INDEPENDENT AUDITOR'S REPORT

To the members of GMR Badrinath Hydro Power Generation Private Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **GMR Badrinath Hydro Power Generation Private Limited**(the **"Company"**), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss(including Other Comprehensive Income) , Statement of Changes in Equity and the Statement of cash flows and for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements for the year ended 31st March, 2019 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

Emphasis of matter

We refer to Note 23(II)(A) to the financial statements as at March 31, 2019, with regard to stoppage of construction of Power Plant on Alaknanda river. The Hon'able Supreme Court of India, in view of appeals in the matter of Hydro Power Projects in the area, including that of the company , directed that no further construction work shall be shall be undertaken by the company, until further order. The Management of the company is confident of obtaining requisite clearances and based on business plan and valuation by an external expert during December 2018, is of the view that the carrying value of its Capital Work In Progress and other assets as at March 31, 2019 are appropriate.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

PHANI BHUSHAN & CO. ★ Chartered Accountants

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The board report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act")with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income / loss, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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

(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 has pending litigations to be disclosed in Note 23 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.

Place: Hyderabad

Date: 22nd April 2019

For PHANIBHUSHAN & CO.,
Chartered Accountants

M. Phani Bhushan Kumar (Partner)
M. No: 223397, Firm No: 012481S

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of GMR **Badrinath Hydro Power Generation Private Limited**on the Standalone financial statements for the year ended 31st March 2019, we report that:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which 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. No material discrepancies were noticed on such verification, carried out during the year.

(c) There are no immovable properties acquired by 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 during/at the end of the year.

iii. In our opinion and according to the information and explanation given to us, the Company has not given any loans, 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 the provision of 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. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records, under section 148(1) of the Companies Act, 2013 in respect of the business operations carried out by the Company.

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 Services 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, Goods and Services Tax, customs duty, wealth tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31st March 2019 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 loan taken from the banks and financial institutions during the year. Further the company has not issued any debenture at any point of time and as such there are no dues outstanding at the end of the year to debenture holders.

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 loans have been applied for the purpose for which they were obtained.

x. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice of India and according to the information and explanations given to us, we have not come across any instance of fraud by the Company or on the company by its officers or employees during this year.

xi. According to the information and explanations given to us, and based on our examination of records of the Company, the company has not been paid /nor provided managerial remuneration during the year, as per 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 preferential allotment or private placement of shares during this year. Company has not made any preferential allotment or private placement of 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.

HYDERABAD
Chartered Accountants

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Hyderabad
Date: 22nd April 2019

For PHANIBHUSHAN & CO.,
Chartered Accountants

M. Phani Bhushan Kumar (Partner)
M. No: 223397, Firm No: 012481S

Annexure B to Auditors' Report of even date
Report on the Internal Controls on Financial Controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **GMR Badrinath Hydro Power Generation Private Limited**("the Company") as of 31st March 2019 in conjunction with our audit of the Standalone 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.
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 2019, 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.

Date: 22nd April 2019
Place: Hyderabad

For PHANIBHUSHAN & CO.
Chartered Accountants

M. Phani Bhushan Kumar (Partner)
M. No: 223397, Firm No: 012481S

GMR Badrinath Hydro Power Generation Private Limited
Balance sheet as at 31st March 2019

(Amount in Rs.)

Particulars	Notes	31 March 2019	31 March 2018
Assets			
Non-current assets			
Property, Plant & Equipment	1	1,524,091	2,971,573
Capital work-in-progress	2	4,446,526,118	4,446,526,118
Financial Assets			
Loans	3	11,189,041	11,189,041
Other Financial Assets	3a	-	-
Non Current Tax Assets (Net)		337,305	839,963
Other non current assets	4	108,433,208	108,433,208
		4,568,009,763	**4,569,959,902**
Current assets			
Financial Assets			
Cash and cash equivalents	5	646,098	808,931
Other financial Assets	3a	26,337	351,013
Other current assets	6	101,967,309	101,823,106
		102,639,745	**102,983,050**
Total Assets		**4,670,649,507**	**4,672,942,952**
Equity and liabilities			
Equity			
Equity Share Capital	7	50,000,000	50,000,000
Other Equity	8	(1,603,592,937)	(1,490,724,077)
		(1,553,592,937)	**(1,440,724,077)**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Provisions	9	81,059	68,561
		81,059	68,561
Current liabilities			
Financial Liabilities			
Borrowings	10	6,024,843,504	5,929,780,762
Trade Payable			
-Due to micro enterprises and small enterprises	10a	-	-
-Due to others	10a	496,362	245,604
Other financial liabilties	11	198,450,984	183,417,970
Other current liabilities	12	318,315	52,827
Provisions	9	52,220	101,305
		6,224,161,385	6,113,598,468
Total Equity and liabilities		**4,670,649,507**	**4,672,942,952**

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

As per our report of even date

For Phani Bhushan & Co.
Chartered Accountants
Firm Registration Number: 012481S

Phani Bhushan Kumar
Partner
Membership no : 223397

Place: Bangalore
Date:22-04-2019

For and on behalf of the Board of directors

Harvinder Manocha
Director
DIN: 03272052

S N Barde
Director
DIN:03140784

Rajeev Kumar
Company Secretary
Membership No. : F5297

Place : New Delhi
Date : 22-04-2019

GMR Badrinath Hydro Power Generation Private Limited
Statement of profit and loss for the period ended 31st March 2019

(Amount in Rs.)

Particulars	Notes	31 March 2019	31 March 2018
Other Income	13	50,338	3,905,901
Total Income		50,338	3,905,901
Expenses			
Employee benefits expense	14	847,736	799,129
Finance cost	15	107,780,392	149,127,928
Depreciation		1,447,481	2,345,848
Other expenses	16	2,847,136	3,120,530
Total Expenses		112,922,745	155,393,436
Profit/(loss) before exceptional items and tax		(112,872,407)	(151,487,535)
Exceptional item			-
Profit / (Loss) before tax		(112,872,407)	(151,487,535)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Profit/(loss) for the period from continuing operations		(112,872,407)	(151,487,535)
Profit/(loss) for the period		(112,872,407)	(151,487,535)
Other comprehensive income			
Remeasurement of define employee benefit plans		3,547	26,086
Total comprehensive income for the period		(112,868,860)	(151,461,449)
Earnings per equity share			
Basic		(22.57)	(30.29)
Diluted		(22.57)	(30.29)

The accompanying notes are form an integral part of the financial statements.
This Profit & Loss statement referred to our report of even date

For Phani Bhushan & Co
Chartered Accountants
Firm Registration Number: 012481S

Phani Bhushan Kumar
Partner
Membership no : 223397

Place: Bangalore
Date:22-04-2019

For and on behalf of the Board of directors

Harvinder Manocha
Director
DIN: 03272052

S N Barde
Director
DIN:03140784

Rajeev Kumar
Company Secretary
Membership No. : F5297

Place: New Delhi
Date : 22-04-2019

GMR Badrinath Hydro Power Generation Private Limited
Cash Flow Statement for the year ended 31st March, 2019

(Amount in Rs.)

Particulars	31 March 2019	31 March 2018
Cash flow from operating activities		
Profit before tax from continuing operations	(112,868,860)	(151,461,449)
Profit before tax from discontinuing operations	-	-
Profit before tax	(112,868,860)	(151,461,449)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	1,447,481	2,345,848
Finance cost	107,780,392	149,127,928
Profit on sale of assets	-	-
Operating profit before working capital changes	**(3,640,987)**	**12,327**
Increase / (Decrease) in long term provisions	12,498	8,104
Decrease / (Increase) long term loans and advances	-	163,775,733
Decrease / (Increase) other current assets	358,455	(281,346)
Increase / (Decrease) in short-term provisions	(49,085)	30,439
Proceeds from other financial liabilities	15,283,771	(142,659,848)
Increase / (Decrease) in other Current liabilities	265,488	(736,864)
Decrease / (Increase) other Financial assets	324,675	(339,622)
Net cash flow from/ (used in) operating activities (A)	**12,554,816**	**219,808,923**
Cash flows from investing activities		
Purchase/ Sale of FA, including CWIP and capital advances	-	(365,420,416)
Net cash flow from/ (used in) investing activities (B)	**-**	**(365,420,416)**
Cash flows from financing activities		
Proceeds from short-term borrowings	- 1,447,939,519	- 57,989
Proceeds / (Repayment) from Inter Corporate Deposits	1,543,002,261	293,217,925
Interest paid	(107,780,392)	(149,127,928)
Net cash flow from/ (used in) in financing activities (C)	**(12,717,649)**	**144,032,008**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(162,833)**	**(1,579,486)**
Cash and cash equivalents at the beginning of the period	514,553	2,094,039
Cash and cash equivalents at the end of the period	**351,720**	**514,553**
Components of cash and cash equivalents		
With banks- on current account	351,720	513,868
Cash in Hand	-	685
Total cash and cash equivalents (note 5)	**351,720**	**514,553**

Notes:

1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS) 7 Statement of cash flows

2 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

Reconciliation to liabilities whose cash flow movements are disclosed as part of financing activities.

Particulars	1-Apr-18	Cash flows	Non-Cash changes	31-Mar-19
			Fair value changes	
Short term Borrowings-Related party	4,481,841,243	1,543,002,261	-	6,024,843,504
Short term Borrowings-Bank	1,447,939,519	(1,447,939,519)		-
Total	**5,929,780,762**	**95,062,742**	-	6,024,843,504

As per our report of even date

For Phani Bhushan & Co
Chartered Accountants
Firm Registration Number: 012481S

Phani Bhushan Kumar
Partner
Membership no : 223397

Place: Bangalore
Date:22-04-2019

For and on behalf of the Board of directors

Harvinder Manocha
Director
DIN: 03272052

S N Barde
Director
DIN:03140784

Rajesh Kumar
Company Secretary
Membership No. : F5297

Place : New Delhi
Date : 22-04-2019

GMR Badrinath Hydro Power Generation Private Limited
Statement of standalone assets and liabilities

Amount in Rs

	Particulars	31 March 2019 (Un Audited)	31 March 2018 (Audited)
1	**ASSETS**		
a)	**Non-current assets**		
	Property, plant and equipment	1,524,091	2,971,573
	Capital work in progress	4,446,526,118	4,446,526,118
	Intangible Assets under Development	-	-
	Other intangible assets	-	-
	Financial assets		
	Others	11,189,041	11,189,041
	Non Current tax assets (net)	337,305	839,963
	Other non-current assets	108,433,208	108,433,208
		4,568,009,763	4,569,959,902
b)	**Current assets**		
	Financial assets		
	Cash and cash equivalents	646,098	808,931
	Other financial assets	26,337	351,013
	Other current assets	101,967,309	101,823,106
		102,639,745	102,983,050
	TOTAL ASSETS (a+b)	4,670,649,507	4,672,942,952
2	**EQUITY AND LIABILITIES**		
a)	**Equity**		
	Equity share capital	50,000,000	50,000,000
	Other equity	(1,603,592,937)	(1,490,724,077)
	Total equity	1,553,592,937	(1,440,724,077)
b)	**Non-current liabilities**		
	Provisions	81,059	68,561
		81,059	68,561
c)	**Current liabilities**		
	Financial liabilities		
	Borrowings	6,024,843,504	5,929,780,762
	Trade Payable		
	-Due to micro enterprises and small enterprises	-	-
	-Due to others	496,362	245,604
	Other financial liabilities	198,450,984	183,417,970
	Other current liabilities	318,315	52,827
	Provisions	52,220	101,305
		6,224,161,385	6,113,598,468
	TOTAL EQUITY AND LIABILITIES (a+b+c)	4,670,649,507	4,672,942,952

For Phani Bhushan & Co
Chartered Accountants

Phani Bhushan Kumar
Partner
Membership no : 223397

Place: Bangalore
Date:22-04-2019

For and on behalf of the Board of directors

Harvinder Manocha
Director
DIN: 03272052

S N Barde
Director
DIN:03140784

Rajeev Kumar
Company Secretary
Membership No. : F5297

Place : New Delhi
Date : 22-04-2019

Amount in Rs

GMR Badrinath Hydro Power Generation Private Limited

Statement of Standalone Unaudited Financial Results for the Quarter and Year ended March 31, 2019

	Particulars	Quarter ended			Year ended	
		31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
		Un Audited	**Un Audited**	Un Audited	**Un Audited**	**Audited**
A	Continuing Operations					
1	Revenue					
	a) Revenue from operations					
	(i) Sale/income from operations	-	-	-	-	-
	(ii) Other operating income	750	5,296	2,587	50,338	3,905,901
	Total revenue	750	5,296	2,587	50,338	3,905,901
2	**Expenses**					
	(g) Employee benefits expense	186,078	266,113	208,221	847,736	799,129
	(h) Finance costs	3,805,561	34,313,738	32,839,293	107,780,392	149,127,928
	(i) Depreciation and amortisation expenses	223,603	301,113	415,724	1,447,481	2,345,848
	(j) Other expenses	439,102	558,396	643,064	2,847,136	3,120,530
	Total expenses	4,654,344	35,439,360	34,106,302	112,922,745	155,393,436
3	**Profit/(loss) from continuing operations before exceptional items and tax expense (1-2)**	(4,653,594)	(35,434,064)	(34,103,715)	(112,872,407)	(151,487,535)
4	Exceptional items					
5	**Profit/(loss) from continuing operations before tax expenses (3 ± 4)**	(4,653,594)	(35,434,064)	(34,103,715)	(112,872,407)	(151,487,535)
6	**Tax expenses of continuing operations**					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax					
7	**Profit/(loss) after tax from continuing operations (5 ± 6)**	(4,653,594)	(35,434,064)	(34,103,715)	(112,872,407)	(151,487,535)
B	**Discontinued Operations**					
8	**Profit/(loss) from discontinued operations before tax expenses**	-		-	-	-
9	**Tax expenses of discontined operations**	-		-	-	-
	(a) Current tax					
	(b) Deferred tax					
10	**Profit/(loss) after tax from discontinued operations (8 ± 9)**	-	-	-	-	-
11	**Profit/(loss) after tax for respective periods (7 + 10)**	(4,653,594)	(35,434,064)	(34,103,715)	(112,872,407)	(151,487,535)
12	**Other Comprehensive Income**					
	(A) (i) Items that will not be reclassified to profit or loss	4,705	18,953	23,370	3,547	26,086
	(ii) Income tax relating to items that will not be reclassified to profit or loss					
	(B) (i) Items that will be reclassified to profit or loss					
	(ii) Income tax relating to items that will be reclassified to profit or loss					
13	**Total other comprehensive income, net of tax for the respective periods**	4,705	18,953	23,370	3,547	26,086
14	**Total comprehensive income for the respective periods (11 ± 13) [comprising Profit (loss) and Other comprehensive income (net of tax) for the respective periods]**	(4,648,889)	(35,415,111)	(34,080,345)	(112,868,860)	(151,461,449)
15	**Earnings per equity share**					
	i) Basic/ Diluted before Exceptional items	(0.93)	(7.09)	(6.82)	(22.57)	(30.30)
	ii) Basic/ Diluted after Exceptional items	(0.93)	(7.09)	(6.82)	(22.57)	(30.30)
	iii) Basic/Diluted EPS from continued operations	(0.93)	(7.08)	(6.82)	(22.57)	(30.29)

Note 1.-
Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.

For Phani Bhushan & Co
Chartered Accountants
Firm Registration Number: 0124...S

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

Phani Bhushan Kumar
Partner
Membership no : 223397

Place: Bangalore
Date 22-04-2019

For and on behalf of the Board of directors

Harvinder Manocha
Director
DIN: 08272052

S N Barde
Director
DIN:03140784

GBHPPL

Rajesh Kumar
Company Secretary
Membership No : F5297

Place : New Delhi
Date : 22-04-2019

GMR Badrinath Hydro Power Generation Private Limited
Statement of change in equity as at 31st March 2019

Amounts in Rs.

		Reserves and surplus	OCI		Grand Total
	Equity share capital	Retained earnings	Re-measurement gains on defined benefit plans	Total	
At 31 March 2017	50,000,000	(1,339,635,591)	372,964	(1,339,262,627)	(1,289,262,627)
Profit for the period		(151,487,535)		(151,487,535)	(151,487,535)
Other comprehensive income			26,086	26,086	26,086
At 31st March 2018	50,000,000	(1,491,123,127)	399,050	(1,490,724,077)	(1,440,724,077)
Profit for the period	-	(112,872,407)		(112,872,407)	(112,872,407)
Other comprehensive income	-	-	3,547	3,547	3,547
At 31st March 2019	50,000,000	(1,603,995,534)	402,597	(1,603,592,937)	(1,553,592,937)

For Phani Bhushan & Co
Chartered Accountants
Firm Registration Number: 01[illegible]S

Phani Bhushan Kumar
Partner
Membership no : 223397

Place: Bangalore
Date:22-04-2019

For and on behalf of the Board of directors

Harvinder Manocha
Director
DIN: 03272052

S N Barde
Director
DIN 03140784

Rajeev Kumar
Company Secretary
Membership No : F5297

Place: New Delhi
Date:22-04-2019

1 Property, Plant & Equipment

(Amount in Rupees)

Particulars	Computers	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Electrical Equipment	Total
Cost or Valuation							
As at 31st March 2017	125,350	2,346,735	1,671,469	164,401	3	3,277,415	7,588,372
Additions						-	-
Disposals							-
Exchange Differences	-	-	-	-	-	-	-
As at 31st March 2018	125,350	2,346,735	1,671,469	164,401	3	3,277,415	7,585,372
Additions				14,400			
Disposals					-	14,400	
Exchange Differences							
As at 31st March 2019	125,350	2,346,735	1,671,469	178,801	3	3,263,015	7,585,372
Depreciation and impairment							
As at 31st March 2017	125,185	618,344	1,063,102	116,231	-	2,023,363	3,946,224
Depreciation for the year	-	305,056	305,363	46,877	-	789,223	1,446,519
Impairment							-
Disposals							
Exchange Differences							-
As at 31st March 2018	125,185	923,400	1,368,464	163,108	-	2,812,586	5,392,743
Depreciation for the year		250,986	182,306	15,667	-	267,624	716,584
Impairment							
Disposals							
Exchange Differences							
As at 31st March 2019	125,185	1,174,386	1,550,771	178,776	-	3,080,210	6,109,327
Net Book Value							
As at 31st March 2017	165	1,728,391	608,367	48,170	3	1,254,052	3,639,148
As at 31st March 2018	165	1,423,335	303,005	1,292	3	464,830	2,192,630
As at 31st March 2019	165	1,172,349	120,698	25	3	182,805	1,476,046

Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of PPE has been carried forwarded at the amount as determined under the previous GAAP. Considering the FAQ issued by the ICAI regarding application of Deemed cost, the company has disclosed the Cost as at 1 April 2015 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows: Disclosure of previous GAAP values considered as deemed cost in Ind AS financial statements on transition date.

Other Intangible assets

Particulars	Computer software	Total
Cost or Valuation		
As at 31st March 2017	4,887,547	4,887,547
Additions	-	-
Disposals	-	-
As at 31st March 2018	4,887,547	4,887,547
Additions	-	-
Disposals	-	-
As at 31st March 2019	4,887,547	4,887,547
Depreciation and impairment		
Disposals	-	-
As at 31st March 2017	2,409,275	2,409,275
Depreciation for the year	899,329	899,329
Disposals	-	-
As at 31st March 2018	3,308,604	3,308,604
Depreciation for the year	730,898	730,898
Disposals	-	-
As at 31st March 2019	4,039,502	4,039,502
Net Book Value		
As at 31st March 2017	1,678,272	1,678,272
As at 31st March 2018	778,943	778,943
As at 31st March 2019	48,045	48,045

2 Capital Work in Progress

(Amount in Rs.)

	31 March 2019	31 March 2018
CWIP	364,939,629	364,939,629
CWIP Salaries	476,991,826	476,991,826
CWIP - Contribution to PF	26,602,033	26,602,033
CWIP Staff Welfare	8,656,516	8,656,516
CWIP-Travelling	230,667,778	230,667,778
CWIP-Advertisements	715,537	715,537
CWIP- Bank Charges	15,434,357	15,434,357
CWIP - Bidding Exp	2,580,796	2,580,796
CWIP- Books & Periodicals	217,587	217,587
CWIP - Communication	20,395,287	20,395,287
CWIP - Community Development	131,989,912	131,989,912
CWIP - Consultancy & Professional fees	602,499,956	602,499,956
CWIP- Depreciation	36,906,638	36,906,638
CWIP Finance Charges	70,909,256	70,909,256
CWIP Rent & Hire Charges	174,886,877	174,886,877
CWIP Insurance	853,806	853,806
CWIP Interest Fixed period loan	321,075,388	321,075,388
CWIP Interest	1,410,904,304	1,410,904,304
CWIP Meeting and Seminars	5,665,666	5,665,666
CWIP Miscellaneous Expenses	73,481,239	73,481,239
CWIP Office & Guest House Maintenance	28,879,341	28,879,341
CWIP Electric charges	11,017,525	11,017,525
CWIP- Membership & Subscription	248,963	248,963
CWIP Printing and Stationery	6,014,781	6,014,781
CWIP Rates & Taxes	98,485,147	98,485,147
CWIP Recruitment exp	13,491,388	13,491,388
CWIP Repairs and Maintenance	19,365,235	19,365,235
CWIP Security Exp	1,116,380	1,116,380
CWIP Training Exp	5,026,968	5,026,968
CWIP Civil	238,247	238,247
CWIP Exchange rate gain	- 736,450	- 736,450
CWIP Other Income	- 2,580,057	- 2,580,057
CWIP Other Interest	- 42,790	- 42,790
CWIP Project Promotion	235,622,793	235,622,793
	4,446,526,118	4,446,526,118

Financial Assets

3a Loans

(Amount in Rs.)

	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Security deposit	11,189,041	11,189,041		
	11,189,041	11,189,041	-	-

3b Others

(Amount in Rs.)

	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Non-current bank balances	-	-		
Non trade receivables-Group Companies			-	339,622
Interest accrued but not due			26,337	11,591
	-	-	26,337	351,213

Non Current Tax Assets (Net)	31 March 2019	31 March 2018
	337,305	839,963
Total	337,305	839,963

4 Other non current assets

(Amount in Rs.)

	Non Current	
	31 March 2019	31 March 2018
Capital Advances	108,433,208	108,433,208
	108,433,208	108,433,208

5 Cash and cash equivalents

(Amount in Rs.)

	Current	
	31 March 2019	31 March 2018
Cash in Hand	-	683
Balances with bank in current accounts	351,720	513,870
Margin Money Deposit	294,378	294,378
	646,098	808,931

6 Other Current Assets

(Amount in Rs.)

	Current	
	31 March 2019	31 March 2018
Advance recoverable	1,484,180	44,169
Advances to employees	30,000	30,000
Pre paid Gratuity	1,010,329	945,877
Prepaid expenses	99,442,850	100,803,060
	101,967,309	101,823,106

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR (Badrinath) Hydro Power Generation Pvt. Ltd. GBHPGPL

7 **Share capital**

	Equity Shares	
Authorised Share Capital	No.s	INR
Equity shares, face value of Rs. 10 each		
As at 31st March 2017	5,000,000	50,000,000
Increase/(decrease) during the year	-	-
As at 31st March 2018	5,000,000	50,000,000
Increase/(decrease) during the year	-	-
As at 31st March 2019	**5,000,000**	**50,000,000**

Issued Equity Capital	No.s	INR
Equity shares of Rs 10 each issued, subscribed & fully paid		
As at 31st March 2017	5,000,000	50,000,000
Increase/(decrease) during the year	-	-
As at 31st March 2018	5,000,000	50,000,000
Increase/(decrease) during the year	-	-
As at 31st March 2019	**5,000,000**	**50,000,000**

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

Equity Shares	31 March 2019		31 March 2018	
	No.	INR	No.	INR
At the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**5,000,000**	**50,000,000**	**5,000,000**	**50,000,000**

b. Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pay dividend in indian rupees. In the event liquidation of the company, The holder 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 be no of equity share held by the share holders

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

Particulars	**31 March 2019**	**31 March 2018**
GMR Infrastructure Limited, ultimate holding company		
4900 (March 31, 2018: 4900) equity shares of Rs. 10 each	49,000	49,000
GMR Energy Limited (Along with its nominee), the holding company	49,951,000	49,951,000
49,95,100 (March 31, 2018: 49,95,100) equity shares of Rs. 10 each		
	50,000,000	**50,000,000**

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

Particulars	31 March 2019		31 March 2018	
	No	% holding in	No	% holding in
GMR Energy Limited, Holding Company	4,995,100	99.90%	4,995,100	99.90%

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

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

f. No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date

g. Shares reserved for issue under options
There are noshares reserved for issue under options and contract/commitments for the sale of shares/disinvestment.

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR Badrinath Hydro Power Generation Pvt. Ltd. GBHPGPL

8 Other Equity

Amounts in Rs.

Particulars	31 March 2019	31 March 2018
Surplus in the statement of profit and loss		
Balance as per last financial statements	(1,490,724,077)	(1,339,262,627)
Add: Net profit for the year	(112,872,407)	(151,487,535)
Net surplus in the statement of profit and loss	(1,603,596,484)	(1,490,750,162)
Equity component of financial instruments *	-	-
	-	-
Other Items of Comprehensive Income		
Remeasurement gains on defined benefit plans	3,547	26,085
	3,547	26,085
Share application money pending allotment	-	-
	-	-
Total reserves and surplus	(1,603,592,937)	(1,490,724,077)

*These amounts relate to initial recognition of related party transactions at fair value. These represent the amount of difference between the fair value at inception and transaction amount of such transactions.

9 Provisions

	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for Compensated absence benefits	81,059	68,561	52,220	41,667
Provision for other employee benefits	-	-	-	59,638
	81,059	68,561	52,220	101,305

Financial Liabilities

10 Borrowings

	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Short Term Loan from Bank*	-	-	0	1,447,939,519
Inter corporate Deposits (unsecured)**	-	-	6,924,843,504	4,481,841,243
	-	-	6,924,843,504	5,929,780,762
The above amount includes:				
Secured Borrowings			0	1,447,997,508
Unsecured Borrowings			6,924,843,504	4,340,843,748

** The Company has accepted intercorporate deposits from its holding company and from its fellow subsidiary companies, which is repayable within one year from date of deposit or on demand. Interest on deposit from holding company is Nil (March 31, 2018: Nil) and from fellow subsidiary companies is ranging from 7.05% to 13.75% (March 31, 2018: 7% to 13.75%).

10a Trade and other payables

	31 March 2019	31 March 2018
Due to micro enterprises and small enterprises		
Due to others	496,362	245,604
	496362	245,604

11 Other financial liabilities

	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Non trade payables-Group Companies			97,685,345	182,795,564
Non trade payables-Others			765,639	622,406
			98,450,984	183,417,970

12 Other current liabilities

	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
TDS Payable			311,410	44,353
Other statutory dues			6,905	8,474
			318,315	52,827

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR Badrinath Hydro Power Generation Pvt. Ltd.

GMR Badrinath Hydro Power Generation Private Limited
Notes to Statement of profit and loss for the period ended 31st March 2019

(Amount in Rs.)

13 Other Income

	31 March 2019	31 March 2018
Non Trade payables written off	- 0	543,753
Interest Income	50,338	3,362,148
	50,338	3,905,901

14 Employee benefit expense

	31 March 2019	31 March 2018
Salaries, wages and bonus	858,530	701,928
Contribution to provident and other fund	- 19,163	- 6,809
Staff welfare expenses	8,369	104,010
	847,736	799,129

15 Finance Cost

	31 March 2019	31 March 2018
Interest Bank	90,982,994	124,067,153
InterestOther	15,431,031	20,057,961
Bank Charges	1,366,367	5,002,814
	107,780,392	149,127,928

16 Other expenses

	31 March 2019	31 March 2018
Rates and taxes	18,490	33,554
Payment to auditor (Refer details below)	91,450	106,200
Travelling and Conveyance	6,730	19,510
Rent & Hire Charges	207,000	198,000
Consultancy & Professional	38,657	849,664
Insurance	- 3,595	197,781
Office Maintenance	1,032,137	1,389,484
Communications	7,268	29,836
Miscellaneous Expenses	38,961	96,858
Community Development Expenses	1,410,037	199,843
	2,847,136	3,120,530

Payment to auditor

	31 March 2019	31 March 2018
As auditor:		
Audit fee	53,100	53,100
Limited review	38,350	53,100
	91,450	106,200

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

GMR Badrinath Hydro Power Generation Private Limited
Notes for the year ended 31st March 2019

1 Corporate Information

GMR (Badrinath) Hydro Power Generation Private Limited in promoted as a Special Purpose Vehicle (SPV) by GMR Energy Limited, the holding company, to develop and operate 300 MW Hydro Based power project in Alaknanda river, Chamoli District of Uttarakhand. The company is in the process of setting up of the project

The Company's Holding Company is GMR Energy Limited while ultimate Holding Company is GMR Infrastructure Limited/GMR Holdings Private Limited

The registered office of the company is located at House Property No.9, Ganesh Vatika, GMS- ITBP Road, Dehradun, Uttarakhand- 248001

Information on other related party relationships of the Company is provided in Note 24

The financial statements were approved for issue in accordance with a resolution of the directors on 22-04-2019

2 Significant Accounting Policies

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 as non-current.

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

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

Property, plant and equipment

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

Property plant and equipment are stated at acquisition cost less accumulated depreciation and impairment if any. 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 recognised 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 recognised in profit or loss as incurred.

Gains or losses arising from de-recognition of tangible assets 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

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PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

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 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 the Property plant and equipment is calculated on a straight-line basis using therates 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 ofthat 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 the amortised over the primary period of the lease or estimated useful life whichever is shorter.

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PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

Foreign currency translation

i) 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

ii) 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), 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 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)

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 if they 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 forseeable 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 Ind AS

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 qualifying 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

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 orcashgenerating units' (CGUs) net selling price and its value in use. The recoverable amount is determined on an individual asset basis, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount

In assessing value in use, 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

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Provisions, Contingent liabilities, Contingent assets, and Commitments

Provision:

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."

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through 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.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through 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:

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.

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.

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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.

Derecognition

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.

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:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

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	Current	1-30 days past due	31-60 days past due	61-90 days past due	More than 90 days past due
Default rate	0.15%	1.6%	3.6%	6.6%	10.6%

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.

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.

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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.

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.

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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

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Chartered Accountants

Income Taxes

Current income taxTax expense comprises current and deferred tax.

Current Incometax

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

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 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.

18. **Disclosures on Financial instruments**

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

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

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019 and March 31, 2018.

As at March 31, 2019

(Rs.)

Particulars	Fair value through consolidated statement of	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Cash and cash equivalents	-	-	646,098	646,098	646,098
(ii) Other financial assets	-	-	11,215,378	11,215,378	11,215,378
Total	-	-	**11,861,477**	**11,861,477**	**11,861,477**
Financial liabilities					
(i) Borrowings	-	-	6,024,843,504	6,024,843,504	6,024,843,504
(ii) Other financial liabilities	-	-	198,947,345	198,947,345	198,947,345
Total	-	-	**6,223,790,850**	**6,223,790,850**	**6,223,790,850**

As at March 31, 2018

(Rs.)

Particulars	Fair value through consolidated statement of	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Cash and cash equivalents	-	-	808,931	808,931	808,931
(ii) Other financial assets	-	-	11,540,054	11,540,054	11,540,054
Total	-	-	**12,348,985**	**12,348,985**	**12,348,985**
Financial liabilities					
(i) Borrowings	-	-	5,929,780,762	5,929,780,762	5,929,780,762
(ii) Other financial liabilities	-	-	183,663,574	183,663,574	183,663,574
Total	-	-	**6,113,444,336**	**6,113,444,336**	**6,113,444,336**

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Chartered Accountants

GMR Badrinath Hydro Power Generation Private Limited
Notes to Accounts
19. Earnings Per Share (EPS)

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

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

Amounts in Rs.

Particulars	31-Mar-19	31-Mar-18
Profit attributable to equity holders of the parent	(112,868,860)	(151,461,449)
Profit attributable to equity holders of the parent for basic earnings	(112,868,860)	(151,461,449)
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	(112,868,860)	(151,461,449)
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	5,000,000	5,000,000
Effect of dilution:	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	5,000,000	5,000,000
Earning Per Share (Basic) (Rs)	(22.57)	(30.29)
Earning Per Share (Diluted) (Rs)	(22.57)	(30.29)
Face value per share (Rs)	10.00	10.00

GMR Badrinath Hydro Power Generation Private Limited
Notes to Accounts

20. Gratuity and other post-employment benefit plans

a) Defined contribution plans

During the year ended 31 March 2019, the company has recognised Nil (31 March 2018: 35,845) under statement of profit and loss as under the following defined contribution plans

	Amount in INR	
	2018-19	2017-18
benefits (contribution to):		
Providend and other fund	14,966	35,845
Superannuation fund	- 37,676	-
Total	- 22,710	35,845

b) Defined benefit plans
Gratuity:
As per Actuarial Valuation as at 31st March, 2019 (Funded)

	Amount in INR	
Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Plan assets at the year end, at fair value	1,063,911	991,683
Present value of benefit obligation at year end	- 53,582	- 45,806
Net (liability) recognized in the balance sheet	1,010,329	945,877

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

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Discount rate	7.60%	7.10%
Rate of salary increases	6.00%	6.00%
Withdrawal rate	5.00%	5.00%
Mortality	Indian Assured Lives	Indian Assured Lives
	Mortality (2006-08) (modified)Ult	Mortality (2006-08) (modified)Ult

The following tables summarise 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, 2019

Particulars	Amt in INR Gratuity 31-Mar-19	 31-Mar-18
Current Service Cost	- 11,238	- 6,205
Net interest on net defined liability	71,896	61,379
Actuarial (gain)/ loss on obligations	3,547	26,086
Defined benefit costs	**64,205**	**81,260**

Balance sheet

Particulars	Amt in INR As at 31-Mar-19	 As at 31-Mar-18
Defined benefit obligation	- 53,582	- 45,806
Fair value of plan assets	1,063,911	991,683
Plan asset / (liability)	**1,010,329**	**945,877**

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

Particulars	Amt in INR As at 31-Mar-19	 As at 31-Mar-18
Opening defined benefit obligation	45,806	40,558
Interest cost	3,481	2,880
Current service cost	11,238	6,205
Acquisition credit	-	-
Benefits paid (including transfer)	-	-
Actuarial losses/ (gain) on obligation-experience &financial Assumptions	- 6,943	- 3,837
Closing defined benefit obligation	53,582	45,806

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

Particulars	Amt in INR As at 31-Mar-19	 As at 31-Mar-18
Opening fair value of plan assets	991,683	904,948
Acquisition Adjustment	-	-
Interest income on plan assets	75,377	64,259
Contributions by employer	247	[illegible]
Benefits paid (including transfer)	-	
Return on plan assets greater/ (lesser) than discount rate	- 3,396	22,249
Closing fair value of plan assets	1,063,911	991,683

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

Particulars	As at 31-Mar-19	As at 31-Mar-18
	(%)	(%)
Investments with insurer managed funds	100	100

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

	Amt in INR	
	As at 31-Mar-19	As at 31-Mar-18
Defined benefit obligation	- 53,582	- 45,806
Plan assets	1,063,911	991,683
Funded status	1,010,329	945,877
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-Mar-19	31-Mar-18
Discount rate (in %)	7.60%	7.60%
Salary Escalation (in %)	6.00%	6.00%
Expected rate of return on assets	9.40%	9.40%
Attrition rate (in %)	5.00%	5.00%

21. Significant accounting judgements, estimates and assumptions

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the company. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in **Note 25.**

ESTIMATES AND ASSUMPTIONS

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

Taxes

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

Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in **Note 20**

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 judgement and the use

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. **See Note 26 to 28** for further disclosures.

22. Deferred Tax (DTA/DTL)

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

Particulars	As at	
	31-Mar-19	31-Mar-18
Deferred income tax assets		
Property, plant and equipment	-	2,613,323
Brought Forward Losses	-	2,317,539
Others	-	-
Total deferred income tax assets	-	4,930,862
Deferred income tax liabilities		
Equity Component of related party loan		
Others		
Total deferred income tax liabilities	-	-
Deferred income tax assets after set off	-	4,930,862
Deferred income tax liabilities after set off	-	-

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considersthe Net Deferred tax assets not been recognized because there is no probability/convincing or other evidence that sufficient taxable profits will be available against which DTA will be adjusted.

23 Commitments and Contingencies

I Leases

Operating lease: Company as lessee

The company has entered into certain cancelable and non cancelable operating lease agreements mainly for office premises & forest lease land. The lease rentals rental charged during the year as per agreements are as follows :-

Particulars	31-Mar-19	31-Mar-18
Lease Rentals under cancelable leases	193,500	60,000
Lease Rentals under non-cancelable leases (Forest Land Lease)	-	-

II Contingent Liabilities

Particulars	31st March, 2019	31st March, 2018
Contingent Liability		
Pending Legal Cases	Not Quantifiable	Not Quantifiable

A. Claims made against the company not acknowledged as debts

Parties	Court	Litigation Details	Financial Impact
	The Supreme Court	In August 2013, while considering a civil appeal filed on issues of hydroelectric power projects being developed on Alaknanda and Bhagirathi river basins, the Supreme Court issued directions to MoEF to form an expert body for assessing if the under construction or operational hydroelectric power projects have resulted in environmental degradation or the floods which occurred in the State of Uttarakhand in June 2013. The Supreme Court further directed MoEF to examine the report issued by Wildlife Institute of India on 24 on-going hydroelectric power projects on the Bhagirathi and the Alaknanda rivers (which includes Alaknanda Power Project). Given that the expert body submitted two conflicting reports, the MoEF sought permission from the Supreme Court for constituting another committee for examining the aforesaid issue. On May 7, 2014, the Supreme Court issued directions to MoEF to provide valid reasons for constituting another committee and also imposed a stay on further construction of the aforesaid 24 power projects until further orders. The Alaknanda Power Project was one of such projects. GBHPL has been impleaded has a party to the matter pursuant to the order dated November 5, 2014 passed by the Supreme Court. The matter is currently pending with Supreme Court but our project has all required approvals/clearances/licenses in accordance with the prevailing law, we are confident that MoEF would submit affidavit in line with spirit of Supreme Court directions, and in all probabilities, the stay order shall be vacated shortly which will pave way for commencing the project construction. The financial impact is not quantifiable	Not Quantifiable
GBHPGPL vs. Vimal Bhai	NGT Delhi	Challenging the environmental clearances granted to the project by MoEF and the State Govt	Not Quantifiable

III Financial guarantees

The Company has provided Bank Guarantees (by using the limits of holding company) amounting to INR 19,85,07,280

IV Commitments

Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances of INR Rs. 37,85,90,797 (March 31, 2018: INR 37,85,90,797)

Other Commitments: Nil

24 Related Party transactions

a) Names of related parties and description of relationship:

1	Holding of GBHPGPL	GMR INFRASTRUTURE LIMITED
		GMR ENTERPRISES PRIVATE LIMITED
		GMR Energy Limited
2	Subsidiary Companies of GBHPGPL	Nil
3	Overseas Subsidiaries / Associates	Nil
4	Associate Companies of GBHPGPL	Nil
5	Joint venture of the GBHPGPL	Nil

6	Fellow Subsidiaries	GMR Infrastructure Limited
		GMR Sports Private Limited
		GMR League Games Private Limited
		GMR Infratech Private Limited
		Cadence Enterprises Private Limited
		PHL Infrastructure Finance Company Private Limited
		Vijay Nivas Real Estates Private Limited
		Fabcity Properties Private Limited
		Kondampeta Properties Private Limited
		Hyderabad Jabilli Properties Private Limited
		Leora Real Estates Private Limited
		Pashupati Artex Agencies Private Limited
		Ravivarma Realty Private Limited
		GMR Solar Energy Private Limited
		Rajam Enterprises Private Limited
		Grandhi Enterprises Private Limited
		Ideaspace Solutions Private Limited
		National SEZ Infra Services Private Limited
		Kakinada Refinery and Petrochemicals Private Limited
		Corporate Infrastructure Services Private Limited
		GMR Bannerghatta Properties Private Limited
		Kirthi Timbers Private Limited
		AMG Healthcare Destination Private Limited
		GMR Holding (Malta) Limited
		GMR Infrastructure (Malta) Limited
		GMR Holdings (Overseas) Limited
		GMR Holdings (Mauritius) Limited
		Crossridge Investments Limited
		Interzone Capital Limited
		GMR Holdings Overseas (Singapore) Pte Limited
		GMR Business & Consultancy LLP
		GMR Energy Limited (GEL)
		GMR Power Corporation Limited (GPCL)
		GMR Vemagiri Power Generation Limited (GVPGL)
		GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)
		GMR Mining & Energy Private Limited (GMEL)
		GMR Kamalanga Energy Limited (GKEL)

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	Himtal Hydro Power Company Private Limited (HHPPL)
	GMR Energy (Mauritius) Limited (GEML)
	GMR Lion Energy Limited (GLEL)
	GMR Upper Karnali Hydropower Limited (GUKPL)
	GMR Energy Trading Limited (GETL)
	GMR Consulting Services Private Limited (GCSPL)
	GMR Coastal Energy Private Limited (GCEPL)
	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)
	GMR Londa Hydropower Private Limited (GLHPPL)
	GMR Kakinada Energy Private Limited (GKEPL)
	GMR Energy (Cyprus) Limited (GECL)
	GMR Energy (Netherlands) B.V. (GENBV)
	PT Dwikarya Sejati Utma (PTDSU)
	PT Duta Sarana Internusa (PTDSI)
	PT Barasentosa Lestari (PTBSL)
	SJK Powergen Limited (SJK)
	PT Unsoco (PT)
	GMR Warora Energy Limited (Formerly EMCO Energy Limited)
	Indo Tausch Trading DMCC (ITTD)
	GMR Maharashtra Energy Limited (GMAEL)
	GMR Bundelkhand Energy Private Limited (GBEPL)
	GMR Rajam Solar Power Private Limited (formerly known as GMR Uttar Pradesh Energy Private Limited (GUPEPL)
	GMR Hosur Energy Limited (GHOEL)
	GMR Gujarat Solar Power Private Limited (GGSPPL)
	Karnali Transmission Company Private Limited (KTCPL)
	Marsyangdi Transmission Company Private Limited (MTCPL)
	GMR Indo-Nepal Energy Links Limited (GINELL)
	GMR Indo-Nepal Power Corridors Limited (GINPCL)
	GMR Generation Assets Limited (formerly known as GMR Renewable Energy Limited (GREEL))
	GMR Energy Projects (Mauritius) Limited (GEPML)
	GMR Infrastructure (Singapore) Pte Limited (GISPL)
	GMR Coal Resources Pte Limited (GCRPL)
	GMR Power Infra Limited (GPIL)

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	GMR Highways Limited (GMRHL)
	GMR Tambaram Tindivanam Expressways Limited (GTTEPL)
	GMR Tuni Anakapalli Expressways Limited (GTAEPL)
	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
	GMR Pochanpalli Expressways Limited (GPEPL)
	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
	GMR Chennai Outer Ring Road Private Limited (GCORRPL)
	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)
	GMR Highways Projects Private Limited (GHPPL)
	GMR Hyderabad International Airport Limited (GHIAL)
	Gateways for India Airports Private Limited (GFIAL)
	Hyderabad Airport Security Services Limited (HASSL)
	GMR Hyderabad Airport Resource Management Limited (GHARML)
	GMR Hyderabad Aerotropolis Limited (HAPL)
	GMR Hyderabad Aviation SEZ Limited (GHASL)
	GMR Aerospace Engineering Limited (GAEL) (formerly known as MAS GMR Aerospace Engineering Company Limited)
	GMR Aero Technic Limited (GATL) (formerly known as MAS GMR Aero Technic Limited (MGATL))
	Hyderabad Duty Free Retail Limited (HDFRL)
	GMR Airport Developers Limited (GADL)
	GADL International Limited (GADLIL)
	GADL (Mauritius) Limited (GADLML)
	GMR Hotels and Resorts Limited (GHRL)
	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)
	Delhi International Airport Private Limited (DIAL)
	Delhi Aerotropolis Private Limited (DAPL)
	Delhi Duty Free Services Private Limited (DDFS)
	Delhi Airport Parking Services Private Limited (DAPSL)
	GMR Airports Limited (GAL)
	GMR Airport Global Limited (GAGL)
	GMR Airports (Mauritius) Limited (GALM)
	GMR Aviation Private Limited (GAPL)
	Raxa Security Services Limited (Raxa)
	GMR Krishnagiri SEZ Limited (GKSEZ)
	Advika Properties Private Limited (APPL)
	Akhina Properties Private Limited (AKPPL)

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	Amartya Properties Private Limited (AMPPL)
	Baruni Properties Private Limited (BPPL)
	Bougainvillea Properties Private Limited (BOPPL)
	Camelia Properties Private Limited (CPPL)
	Deepesh Properties Private Limited (DPPL)
	Eila Properties Private Limited (EPPL)
	Gerbera Properties Private Limited (GPL)
	Lakshmi Priya Properties Private Limited (LPPPL)
	Honeysuckle Properties Private Limited (HPPL)
	Idika Properties Private Limited (IPPL)
	Krishnapriya Properties Private Limited (KPPL)
	Larkspur Properties Private Limited (LAPPL)
	Nadira Properties Private Limited (NPPL)
	Padmapriya Properties Private Limited (PAPPL)
	Prakalpa Properties Private Limited (PPPL)
	Purnachandra Properties Private Limited (PUPPL)
	Shreyadita Properties Private Limited (SPPL)
	Pranesh Properties Private Limited (PRPPL)
	Sreepa Properties Private Limited (SRPPL)
	Radhapriya Properties Private Limited (RPPL)
	Asteria Real Estates Private Limited (AREPL)
	GMR Hosur Industrial City Private Limited (GHICL)
	Namitha Real Estates Private Limited (NREPL)
	Honey Flower Estates Private Limited (HFEPL)
	GMR Hosur EMC Limited (GHEMCL)
	GMR SEZ and Port Holdings Limited (GSPHL)
	East Godavari Power Distribution Company Private Limited (EGPDCPL)
	Suzone Properties Private Limited (SUPPL)
	GMR Utilities Private Limited (GUPL)
	Lilliam Properties Private Limited (LPPL)
	GMR Corporate Affairs Private Limited (GCAPL)
	Dhruvi Securities Private Limited (DSPL)
	Kakinada SEZ Limited (KSL)
	GMR Business Process and Services Private Limited (GBPSPL)
	GMR Infrastructure (Mauritius) Limited (GIML)
	GMR Infrastructure (Cyprus) Limited (GICL)
	GMR Infrastructure Overseas Limited (GIOL)
	GMR Infrastructure (UK) Limited (GIUL)
	GMR Infrastructure (Global) Limited (GIGL)
	GMR Energy (Global) Limited (GEGL)
	Kakinada Gateway Port Limited (KGPL)
	GMR Goa International Airport Limited (GGIAL)

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GMR

	GMR SEZ Infra Services Limited (GSISL)
	GMR Infrastructure (Overseas) Limited (GIOL)
	GMR Infra Developers Limited (GIDL)

b) Transactions During the year	Nature of the Transaction	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Immediate holding Company			
GMR Energy Limited	ICD Received(Net)- BS		
Fellow subsidiary			
GMR Power Corporation Limited	Int on ICD- P&L	11,410,000	11,410,000
GMR Generation Asset Limited (GGAL)(Formerly GMR Renewable Energy Limited (GREEL))	Int on ICD- P&L	4,021,031	8,647,961
GMR HOLDINGS PRIVATE LIMITED	Logo fee- P&L		
GMR Energy Trading Ltd	Int on ICD- P&L		3,357,273
GMR Power Corp Ltd	ICD Received(Net)- BS		
GMR Generation Assets Ltd	ICD Received(Net)- BS		
GMR Varalakshmi Foundation		1,383,946	199,843
GMR ENTERPRISES PRIVATE LIMITED		-	13,640
Ultimate holding company			
GMR ENTERPRISES PRIVATE LIMITED	Logo Fees	1,120	1,120
Managerial Remuneration to Key Management Personnel		-	-

Summary of balances with the above related parties is as follows:

Balances at the year ended *		As At March 31, 2019	As At March 31, 2018
Immediate holding Company			
GMR Energy Ltd.	Equity Share Capital Received	49,951,000	49,951,000
GMR Infrastructure Ltd.	Equity Share Capital Received	49,000	49,000
Share Application Money paid pending allotment		-	-
Other loans and advances Non-Current			
Ultimate Holding Company			
GMR ENTERPRISES PRIVATE LIMITED	Logo Fees Payable	1,120.00	1,120.00
GMR ENTERPRISES PRIVATE LIMITED	Employee Loans and Advances Receivable	*	*
Immediate holding Company			
GMR Energy Limited	ICD Payable *	5,830,306,009	4,287,303,748
GMR Energy Limited	Interest on ICD	152,220,430	152,220,430
Fellow subsidiary			
GMR Power Corporation Limited (GPCL)	ICD Payable **	163,000,000	163,000,000
GMR Generation Assets Ltd	ICD Payable **	31,537,495	31,537,495
GMR Energy Trading Limited (GETL)	Int ICD Receiveable	-	339,041
GMR Generation Assets Ltd	Int ICD Payable	18,640,066	14,749,474
GMR Bajoli Holi	Employee Loan Transfer and Leave Encashment Liability Transfer	-	631,251
SJK PowerGen	Employee Loan Transfer	-	22,500
GMR Power Corporation	Interest on ICD	20,537,996	10,268,998
GMR Bannerghatta Properties Private Limited	Rental Deposit Receivable	11,134,041	11,134,041
GMR Varalakshmi Foundation	Payable for Insurance Claim Received for Ambulance & CSR Expense	6,285,738	4,901,792

* The Company has accepted Intercorporate deposits from its holding company which is repayable within one year from date of deposit or on demand. Interest on deposit from holding company is [illegible] (March 31, 2018: [illegible])

** The Company has accepted intercorporate deposits from its fellow subsidiary companies, which is repayable within one year from date of deposit or on demand. Interest on deposit from from fellow subsidiary companies is ranging from 7.00% to 12.75% (March 31, 2018: (7% to 12.75%)).

25 Financial risk management objectives and policies

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

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

Market risk

Market risk

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

(a) Market risk- Interest rate risk

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

	Increase/decrease in basis points	**Effect on profit before tax**
31-Mar-19		Amt in Rs.
INR Term loan	-	-
INR Term loan	-	-
31-Mar-18		Amt in Rs.
INR Term loan	+50	3,619,849
INR Term loan	-50	- 3,619,849

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

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Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss

Financial instruments 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.

26 Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans. The Company 's policy is that not more than 0% of borrowings should mature in the next 12-month period.

The table below summarises the maturity profile of the Companys financial liabilities based on contractual undiscounted payments

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	INR	INR	INR	INR	INR	INR
Year ended						
31-Mar-19						
Borrowings		6,024,843,504	0			6,024,843,504
Other financial liabilities		198,450,984				198,450,984
Trade Payables	496,362					
	496,362	6,223,294,488	0	-	-	6,223,790,850
Year ended						
31-Mar-18						
Borrowings		4,481,841,243	1,447,939,519			5,929,780,762
Other financial liabilities		183,417,970				183,417,970
Trade Payables	245,604					
	245,604	4,665,259,213	1,447,939,519	-	-	6,113,444,336

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels

27. Other Disclsoures

a. **Foreseeable losses**

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

b. There are no micro and small enterprises to which the company owes dues which are outstanding for more than 45 days as at March 31, 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.

c. **Segment Information**

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

28. Fair values

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

PHANI BHUSHAN & CO. HYDERABAD Chartered Accountants

29 Capital management

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

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long-term and short-term bank borrowings and issue of non-convertible / convertible debt securities and strategic partnership with investors.

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference share, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

Amounts in Rs.

Particulars	At 31 March 2019	At 31 March 2018
Borrowings other than convertible preference shares (refer	6,024,843,504	5,929,780,762
	-	-
Total debts (i)	6,024,843,504	5,929,780,762
Capital Components		
Equity share capital	50,000,000	50,000,000
OtherEquity	(1,603,592,937)	(1,490,724,077)
Non-controlling interests		
Convertible preference shares		
Total Capital (ii)	(1,553,592,937)	(1,440,724,077)
Capital and Borrowings (iii =i + ii)	4,471,250,568	4,489,056,685
Gearing ratio (%) (i/iii)	135%	132%

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 31 March 2019 and 31 March 2018.

For Phani Bhushan & Co
Chartered Accountants
Firm Registration Number: 012481S

Phani Bhushan Kumar
Partner
Membership no : 223397

Place: Bangalore
Date:22-04-2019

For and on behalf of the Board of directors

Harvinder Manocha
Director
DIN: 03272052

S N Barde
Director
DIN:03140784

Rajeev Kumar
Company Secretary
Membership No. : F5297

Place: New Delhi
Date:22-04-2019