private Limited
4	GMR Infratech Private Limited
5	Cadence Enterprises Private Limited
6	PHL Infrastructure Finance Company Private Limited
7	Vijay Nivas Real Estates Private Limited
8	Fabcity Properties Private Limited
9	Kondampeta Properties Private Limited
10	Hyderabad Jabilli Properties Private Limited
11	Leora Real Estates Private Limited
12	Pashupati Artex Agencies Private Limited



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

13	Ravivarma Realty Private Limited
14	GMR Solar Energy Private Limited
15	Rajam Enterprises Private Limited
16	Grandhi Enterprises Private Limited
17	Ideaspac Solutions Private Limited
18	National SEZ Infra Services Private Limited
19	Kakinada Refinery and Petrochemicals Private Limited
20	Corporate Infrastructure Services Private Limited
21	GMR Bannerghatta Properties Private Limited
22	Kirithi Timbers Private Limited
23	AMG Healthcare Destination Private Limited
24	GMR Holding (Malta) Limited
25	GMR Infrastructure (Malta) Limited
26	GMR Holdings (Overseas) Limited
27	GMR Holdings (Mauritius) Limited
28	Crossridge Investments Limited
29	Interzone Capital Limited
30	GMR Holdings Overseas (Singapore) Pte Limited
31	GMR Business & Consultancy LLP
32	GMR Energy Limited (GEL)
33	GMR Power Corporation Limited (GPCL)
34	GMR Vemagiri Power Generation Limited (GVPGL)
35	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)
36	GMR Mining & Energy Private Limited (GMEL)
37	GMR Kamalanga Energy Limited (GKEL)
38	Himtal Hydro Power Company Private Limited (HHPPL)
39	GMR Energy (Mauritius) Limited (GEML)
40	GMR Lion Energy Limited (GLEL)
41	GMR Upper Karnali Hydropower Limited (GUKPL)
42	GMR Energy Trading Limited (GETL)
43	GMR Consulting Services Private Limited (GCSPL)
44	GMR Coastal Energy Private Limited (GCEPL)
45	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)
46	GMR Londa Hydropower Private Limited (GLHPPL)
47	GMR Kakinada Energy Private Limited (GKEPL)
48	GMR Energy (Cyprus) Limited (GECL)
49	GMR Energy (Netherlands) B.V. (GENBV)
50	PT Dwikarya Sejati Utma (PTDSU)
51	PT Duta Sarana Internusa (PTDSI)
52	PT Barasentosa Lestari (PTBSL)
53	PT Unsoco (PT)
54	GMR Warora Energy Limited (Formerly EMCO Energy Limited)



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

55	Indo Tausch Trading DMCC (ITTD)
56	GMR Maharashtra Energy Limited (GMAEL)
57	GMR Bundelkhand Energy Private Limited (GBEPL)
58	GMR Rajam Solar Power Private Limited (formerly known as GMR Uttar Pradesh Energy Private Limited (GUPEPL)
59	GMR Genco Assets Limited (formerly known as GMR Hosur Energy Limited)
60	GMR Gujarat Solar Power Private Limited (GGSPPL)
61	Karnali Transmission Company Private Limited (KTCPL)
62	Marsyangdi Transmission Company Private Limited (MTCPL)
63	GMR Indo-Nepal Energy Links Limited (GINELL)
64	GMR Indo-Nepal Power Corridors Limited (GINPCL)
65	GMR Generation Assets Limited (formerly known as GMR Renewable Energy Limited (GREEL))
66	GMR Energy Projects (Mauritius) Limited (GEPML)
67	GMR Infrastructure (Singapore) Pte Limited (GISPL)
68	GMR Coal Resources Pte Limited (GCRPL)
69	GMR Power Infra Limited (GPIL)
70	GMR Highways Limited (GMRHL)
71	GMR Tambaram Tindivanam Expressways Limited (GTTEPL)
72	GMR Tuni Anakapalli Expressways Limited (GTAEPL)
73	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
74	GMR Pochanpalli Expressways Limited (GPEPL)
75	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
76	GMR Chennai Outer Ring Road Private Limited (GCORRPL)
77	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)
78	GMR Highways Projects Private Limited (GHPPL)
79	GMR Hyderabad International Airport Limited (GHIAL)
80	Gateways for India Airports Private Limited (GFIAL)
81	Hyderabad Airport Security Services Limited (HASSL)
82	GMR Hyderabad Airport Resource Management Limited (GHARML)
83	GMR Hyderabad Aerotropolis Limited (HAPL)
84	GMR Hyderabad Aviation SEZ Limited (GHASL)
85	GMR Aerospace Engineering Limited (GAEL) (formerly known as MAS GMR Aerospace Engineering Company Limited)
86	GMR Aero Technic Limited (GATL) (formerly known as MAS GMR Aero Technic Limited (MGATL))
87	Hyderabad Duty Free Retail Limited (HDFRL)
88	GMR Airport Developers Limited (GADL)
89	GADL International Limited (GADLIL)
90	GADL (Mauritius) Limited (GADLML)
91	GMR Hotels and Resorts Limited (GHRL)
92	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)
93	Delhi International Airport Private Limited (DIAL)
94	Delhi Aerotropolis Private Limited (DAPL)
95	Delhi Duty Free Services Private Limited (DDFS)
96	Delhi Airport Parking Services Private Limited (DAPSL)



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

97	GMR Airports Limited (GAL)
98	GMR Airport Global Limited (GAGL)
99	GMR Airports (Mauritius) Limited (GALM)
100	GMR Aviation Private Limited (GAPL)
101	Raxa Security Services Limited (Raxa)
102	GMR Krishnagiri SEZ Limited (GKSEZ)
103	Advika Properties Private Limited (APPL)
104	Aklima Properties Private Limited (AKPPL)
105	Amartya Properties Private Limited (AMPPL)
106	Baruni Properties Private Limited (BPPL)
107	Bougainvillea Properties Private Limited (BOPPL)
108	Camelia Properties Private Limited (CPPL)
109	Deepesh Properties Private Limited (DPPL)
110	Eila Properties Private Limited (EPPL)
111	Gerbera Properties Private Limited (GPL)
112	Lakshmi Priya Properties Private Limited (LPPPL)
113	Honeysuckle Properties Private Limited (HPPL)
114	Idika Properties Private Limited (IPPL)
115	Krishnapriya Properties Private Limited (KPPL)
116	Larkspur Properties Private Limited (LAPPL)
117	Nadira Properties Private Limited (NPPL)
118	Padmapriya Properties Private Limited (PAPPL)
119	Prakalpa Properties Private Limited (PPPL)
120	Purnachandra Properties Private Limited (PUPPL)
121	Shreyadita Properties Private Limited (SPPL)
122	Pranesh Properties Private Limited (PRPPL)
123	Sreepa Properties Private Limited (SRPPL)
124	Radhapriya Properties Private Limited (RPPL)
125	Asteria Real Estates Private Limited (AREPL)
126	GMR Hosur Industrial City Private Limited (GHICL)
127	Namitha Real Estates Private Limited (NREPL)
128	Honey Flower Estates Private Limited (HFEPL)
129	GMR Hosur EMC Limited (GHEMCL)
130	GMR SEZ and Port Holdings Limited (GSPHL)
131	East Godavari Power Distribution Company Private Limited (EGPDCPL)
132	Suzone Properties Private Limited (SUPPL)
133	GMR Utilities Private Limited (GUPL)
134	Lilliam Properties Private Limited (LPPL)
135	GMR Corporate Affairs Private Limited (GCAPL)
136	Dhruvi Securities Private Limited (DSPL)
137	Kakinada SEZ Limited (KSL)
138	GMR Business Process and Services Private Limited (GBPSPL)



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

139	GMR Infrastructure (Mauritius) Limited (GIML)
140	GMR Infrastructure (Cyprus) Limited (GICL)
141	GMR Infrastructure Overseas Limited (GIOL)
142	GMR Infrastructure (UK) Limited (GIUL)
143	GMR Infrastructure (Global) Limited (GIGL)
144	GMR Energy (Global) Limited (GEGL)
145	Kakinada Gateway Port Limited (KGPL)
146	GMR Goa International Airport Limited (GGIAL)
147	GMR SEZ Infra Services Limited (GSISL)
148	GMR Infrastructure (Overseas) Limited (GIOL)
149	GMR Infra Developers Limited (GIDL)
150	GMR Varalakshmi Foundation (GMRVF)

Related party transactions

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

A. As per Profit and Loss Account -**a. Interest income – P&L**

Name of the Company	Year Ended	Amount in Rs.
GMR Generation Asset Limited	31.03.2018	80,752,463
	31.03.2017	36,702,953
GMR Energy Limited	31.03.2018	-
	31.03.2017	225,119,616
Dhruvi Securities Private Limited	31.03.2018	202,878,391
	31.03.2017	-
GMR Aerostructure Services Limited	31.03.2018	981,062
	31.03.2017	-

b. Interest Expenditure – P&L

Name of the Company	Year Ended	Amount in Rs.
GMR Infrastructures Limited	31.03.2018	201,188,477
	31.03.2017	-
GMR Warora Energy Limited	31.03.2018	-
	31.03.2017	83,667,980
GMR Power Corporation Limited	31.03.2018	-
	31.03.2017	295,181,109

c. Others – P&L

Name of the Company	Year Ended	Amount in Rs.
GMR Energy Limited – Other expenses	31.03.2018	-
	31.03.2017	49,30,992
GMR Enterprises Private Limited – Logo fee	31.03.2018	1,120
	31.03.2017	-



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

Note – Reimbursement of expenses are not shown above.

B. As per Balance Sheet –**a. Amount Payable**

Name of the Company	As at	Amount in Rs.
GMR Infrastructures Limited – Interest payable	31.03.2018	40,114,454
	31.03.2017	-
GMR Varalakshmi Foundation – CSR payable	31.03.2018	3,001,340
	31.03.2017	3,001,340
GMR Warora Energy Limited – Other payable	31.03.2018	-
	31.03.2017	10,000

b. ICD given, interest and other receivable

Amount in Rs.

Name of the Company	As at	Interest receivable	ICD given	Other receivable
GMR Generation Asset Limited	31.03.2018	109,351,182	684,664,337	-
	31.03.2017	36,702,955	697,728,337	-
Dhruvi Securities Private Limited	31.03.2018	29,237,745	828,299,995	-
	31.03.2017	-	-	-
GMR Aerostructure Services Limited	31.03.2018	882,955	2,864,700,000	16,300,000
	31.03.2017	-	-	-

c. ICD received

Name of the Company	As at	Amount in Rs.
GMR Power Corporation Limited	31.03.2018	3,472,718,926
	31.03.2017	3,472,718,926
GMR Infrastructures Limited	31.03.2018	3,885,218,987
	31.03.2017	-

30. Risk Management

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

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



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, derivative and financial instruments. The sensitivity analysis in the following sections relate to the position as at 31st March 2018 and 31st March 2017.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and hedged.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities of foreign operations.

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

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

Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on profit/(loss) before tax
March 31, 2018		
INR	+50	(1,583,327)
INR	-50	1,583,327
March 31, 2017		
INR	+50	(2,288,155)
INR	-50	2,288,155

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

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. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments and cash deposits – Credit risk from balances with banks 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. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018 and 31 March 2017 is the carrying amounts.

Liquid Risk-

Maturity profile of the Company's financial liabilities based on contractual undiscounted payments as on 31st March 2018

Amount in Rs.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Other financial liabilities	57,498,883	-	-	-	-	57,498,883
Borrowings	3,436,820,350	-	-	4,621,117,563	-	8,057,937,913
Total	3,494,319,233	-	-	4,621,117,563	-	8,115,436,796

Maturity profile of the Company's financial liabilities based on contractual undiscounted payments as on 31st March 2017.

Amount in Rs.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Other financial liabilities	560,897,072	-	-	-	-	560,897,072
Borrowings	3,472,718,927	-	-	624,900,000	-	4,097,618,927
Total	4,033,615,998	-	-	624,900,000	-	4,658,515,998

31. Capital Management

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

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



SJK Powergen Limited**Notes to financial statements for the year ended 31 March 2018**

within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Amounts in Rs

Particulars	31.03.2018	31.03.2017
Borrowings	8,057,937,913	4,097,618,927
Total debts	8,057,937,913	4,097,618,927
Capital Components		
Share Capital	4,999,840	4,999,840
Other equity	(2,067,654,433)	(2,549,288,917)
Total Capital	(2,062,654,593)	(2,544,289,077)
Capital and net debt	5,995,283,320	1,553,329,849
Gearing ratio (%)	134%	264%

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

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

32. 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.

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.

As at March 31, 2018

Amount in Rs.

Particulars	Amortised cost	Total Carrying value	Total Fair value
Financial assets			
(i) Loans	4,640,986,677	4,640,986,677	4,640,986,677
(ii) Cash and cash equivalents	12,474,570	12,474,570	12,474,570
(ii) Bank balance other than cash and cash	2,500,000	2,500,000	2,500,000



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

equivalents			
Total	4,655,961,246	4,655,961,246	4,655,961,246
Financial liabilities			
(i) Borrowings	8,057,937,913	8,057,937,913	8,057,937,913
(ii) Other financial liabilities	57,498,883	57,498,883	57,498,883
Total	8,115,436,796	8,115,436,796	8,115,436,796

As at March 31, 2017

(Amount in Rs.)

Particulars	Amortised cost	Total Carrying value	Total Fair value
Financial assets			
(i) Loans	697,893,669	697,893,669	697,893,669
(ii) Cash and cash equivalents	1,151,263	1,151,263	1,151,263
(iii) Other financial assets	36,702,955	36,702,955	36,702,955
Total	735,747,887	735,747,887	735,747,887
Financial liabilities			
(i) Borrowings	4,097,618,927	4,097,618,927	4,097,618,927
(ii) Other financial liabilities	560,897,072	560,897,072	560,897,072
Total	4,658,515,999	4,658,515,999	4,658,515,999

33. Expenditure in Foreign Currency for the year ended 31st March 2018 is Rs. Nil (March 31, 2017: Nil).
34. Pending Litigations: The Company does not have any pending litigations as on 31st March 2018 and 31st March 2017 which would impact its financial position.
35. Foreseeable losses: The Company did not have any long-term contracts including derivative contracts as on 31st March 2018 and 31st March 2017 for which there were any material foreseeable losses.
36. There are no micro and small enterprises to which the Company owes dues which are outstanding for more than 45 days as at 31st March 2018 and March 31st March 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

37. Segment Reporting:

The company is primarily engaged in the business of setting and running of Power plant. As the basic nature of the activities is governed by the same set of risk and returns, these have been grouped as a single business segment. Accordingly, separate primary and secondary segment reporting disclosures as envisaged in Accounting Standard (IndAS-108) on "Segmental Reporting" issued by the ICAI are not applicable to the present activities of the Company.



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

38. Deferred tax assets and liability are being offset as they relate to taxes on income levied by the same governing taxation law.

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

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

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

- (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or
- (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

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

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



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

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

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

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

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

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

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

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

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

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

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

40. During the year ended March 31, 2018, the Company has transferred interest payable of Rs. 527,201,499/- to Other Equity. The interest was payable to GMR Power Corporation Limited (GPCL) which is a fellow subsidiary of the Company as both the Companies are subsidiary of GMR Generation Assets Limited (GGAL). GPCL had written off interest, from the Company, for the year ended March 31, 2016 and waived interest for the year ended March 31, 2017 and it had benefitted the Company whereas the overall position of parent company, GGAL remained the same as both GPCL and the Company are under common control. The transfer of value from one subsidiary to the other has been made under the instruction from the parent company, GGAL and accordingly the same has been considered as capital contribution by the parent company.



SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2018

41. The previous year's figures have been re-grouped and reclassified, wherever necessary, to conform to those of current years.

As per our report of even date

For Girish Murthy & Kumar

Chartered Accountants



A V Satish Kumar

Partner

Membership No.26526

Firm Registration Number: 000934S



For and on behalf of the Board of directors



S. N. Barde

Director

DIN-03140784



Prabir Kumar Majumdar

Director

DIN-03591200

Place: Bangaluru

Date : 19th April 2018

Place: New Delhi

Date : 19th April 2018



SJK Powergen Limited
For the year ended 31st March 2018

A) Income							Amount in Rs.	
S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount
1	Dhruvi Securities Private Limited	IC6111	Interest on ICD	Other Income	Other Income	4000010020	202,878,391	-
2	GMR Generations Assets Limited	IC2351	Interest on ICD	Other Income	Other Income	4000010020	80,752,463	-
3	GMR Aerostructure Services Limited	IC1150	Interest on ICD	Other Income	Other Income	4000010020	981,062	-
	GRAND TOTAL						284,611,916	284,611,927
							Total (IGAAP + IND AS Adjustments)	
							DTL/(DTA) on Ind AS Adjustments	
							-	

B) Expenses							Amount in Rs.	
S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount
1	GMR Infrastructure Limited	IC6100	Interest on Inter Corporate Loan	Finance Cost	Other Expense		201,188,477	-
2	GMR Enterprises Private Limited	IC6022	Logo Fee	Other Expenses	Other Expense		1,120	-
	GRAND TOTAL						201,189,597	201,189,597
							Total (IGAAP + IND AS Adjustments)	
							DTL/(DTA) on Ind AS Adjustments	
							-	

For Grish Murthy & Kumar
Chartered Accountants

A V Satish Kumar
Partner
Membership No.26526
Firm Registration Number: 0009345



For and on behalf of the Board of directors

S. N. Barde

S. N. Barde
Director
DIN-03140784

Prabir Kumar Majumdar

Prabir Kumar Majumdar
Director
DIN-03591200



Place: New Delhi
Date : 19th April 2018

Place: Bangalore
Date : 19th April 2018

A) Receivable / Reimbursement / Sundry Debtors / Deposits Paid / Interest receivable

S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	Dhruvi Securities Private Limited	IC6111	Interest Accrued	Other Current Assets	Interest accrues on Inter Corporate Deposit	1030600998	29,237,745	-	29,237,745	-
2	GMR Generation Assets Limited	IC2361	Interest Accrued	Other Current Assets	Interest accrues on Inter Corporate Deposit	1030600998	109,351,182	-	109,351,182	-
3	GMR AEROSTRUCTURE SERVICES LIMITED	IC1150	Interest Accrued	Other Current Assets	Interest accrues on Inter Corporate Deposit	1030600998	882,955	-	882,955	-
4	GMR AEROSTRUCTURE SERVICES LIMITED	IC1150	other receivables	Other Current Assets	other receivables	1030600998	163,000,000	-	163,000,000	-
	GRAND TOTAL						302,471,882		302,471,882	

B) Payable / Sundry Creditors / Deposits Received / Interest Payable

S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GMR Infrastructure Limited	IC6100	Interest on Loan	Other Financial Liabilities	Interest accrued but not due on borrowings	2050700006	40,114,454	-	40,114,454	-
2	GMR Varalakshmi foundation	IC9600	CSR activities Exp	Other Financial Liabilities	Non trade payables- group companies	2050201016	3,001,340	-	3,001,340	-
							43,115,794		43,115,794	

C) Loan given to Group Companies / Share Application Money/ Other advances

S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	Dhruvi Securities Private Limited	IC6111	ICD to Group Company	Short term Loans and Advances	Loans & Advances to related party	1040200006	828,299,995	-	828,299,995	-
2	GMR Generation Assets Limited	IC2361	ICD to Group Company	Short term Loans and Advances	Loans & Advances to related party	1040200006	684,664,337	-	684,664,337	-
3	GMR AEROSTRUCTURE SERVICES LIMITED	IC1150	ICD to Group Company	Short term Loans and Advances	Loans & Advances to related party	1040200006	2,864,700,000	-	2,864,700,000	-
							4,377,664,332		4,377,664,332	

D) Loan taken from Group Companies / Share Application money refundable / Other Loans

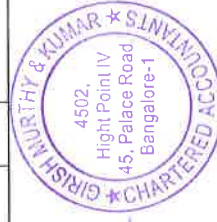
S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GMR Power Corporation Limited	IC2100	ICD from Group Company	Financial liabilities - Borrowings	ICD from Group Company	2030500011	3,472,718,926	-	3,472,718,926	-
2	GMR Infrastructure Limited	IC6100	ICD from Group Company	Financial liabilities - Borrowings	ICD from Group Company	2030500011	3,885,218,987	-	3,885,218,987	-
							7,357,937,913		7,357,937,913	

E) Share Capital

S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GMR Generation Assets Limited	IC2361	Share Capital	Equity Share capital	Share Capital	201010166	3,499,840	-	3,499,840	-
							3,499,840		3,499,840	

For Girish Murthy & Kumar
Chartered Accountants

(Signature)
A V Satish Kumar
Partner
Membership No 26526
Firm Registration Number: 0009345



For and on behalf of the Board of directors

(Signature)
S. N. Barde
Director
DIN-03140784



(Signature)
Prabir Kumar Majumdar
Director
DIN-03591200

Place: New Delhi
Date : 19th April 2018

Place: Bengaluru
Date : 19th April 2018