

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF GMR ENERGY TRADING LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone financial statements of **GMR ENERGY TRADING LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of Profit and Loss (including the Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there-under, 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.

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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Standalone financial statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

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

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In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement 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, the 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 also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone 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 control 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.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

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.

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**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in the Paragraphs 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - 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 Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) on the basis of the written representations received from the directors as on March 31, 2019 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'; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the information and explanations given to us by the Company, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- the Company has disclosed the impact of pending litigations on its financial position to the extent quantifiable in its Standalone financial statements – Refer Note No. 30 to the Standalone financial statements;
  - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note No. 31 to the Standalone financial statements; and
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number: 101720W/W100355



**Chandan Lala**

Partner

Membership Number: 035671



Place: Mumbai

Date: April 19, 2019



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

In terms of the Annexure "A" referred to in our report to the members of the **GMR ENERGY TRADING LIMITED** ("the Company") on the Standalone financial statements for the year ended March 31, 2019, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments (PPE).  
b) According to the information and explanation given to us, the property plant and equipments have been physically verified by the Management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.  
c) There are no immovable properties in the name of the Company and accordingly Paragraph 3(i)(c) of the Order is not applicable to the Company.
- ii) The company is involved in the business of energy trading and as such there are no inventories maintained by the company. Therefore Paragraph 3 (ii) of the order is not applicable to the company.
- iii) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLP's or other parties listed in the register maintained under Section 189 of the Act. Consequently requirements of Paragraph 3(iii)(a),(b) and (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act to the extent applicable, in respect of grant of loans. The Company has not made any investments nor has given guarantees and securities.
- v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, provision of Paragraph 3(v) of the Order is not applicable to the Company. There are no orders from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi) The central government has not prescribed maintenance of cost records to the company under sub-section (1) of Section 148 of the Act. Consequently requirements of Paragraph 3(vi) of the Order is not applicable to the Company.

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

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

- b) According to the information and explanation given to us and records of the Company, there are no dues of income tax, goods and service tax, sales tax, service tax, duty of customs, value added tax or cess or other material statutory dues which have not been deposited on account of any dispute.
- viii) According to the information and explanation given to us and records of the Company, the Company has not repaid loans or borrowing to banks amounting to the extent as follows :

Sl.No	Particulars	Amount of loans or borrowings not repaid as at March 31, 2019 (Rs. in Lakhs)	Period
1.	Yes Bank Limited*	200.00	13 Days

\*- paid on April 06, 2019.

Further, the Company has not issued any debentures to any party and has not taken any loans from Government as at March 31, 2019.

- ix) According to the information and explanation given to us and records of the Company, during the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) except term loans. In our opinion and according to the information and explanations given to us by the management of the Company, the Company has utilized the monies raised by way of term loans during the year for the purposes for which they were raised.
- x) During the course of examination of books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across with any material fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.

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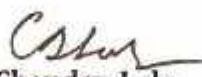


- xI) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the adequate approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company, during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, Paragraph 3(xiv) of the Order is not applicable.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act. Accordingly, Paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number: 101720W/W100355



**Chandan Lala**

Partner

Membership Number: 035671



Place: Mumbai

Date: April 19, 2019



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of **GMR Energy Trading Limited** ("the Company") as of March 31, 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 Board of Directors of Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 Standalone 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 with reference to these Standalone Financial Statements.

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**Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements**

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 Standalone 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number: 101720W/W100355



**Chandan Lala**

Partner

Membership Number: 035671



Place: Mumbai

Date: April 19, 2019



**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

Balance sheet as at March 31, 2019

Particulars	Notes	Rupees in Lakhs	
		March 31, 2019	March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	49.90	62.38
Intangible assets	3	-	0.23
Financial assets			
Loans	5	13,242.56	22,344.28
Deferred tax assets (Net)	18	-	-
Non Current income tax asset (net)	18	747.79	330.01
		<b>14,039.65</b>	<b>22,736.90</b>
<b>Current assets</b>			
Financial assets			
Investments	4	-	1,445.88
Trade receivables	7	44,587.60	62,654.43
Cash and cash equivalents	8	2,201.42	14,597.87
Loans	5	26,428.43	18,911.26
Other financial assets	6	2,281.03	4,056.87
Other current assets	9	2,831.26	5,893.87
		<b>78,329.74</b>	<b>107,560.18</b>
<b>TOTAL ASSETS</b>		<b>92,369.39</b>	<b>130,297.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	7,400.00	7,400.00
Other equity	11	(1,436.13)	(849.13)
<b>Total equity</b>		<b>5,963.87</b>	<b>6,550.87</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	12	27,909.49	26,778.53
Provisions	17	64.80	39.87
		<b>27,974.29</b>	<b>26,818.40</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	13	14,338.11	17,167.00
Trade Payable	14		
Due to micro enterprises and small enterprises		12.03	20.56
Due to others		36,945.97	68,206.97
Other financial liabilities	15	1,729.13	1,702.99
Other current liabilities	16	711.95	3,204.66
Provisions	17	4,694.04	6,625.63
		<b>58,431.23</b>	<b>96,927.81</b>
<b>Total liabilities</b>		<b>86,405.52</b>	<b>123,746.21</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>92,369.39</b>	<b>130,297.08</b>
Significant accounting policies	1	-	-

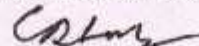
The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For Chaturvedi &amp; Shah LLP

Chartered Accountants

Firm Registration Number : 101720W/W100355



Chandan Lala


Partner

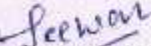
Membership No.: 035671

 Place: Mumbai  
Date: April 19, 2019



For and on behalf of the Board of Directors

GMR Energy Trading Limited

  
 Ashok Kumar Prusty  
 Whole-time Director  
 DIN: C7603471

  
 Jeewan Pandey  
 Chief Financial Officer  
 Membership No.: 509863  
 Place: New Delhi  
 Date: April 19, 2019

  
 Ashis Basu  
 Director  
 DIN: 01872233

  
 Manisha Tripathi  
 Company Secretary  
 Membership No.: A-47334


**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

**Statement of profit and loss for the Year ended March 31, 2019**

		Rupees in Lakhs	
Particulars	Notes	March 31, 2019	March 31, 2018
<b>INCOME</b>			
Revenue from operations	19	37,517.88	173,100.46
Other income	20	5,190.66	3,210.46
<b>Total Income</b>		<b>42,708.54</b>	<b>176,310.92</b>
<b>EXPENSES</b>			
Purchase of traded goods	21	33,473.09	169,282.97
Employee benefit expenses	22	1,064.00	688.50
Depreciation and amortisation expenses	23	17.96	7.33
Finance costs	24	5,634.71	3,044.80
Other expenses	25	3,088.74	2,994.12
<b>Total Expenses</b>		<b>43,278.50</b>	<b>176,017.72</b>
<b>Profit / (Loss) before tax</b>		<b>(569.96)</b>	<b>293.20</b>
<b>Tax Expenses</b>			
Current tax	18	17.05	47.00
Deferred tax	18	-	(0.48)
<b>Income tax expenses</b>		<b>17.05</b>	<b>46.52</b>
<b>Profit / (Loss) for the year</b>		<b>(587.01)</b>	<b>246.68</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss in subsequent periods	26		
Re-measurement gains/(losses) on defined benefit plans		0.01	1.44
Income tax effect		-	(0.48)
<b>Other comprehensive income for the year (net of tax)</b>		<b>0.01</b>	<b>0.96</b>
<b>Total comprehensive income for the year</b>		<b>(587.00)</b>	<b>247.64</b>
Earnings per equity share:	29		
(Face value of equity shares of Rs.10 each)			
(1) Basic		(0.79)	0.33
(2) Diluted		(0.79)	0.33
Significant accounting policies	1		

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

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number : 101720W/W100355

*Chandan Lal*

Chandan Lal

Partner

Membership No.: 035671



Place: Mumbai

Date: April 19, 2019

**For and on behalf of the Board of Directors**

GMR Energy Trading Limited

*Ashok Kumar Prusty*  
Ashok Kumar Prusty  
Whole-time Director  
DIN: 07603471

*Jeewan Pandey*  
Jeewan Pandey  
Chief Financial Officer  
Membership No.: 509863

*Ashis Basu*  
Ashis Basu  
Director  
DIN: 01872233  
*Manisha Tripathi*  
Manisha Tripathi  
Company Secretary  
Membership No.: A-47334



Place: New Delhi

Date: April 19, 2019



**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

**Statement of Cash flows for the year ended March 31, 2019**

Particulars	Note No.	Rupees in Lakhs	
		March 31, 2019	March 31, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before Tax		(569.96)	293.20
Non-Cash Adjustments to reconcile profit/(loss) before tax to net cash flows			
Finance Costs		5,534.71	3,044.80
Depreciation and amortisation		17.96	7.33
Finance Income		(4,992.08)	(2,876.58)
Loss/ (Profit) on sale of Investments in mutual funds		(35.73)	(283.16)
Provision/payable no longer payable written back		(155.99)	(50.72)
Interest accrued on Inter Corporate Loans written off		1,032.21	-
Provision for Doubtful advances/receivables		649.68	-
Bad Debts written off		3.78	-
Security Deposit given to related party Written off		12.17	-
Remeasurement of defined benefit plans		0.01	1.44
Operating profit / (loss) before working capital changes		<b>1,596.76</b>	<b>136.31</b>
Adjustment for changes in working			
Decrease / (increase) in trade receivables, loans and other financial assets		17,072.17	(32,992.83)
Decrease / (increase) Other Current Assets		2,994.34	(5,631.64)
Increase/ (Decrease) in trade payables and other financial liabilities		(31,111.34)	39,401.40
Increase/ (Decrease) in other liabilities and provisions		(4,399.37)	103.41
Cash generated from operations		<b>(13,847.44)</b>	<b>1,016.65</b>
Less: Taxes paid		(436.93)	(207.63)
Net cash from / (used in) operating activities		<b>(14,284.37)</b>	<b>809.02</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(4.65)	(42.56)
Sale / (Purchase) of investments in mutual funds		1,481.61	(1,162.72)
Inter Corporate Deposit and Loans (given) /recovered		5,447.71	(18,032.89)
Decrease / (Increase) in Margin money and deposits		-	50.00
Interest received		2,269.86	721.68
Net Cash from/ (used in) investing activities		<b>9,194.53</b>	<b>(18,466.49)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from / (Repayment) of short term borrowings		(2,828.89)	3,812.74
Proceeds from / (Repayment) of long term borrowings		1,500.00	28,500.00
Interest and finance charges paid		(5,977.72)	(3,220.91)
Net Cash flow from / (used in) financing activities		<b>(7,306.61)</b>	<b>29,091.83</b>
<b>D Net Increase/(Decrease) In Cash and Cash Equivalents [A+B+C]</b>		<b>(12,396.45)</b>	<b>11,434.36</b>
Add: Cash and Cash Equivalents at the beginning of the year		14,597.87	3,163.51
Cash and Cash Equivalents as at the end of the year		<b>2,201.42</b>	<b>14,597.87</b>
<b>Components of Cash and Cash Equivalents:</b>	<b>8</b>		
Cash in hand			
Balance with Banks			
- In current accounts		2,201.42	14,597.87
Cash and Cash Equivalents at the end of year		<b>2,201.42</b>	<b>14,597.87</b>

Contd...



**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

**Statement of Cash flows for the year ended March 31, 2019****Notes:**

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows.

2 **Changes in liabilities arising from financing activities**

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
<b>Long Term Borrowings</b>		
Opening Balance (including current maturity of long term borrowings)	26,978.53	-
Proceeds / (repayment) of long term borrowings	1,500.00	28,500.00
Processing fees paid	-	(1,619.20)
Non-cash fair value changes	200.96	97.73
Closing balance (including current maturity of long term borrowings)	<b>28,679.49</b>	<b>26,978.53</b>
<b>Short Term Borrowings</b>		
Opening Balance	17,167.00	13,354.26
Proceeds / (repayment) of short term borrowings (net) *	(2,828.89)	3,812.74
Non-cash fair value changes	-	-
Closing balance	<b>14,338.11</b>	<b>17,167.00</b>

\* - during the year the Company has renewed the inter corporate loan availed of Rs. 2,628.19 Lakhs (March 31, 2018 : Rs 7,667.00 Lakhs) which has not been considered under proceeds / repayment of short term borrowings disclosed above.

- 3 The previous year figures have been regrouped and rearranged wherever necessary.

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number : 101720W/W100355

*Chandan Lala*

Chandan Lala

Partner

Membership No.: 035671



Place: Mumbai

Date: April 19, 2019

**For and on behalf of the Board of Directors**

GMR Energy Trading Limited

*Ashok Kumar Prusty*

Ashok Kumar Prusty

Whole-time Director

DIN: 07603471

*Jaewon Pandey*

Jaewon Pandey

Chief Financial Officer

Membership No.: 509863

Place: New Delhi

Date: April 19, 2019

*Ashis Basu*

Ashis Basu

Director

DIN: 01872233

*Manisha Tripathi*

Manisha Tripathi

Company Secretary

Membership No.: A-47334





**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

**Statement of changes in Equity for the year ended March 31, 2019**

Particulars	Equity Share Capital	Rupees in Lakhs	
		Other equity Retained Earnings	Total equity
Balance as at April 1, 2017	7,400.00	(1,096.77)	6,303.23
<b>Changes in equity for the year ended March 31, 2018</b>			
Issue of equity shares	-	-	-
Profit / (Loss) for the year	-	246.68	246.68
Other comprehensive income	-	-	-
Re-measurement gains/(loss) on defined benefit plans (net of taxes)	-	0.96	0.96
<b>Balance as at March 31, 2018</b>	<b>7,400.00</b>	<b>(849.13)</b>	<b>6,550.87</b>
<b>Changes in equity for the year ended March 31, 2019</b>			
Issue of equity shares	-	-	-
Profit / (Loss) for the year	-	(587.01)	(587.01)
Other comprehensive income	-	-	-
Re-measurement gains/(loss) on defined benefit plans (net of taxes)	-	0.01	0.01
<b>Balance as at March 31, 2019</b>	<b>7,400.00</b>	<b>(1,436.13)</b>	<b>5,963.87</b>

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

As per our report of even date attached

For Chaturvedi &amp; Shah LLP

Chartered Accountants

Firm Registration Number : 101720W/W100355



Chandan Lala

Partner

Membership No.: 035671

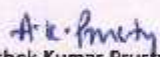


Place: Mumbai

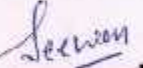
Date: April 19, 2019

For and on behalf of the Board of Directors

GMR Energy Trading Limited


  
Ashok Kumar Prusty  
Whole-time Director  
DIN: 07603471


  
Ashis Basu  
Director  
DIN: 01872233


  
Jeewan Pandey  
Chief Financial Officer  
Membership No.: 509863


  
Manisha Tripathi  
Company Secretary  
Membership No.: A-47334

Place: New Delhi

Date: April 19, 2019





## GMR Energy Trading Limited

CIN : U31200KA2003PLC045104

### 1 Company Overview and Significant Accounting Policies:

#### 1.1 Company overview:

GMR Energy Trading Limited is a public company incorporated under the provisions of the Companies Act, 1956 and has its registered office in India at: 25/1, Skip House Museum Road, Bangalore-560025, Karnataka, India. The Company is primarily engaged in the business of trading of electricity across the country. Central Electricity Regulatory Commission (CERC) has granted Category "I" certificate to the Company for the purpose of power trading, which allows the Company to trade power units without any quantitative restrictions. The Company sources power from different public and private sectors utilities and supplies to various consumers being public and private sectors power utilities.

Information on other related party relationships of the Company is provided in Note no. 35.

The Ind AS financial statements of the Company for the year ended March 31, 2019 were authorised for issue in accordance with a resolution of the directors on April 19, 2019.

#### 1.2 Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 (the 'Act'). 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. These financial statements are called Ind AS financial statements.

The standalone Ind AS financial statements are presented in 'Indian Rupees' (INR) which is also the Company's functional currency and all values are disclosed to the nearest Lakhs with two decimals (INR 00,000.00), except when otherwise indicated.

#### 1.3 Significant accounting policies

##### i) Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of IND AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and the disclosure of contingent liabilities at the end of the reporting period and revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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

##### ii) Revenue Recognition

The Company derives its revenue primarily from arrangement of sale and purchase of power by entering into back to back power supply / purchase agreements and on merchant basis.

Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to the contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted and continues to be reported as per Ind AS 18 "Revenue".

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. Revenue is recognized upon transfer of control of promised products or services to customers. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The revenue is recognised when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catchup basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.





## GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

### 1 Company Overview and Significant Accounting Policies:

#### 1.3 Significant accounting policies

##### ii) Revenue Recognition

Revenue from energy units sold is recognised on accrual basis on delivery of the units at the delivery point as per the terms of the Power Purchase Agreement (PPA) and Letter of Intent (LOI) (collectively hereinafter referred to as 'the PPAs'). Revenue includes unbilled revenue accrued up to the end of the accounting year. Transmission services scheduled through the transmission provider is considered as a separate performance obligation if the same is in terms of the Contract and Transaction price is separately recoverable.

The Company determines whether it is a principal or agent on a contract to contract basis based on the parameters specified in Ind AS 115 and recognises revenue to the extent of trading margin in contracts where the Company is an agent. For other contracts which does not meet the parameters and where the risk and controls are with the Company, the Company considers itself as a principal and revenue and purchases are accounted at gross.

Revenue from trading of energy where the Company is entitled only to guaranteed trading margin is recognised to the extent of guaranteed margin where the risk and rewards of the transaction lies with the third parties.

For sale of energy under pure banking arrangements only margin earned on the transactions is accounted for as revenue.

The Company accounts for rebates to customers as a reduction of revenue based on the underlying performance obligation that corresponds to the progress by the customer towards earning the rebate. The company accounts for the liability based on its estimates of future timely receipts of the billed and unbilled revenue. If it is probable that the criteria for rebate will not be met, or if the amount thereof cannot be estimated reliably, then rebate is not recognised until the payment is probable and amount can be estimated reliably.

Revenue earned in excess of billings has been included under "other financial assets (current)" as unbilled revenue and billings in excess of revenue have been disclosed under "other current liabilities" as unearned revenue. Unbilled revenues where the Company has unconditional right to consideration are disclosed as financial asset and the balance are disclosed under non-financial assets.

Revenue from sale of power is net of prompt payment rebate eligible to the customers.

Revenue from sale of trading in renewable energy certificates are recognised to the extent of trading margin and incentives received as the Company is considered as an agent in the transaction in view of the parameters specified as per Ind AS 115 as explained above.

Claims for late payment surcharges and any other claims, which the Company is entitled, are recognised on reasonable certainty to expect ultimate collection and on acceptance by the customers.

Revenue from operations for the year ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Sale of Energy (including open access charges recovered)	37,504.45	173,042.38
Trading Margin on sale of Renewable Energy Certificates	12.17	16.67
Other operating Income	1.26	41.41

##### Disaggregate revenue information:

The Company has presented disaggregated revenue from contracts with customers for the year ended March 31, 2019 by contract-type and is of the opinion that, this disaggregation best depicts the nature, amount, timing of revenues and cash flows that are affected by the industry markets and other economic factors:

Particulars	Rupees in Lakhs
	March 31, 2019
Revenue by contract-type	
Bilateral sales	33,626.65
Sales through exchanges	339.79
Trading margin under power banking arrangements	3,636.96
Trading Margin from sale of Renewable Energy Certificates	12.17
Incentive on sale of Renewable Energy Certificates	1.26
	37,616.83
Less: Rebate on above	(98.95)
	37,517.88

The Company has not identified any disaggregated revenues based on offerings.





## GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

### 1 Company Overview and Significant Accounting Policies:

#### 1.3 Significant accounting policies

##### ii) Revenue Recognition

The performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as at end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. The Company during the year has applied the practical expedient given in Ind AS 115 for the disclosure of remaining performance obligations and based on its analysis of all the contracts outstanding as on March 31, 2019 has not identified any remaining performance obligations and accordingly there are no disclosures given in respect of power purchase agreements, as the revenue recognised corresponds directly with the value to the customer arising out of delivery of power in terms of the contract.

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

Dividend income is accounted for in the year in which the right to receive the same is established by the reporting date.

##### iii) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

##### iv) Property, Plant & Equipment

Property, Plant and Equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the assets to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

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

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

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





## GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

### 1 Company Overview and Significant Accounting Policies:

#### 1.3 Significant accounting policies

##### iv) Property, Plant & Equipment

###### Depreciation and amortisation:

Depreciation on tangible assets are provided using straight line method over the useful life of the assets as technically estimated by the Management in terms of Schedule I to the Companies Act, 2013.

Particulars	Useful Life in Years
Office Equipments	5
Computer and IT Equipments	3
Furnitures and Fixtures	10
Motor Vehicles	8

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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

###### Capital Work in Progress:

All Project related expenditure viz, civil works, machinery under erection, construction and erection materials, expenditure directly attributable to the construction of project, borrowing cost incurred prior to the date of commercial operation / intended use and trial run expenditure (net of revenue) 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.

##### v) Intangible assets

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

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

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

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

Gains or losses arising from 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.

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

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

##### vi) Borrowing cost

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

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





## GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

### 1 Company Overview and Significant Accounting Policies:

#### 1.3 Significant accounting policies

##### vii) Leases

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

##### Company as a lessee:

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

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

##### Company as a lessee:

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

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

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

##### Company as a lessor:

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

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

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

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

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

##### viii) Impairment of non-financial assets

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

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

- in the case of an individual asset, at the higher of the fair value less cost of disposal and the value in use; and
- in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost of disposal and the value in use.

(In determining fair value less cost of disposal, recent market transactions are taken into account. 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 fair value indicators).





## GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

### 1 Company Overview and Significant Accounting Policies:

#### 1.3 Significant accounting policies

##### viii) Impairment of non-financial assets

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

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

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

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

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

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

##### ix) Provisions and Contingent Liabilities

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

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

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

Provisions and contingent liability are reviewed at each balance sheet.





## GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

### 1 Company Overview and Significant Accounting Policies:

#### 1.3 Significant accounting policies

##### x) Retirement and other Employee Benefits

###### Defined Contribution Scheme :

Retirement benefit in the form of provident fund, pension fund, superannuation fund etc. are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to provident fund, pension fund and superannuation fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

###### Short term and other long term employee benefits :

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

###### Short term and other long 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 standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

###### Defined Benefit Plans :

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

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

The Gratuity of the Company is funded plan and the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

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. Remeasurement are not reclassified to profit or loss in subsequent periods.

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

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

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

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

##### xii) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at transaction price and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.





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#### 1.3 Significant accounting policies

##### xi) Financial Instruments

###### Effective Interest Method :

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

###### a. Financial Assets

###### Financial assets at amortised cost

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

###### Financial assets measured at fair value

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

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

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

###### Impairment of financial assets

The Company assesses at each balance sheet date as to whether any of its financial assets are impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises life time expected losses for all contract assets and / or all trade receivables that do not constitute a financing component. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial assets has increased significantly since initial recognition.

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

###### De-recognition of financial assets

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

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

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

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

###### b. Financial liabilities and Equity Instruments

###### Classification as debt or equity

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

###### Equity Instruments

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





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#### 1.3 Significant accounting policies

##### xi) Financial Instruments

###### Financial Liabilities

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

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

###### Financial liabilities at Fair Value Through Profit and Loss (FVTPL)

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

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

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

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

###### Financial liabilities at amortised cost

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

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

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

###### De-recognition of Financial liabilities

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

###### Offsetting of financial instruments

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

###### Derivative financial instruments

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

###### Embedded Derivative financial instruments

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

##### xii) Cash and cash equivalents

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





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#### 1.3 Significant accounting policies

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

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

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

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

##### xiv) Foreign currencies

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

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

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

Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

##### xv) 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 participants' 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

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

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

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





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#### 1.3 Significant accounting policies

##### xv) Fair value measurement

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

##### xvi) Taxes on income

Tax expense comprises current and deferred tax.

##### Current income tax

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

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

##### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred Tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

When assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, it considers whether tax laws restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. If tax law imposes no such restrictions, an entity assesses a deductible temporary difference in combination with all of its other deductible temporary differences. However, if tax law restricts the utilisation of losses to deduction against income of a specific type, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type.

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

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

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

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

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





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#### 1.3 Significant accounting policies

##### xvii) Earnings per share

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

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

##### xviii) Corporate Social Responsibility Expenditure ('CSR Expenditure')

The Company charges its CSR Expenditure during the year, to the Statement of Profit and Loss.

#### 1.4 Significant accounting judgements, estimates and assumptions

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

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

Significant judgements and the estimates relating to provision for power banking, taxes, fair value measurement of financial instruments, contingencies, defined benefit plans, property plant and equipments, revenue from operations are as follows:

##### A. Critical Accounting Estimates and Assumptions :

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

##### i. Provision for power banking arrangement

The Company has entered into banking transactions for supply of power. As per the terms of the contract, the Company obtains power for sale to third party from the power generator ('supplier') which is required to be returned by the Company to the supplier at a future date. The Company recognises revenue towards the said power sold to the third party at the time of supply of power by the supplier. The Company being a trader is required to enter into contract with another power generator for supplying the power to be returned at a future date to the original supplier. The Company has estimated a provision towards purchase of power to be made at a future date to close the open positions in banking arrangements based on the rates available with the Company in the Letter of Intent for supply of power at a future date. Also refer Note No. 17.

##### ii. Taxes

Deferred Tax Assets including MAT Credit Entitlement is recognised to the extent that it is probable that taxable profit will be available against which the same 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, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961. Deferred tax assets recognised to the extent of the corresponding deferred tax liability. Also Refer Note No. 18.





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### 1 Company Overview and Significant Accounting Policies:

#### 1.4 Significant accounting judgements, estimates and assumptions

##### A. Critical Accounting Estimates and Assumptions:

###### iii. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 27 and 28.

###### iv. Contingencies

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

###### v. Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note no. 33(b).

##### B. Significant judgements

###### i. Property Plant and Equipment and Intangible Assets

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. As described in Note No. 1.3(iv) above, the Company reviews the estimated useful lives of property plant and equipments at the end of each annual reporting period. Refer Note No. 2 and 3.

###### ii. Revenue From Operations

The Company, as per the terms of Power Purchase Agreements ('PPA') and Letter of Intents ('LOI') entered with the customer and power generator identifies whether it is a principal or agent in the transactions based on the parameters such as whether it is primarily responsible for fulfilling the contract; bears inventory risks; establishing the price for the specified good or service etc., Based on such assessment the Company has identified itself as an agent in certain power trading transactions and has accounted only the trading margin as income in its books. With respect to other transactions, the Company based on the terms of the LOI/PPA is of the view, that it meets all the parameters required to consider itself as a principal in the arrangement and has recognised the revenue and purchase cost under such arrangements at gross. Refer Note No. 19.

#### 1.5 New and amended Ind AS effective as on April 1, 2018

As per Companies (Indian Accounting Standards) Amendment Rules, 2018, the Company has adopted following amendments made to Ind AS for annual periods beginning on or after April 01, 2018:

- A. Ind AS 115, 'Revenue from Contracts with Customers': This Accounting standard replaced the Ind AS 18, 'Revenue'. The Company has applied the Accounting Standard for the first time during the year, using the cumulative catch-up transition method for the contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted and continues to be reported as per Ind AS 18 "Revenue".





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#### 1.5 New and amended Ind AS effective as on April 1, 2018

The impact on account of applying the erstwhile Ind AS18 'Revenue', instead of Ind AS 115 'Revenue from Contract with Customers', on the statement of profit and loss of the Company for the year ended and as at March 31, 2019 is insignificant. On account of adoption of Ind AS 115, the revenue from operations and Purchase of traded goods for the year ended March 31, 2019 has been netted off to the extent of Rs. 158,677.41 Lakhs as the Company has considered itself as an agent in certain power supply arrangements based on the terms of the contracts/agreements as explained in significant accounting policy (ii) above and Note No. 19(a).

- B. Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. There is no impact on account of adoption of this amendment.
- C. **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses:** The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. These amendments apply retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. There is no impact on account of adoption of this amendment.

#### 1.6 Introduction of new standards and amendments to existing standards issued but not effective

- i. **Ind AS 116 Leases:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
  - Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
  - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 related to leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.





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### 1 Company Overview and Significant Accounting Policies:

#### 1.6 Introduction of new standards and amendments to existing standards issued but not effective

- ii. Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:
  - to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
  - to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.
- iii. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition –
  - a. Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
  - b. Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

- iv. Amendment to Ind AS 12 – income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.
- v. **Prepayment Features with Negative Compensation, Amendments to Ind AS 109, Financial Instruments :**

This amendment enables entities to measure certain pre-payable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract'.

That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.
- vi. **Annual Improvements to Ind AS :**
  - Ind AS 23, 'Borrowing Cost'- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
  - Ind AS 103, 'Business Combination'- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.
  - Ind AS 111, 'Joint arrangements'- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.
  - Ind AS 12, 'Income Taxes'- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.





## GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

### 1 Company Overview and Significant Accounting Policies:

#### 1.6 Introduction of new standards and amendments to existing standards issued but not effective

##### vi. Annual Improvements to Ind AS :

Previously, it was unclear whether the income tax consequences of dividend should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

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**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2019

**2 Property, plant and Equipment**

Particulars	Rupees in Lakhs			
	Office Equipments	Computer & IT Equipments	Furniture and Fixtures	Vehicles
<b>Gross Block</b>				
As at April 01, 2017	6.57	10.20	2.08	23.08
Additions	-	6.80	-	35.96
Disposals	-	-	-	-
Reclassification of assets	2.21	(1.28)	(0.93)	-
As at March 31, 2018	8.78	15.52	1.15	59.04
Additions	0.61	4.04	-	-
Disposals	-	-	-	-
As at March 31, 2019	9.39	19.56	1.15	59.04
<b>Accumulated Depreciation</b>				
As at April 01, 2017	1.97	4.63	0.28	8.30
Charge for the year	3.17	1.79	0.11	1.86
Deductions	-	-	-	-
Reclassification of assets	(0.97)	0.48	0.49	-
As at March 31, 2018	4.17	6.90	0.88	10.16
Additions	1.32	5.05	0.03	10.33
Disposals	-	-	-	-
As at March 31, 2019	6.49	11.95	0.91	20.49
<b>Net block</b>				
As at April 01, 2017	4.60	5.57	1.80	14.78
As at March 31, 2018	4.61	8.62	0.27	48.88
As at March 31, 2019	2.90	7.61	0.24	38.55

**Note:**

- Deemed Lost: The Company for the Financial Year 2016-17, had adopted Indian Accounting Standards ('Ind AS') under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has elected to avail the exemption as per Para D7AA of Ind AS 101, 'First-time Adoption of Indian Accounting Standards' to use its previous GAAP carrying value as at April 01, 2015 being the opening balance sheet date for the purpose of first time adoption of Indian Accounting Standards. Accordingly the value of gross block disclosed above includes carrying value of assets at the transition date (i.e., April 01, 2015) which is considered as deemed cost.
- Assets are owned and are used for own use, unless otherwise mentioned.
- For charges created on property, plant and equipment refer note no.12(i)

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**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2019

**3 Intangible assets**

Particulars	Rupees in Lakhs	
	Computer Software	Total
Gross block		
As at April 01, 2017	1.49	1.49
Additions	-	-
Disposals	-	-
As at March 31, 2018	1.49	1.49
Additions	-	-
Disposals	-	-
As at March 31, 2019	1.49	1.49
Accumulated Amortisation		
As at April 01, 2017	0.86	0.86
Charge for the year	0.40	0.40
Disposals	-	-
As at March 31, 2018	1.26	1.26
Additions	0.23	0.23
Disposals	-	-
As at March 31, 2019	1.49	1.49
Net block		
As at April 01, 2017	0.63	0.63
As at March 31, 2018	0.23	0.23
As at March 31, 2019	-	-

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

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**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2019

4 Current Investments*		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Investments at fair value through profit or loss			
Investment in Mutual Funds (Quoted)			
Liquid mutual fund units - Aditya Bi-la Sun Life Cash Plus - Growth Regular Plan	-	1,445.88	
Nil Units [March 31, 2018 : 519,663.251 units @ NAV of Rs. 278.2338/- each]			
<b>Total</b>	<b>-</b>	<b>1,445.88</b>	

		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Aggregate value of Quoted investments	-	1,445.88	
Market Value of Quoted Investments	-	1,445.88	

\* - margin / lien in favour of the security trustee to rupee term loan as referred to in Note No.12(ii) for the rupee term loan facility amounting to Rs. 20,000.00 Lakhs.

5 Loans		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Non-current			
Considered Good - Unsecured			
Security deposit			
- related parties *	8,500.00	8,500.00	
- Others	66.00	26.00	
Loan to related parties - Inter Corporate loan*	4,676.56	13,818.28	
Considered Good - Secured			
Loans which have significant increase in Credit Risk [refer note (b) below].			
Loans Receivables - credit impaired [refer note (b) below].			
<b>Total non-current balance of loans (A)</b>	<b>13,242.56</b>	<b>22,344.28</b>	
Current			
Considered Good - Unsecured			
Security deposit			
- related parties*	57.61	65.16	
- Others	243.66	114.58	
Earnest Money Deposit*	307.72	152.75	
Loan to related parties - Inter Corporate loan [refer note b. below]*	25,818.30	18,578.76	
Loans to employees	1.14	0.01	
Considered Good - Secured			
Loans which have significant increase in Credit Risk [refer note (b) below].			
Loans Receivables - credit impaired [refer note (b) below].			
<b>Total current balance of loans (B)</b>	<b>26,428.43</b>	<b>18,911.26</b>	
<b>Total loans (A+B)</b>	<b>39,670.99</b>	<b>41,255.54</b>	

\*-Refer Note No. 35 for related parties transactions.

Note:

- The fair value of Non current and current loans are not materially different from the carrying value presented.
- There are no loan receivables which are credit impaired or which have a significant increase in credit risk based on the assessment made by the Company.





**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2019

6 Other financial assets		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
<b>Current</b>			
Unsecured considered good			
Carried at amortised cost			
Unbilled revenue [refer note no. 35]	972.99	659.61	
Interest accrued on Intercompany loans and security deposits from related parties [refer note no. 35]	1,308.04	3,163.56	
(a)	2,281.03	3,823.17	
Other advances recoverable			
- considered good	-	233.70	
- considered doubtful [refer note no. 30(b)]	581.41	-	
	581.41	233.70	
Less: Provision for doubtful recoverables	(581.41)	-	
(b)	-	233.70	
<b>Total (a) + (b)</b>	<b>2,281.03</b>	<b>4,056.87</b>	

Note :

(a) The fair value of the above financial asset is not materially different from the carrying value presented.

7 Trade receivables		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
<b>Considered Good - Unsecured</b>			
Receivable from others	44,587.60	62,654.43	
<b>Considered Good - Secured</b>			
Receivables which have significant increase in Credit Risk [refer Note (c) below]	-	-	
Receivables which are credit impaired [refer Note (e) below]	-	-	
<b>Total</b>	<b>44,587.60</b>	<b>62,654.43</b>	

Note :

a) Trade receivables are pledged against the term loan availed from banks, loans from others, Working Capital loans and Cash Credit facility provided by banks. For details refer note no. 12(i) and 13(i) and (ii).

b) The credit period on sale of power is upto 60 Days. Thereafter interest is chargeable at 1.25% per month on the outstanding balance.

 c) **Credit concentration:**

As on balance sheet date Trade receivables (excluding unbilled revenue) from State Electricity Distribution Companies (DISCOMS) constitutes 90.77% (March 31, 2018 : 51.76%) and 9.23% (45.47%) of trade receivable are from other parties under Short term / Medium term power purchase agreement.

 d) **Expected credit loss (ECL)**

The Company is having majority of receivables from State Electricity Distribution Companies which are Government undertakings and are hence secured from losses. The Company is generally regular in recovering its receivables towards power sale due from its customers. In case of recoverable amounts disputed, the receivables are pending recovery on account of the matter disputed pending final outcome at the respective courts/tribunals, which are recognized on conservative basis. These amounts, when settled will be recovered with interest as per the terms of Letter of Intent (LOIs)/ Power Purchase Agreements (PPAs) and are hence secured from credit losses. Allowances, if any, for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty, an analysis of the counterparty's current financial position and forward looking information. The Management does not foresee any expected credit loss in the near future on the trade receivables which requires provisioning currently.

e) There are no trade receivables which are credit impaired or which have a significant increase in credit risk based on the assessment made by the Company.

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

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



**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2019

8 Cash and cash equivalents		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Balances with banks:			
- in current accounts	2,201.42	14,597.87	
<b>Total</b>	<b>2,201.42</b>	<b>14,597.87</b>	

**Note :**

a) Pledged against the term loan availed from banks, loans from others, Working Capital loans and Cash Credit facility provided by banks. For details refer note no. 12(i) and 13(i) and (ii).

b) The fair value of cash and cash equivalents are not materially different from the carrying value presented.

Break up of financial assets		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Financial asset carried at amortised cost			
Trade receivables	44,587.60	62,654.43	
Cash and cash equivalents	2,201.42	14,597.87	
Loans	39,670.99	41,255.54	
Other financial assets	2,281.03	4,056.87	
Financial assets carried at fair value through profit or loss			
Current Investment	-	1,445.88	
<b>Total</b>	<b>88,741.04</b>	<b>124,010.59</b>	

9 Other assets		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Current			
Advances other than capital Advance			
Advances for goods and services			
- related parties (Considered good)*	(a)	2,734.88	2,965.12
- others			
Considered good		28.30	1,379.89
Considered Doubtful		68.27	-
		96.57	1,379.89
Less: Provision for doubtful recoverables		(68.27)	-
	(b)	28.30	1,379.89
Prepaid expenses	(c)	47.25	1,511.98
Advances to employees	(d)	16.31	36.88
Goods and Services Tax Input Credit receivable	(e)	2.56	-
Gratuity Plan assets (Net)	(f)	1.36	-
<b>Total</b>	<b>(a)+(b)+(c)+(d)+(e)+(f)</b>	<b>2,831.26</b>	<b>5,893.87</b>

\*-Refer Note No. 35 for related parties transactions

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# **GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2019

10 Equity share capital		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
<b>Authorised</b>			
74,000,000 (March 31, 2018: 74,000,000) Equity Shares of Rs 10/- each	7,400.00	7,400.00	
<b>Issued, Subscribed and Paid up</b>			
74,000,000 (March 31, 2018: 74,000,000) Equity Shares of Rs 10/- each	7,400.00	7,400.00	
<b>Total</b>	<b>7,400.00</b>	<b>7,400.00</b>	

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

Particulars	Numbers	Rupees in Lakhs
<b>March 31, 2019</b>		
Balance at the beginning of the year	74,000,000	7,400.00
Shares issued during the year	-	-
Balance at the end of the year	74,000,000	7,400.00
<b>March 31, 2018</b>		
Balance at the beginning of the year	74,000,000	7,400.00
Shares issued during the year	-	-
Balance at the end of the year	74,000,000	7,400.00

## **b. Terms/Rights Attached to equity Shares**

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

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

## **c. Restrictions on the distribution of dividends :**

The Board shall subject to restrictions imposed by the term loan lenders, propose to the shareholders the maximum possible dividend payable under applicable law. Upon such recommendation shareholders shall declare dividends as follows -

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

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

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

Particulars	Numbers	Rupees in Lakhs
<b>March 31, 2019</b>		
GMR Infrastructure Limited	50,219,897	5,021.99
GMR Energy Limited (along with its nominees)	14,060,100	1,406.01
GMR Power Infra Limited	9,720,000	972.00
<b>March 31, 2018</b>		
GMR Infrastructure Limited	50,219,897	5,021.99
GMR Energy Limited (along with its nominees)	14,060,100	1,406.01
GMR Power Infra Limited	9,720,000	972.00

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## GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2019

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

Particulars	Numbers	% Holding
<b>March 31, 2019</b>		
GMR Infrastructure Limited	50,219,897	67.86%
GMR Energy Limited (along with its nominees)	14,050,000	19.00%
GMR Power Infra Limited	9,720,000	13.14%
<b>March 31, 2018</b>		
GMR Infrastructure Limited	50,219,897	67.86%
GMR Energy Limited (along with its nominees)	14,050,000	19.00%
GMR Power Infra Limited	9,720,000	13.14%

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

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

11 Other equity	Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018
<b>Retained earnings (Refer note no. (a) below)</b>		
Balance at the beginning of the year	(849.13)	(1,096.77)
Adjustment to retained earnings		
Excess provision of expected credit loss reversed		
Profit / (Loss) for the year	(587.01)	246.68
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement gains (losses) on defined benefit plans (net of taxes)	0.01	0.96
<b>Balance at the end of the year</b>	<b>(1,436.13)</b>	<b>(849.13)</b>
<b>Total</b>	<b>(1,436.13)</b>	<b>(849.13)</b>

Note:

(a) Retained Earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.

12 Non Current - Borrowings	Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018
<b>Secured</b>		
<b>At Amortised Cost</b>		
<b>Rupee Term loans</b>		
- from banks (refer note (i) below)	26,409.49	26,778.53
- from Other parties (refer note (ii) below)	1,500.00	
<b>Total</b>	<b>27,909.49</b>	<b>26,778.53</b>

#### (i) Rupee Term Loan from banks

##### Nature of security

The Company has borrowed Rupee Term Loan (RTL) from bank. The RTL amounting to Rs. 20,000.00 Lakhs has been borrowed for the purpose of meeting its long term working capital requirement and RTL amounting to Rs. 8,500.00 Lakhs has been borrowed for extending as interest bearing Security Deposit to Kakinada SEZ Limited in terms of the Memorandum of Understanding between the Company and Kakinada SEZ Limited for development of office space in Kakinada SEZ respectively.

The loan is secured by way of first charge, in favour of Security Trustee, over the assets created out of bank loan facility to provide a minimum cover on the entire outstanding amount under the Term Loan Facility including hypothecation on the moveable assets, book debts and others (assets created out of bank loan facility).





**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

**Notes to the financial statements as on March 31, 2019****(i) Rupee Term Loan from banks****Nature of security**

The loan is secured by pledge of 8% shares of GMR Energy Limited (GEL) in addition to the extension of Pledge over 20% shares already cross co-lateralized by other Group Companies, along with all beneficial / economic voting rights and NDU over 2% shares of GEL. Further, 23.5% shares of GMR Airport Limited (GAL) along with all beneficial / economic voting rights have been pledged.

The above term loan is also covered by unconditional and irrevocable Corporate Guarantee from its Holding Company (GMR Infrastructure Limited).

**Terms of Repayment**

The amount of RTLs borrowed needs to be repaid in 24 half yearly instalments after the moratorium period of 12 months from the date of first draw down commencing from March 18, 2019 and carry an interest rate of One Year MCLR + 160/335 Basis Points which as at March 31, 2019 is 11.25% to 13.05% per annum.

**(ii) Loan from Other Parties****Nature of security**

The Company has borrowed Rupee Term Loan (RTL) from Non-Banking Financial Institution. The RTL amounting to Rs. 1,500.00 Lakhs has been borrowed for the purpose of meeting its long term working capital requirement towards power trading business.

The loan is secured Second charge on the cash flows of the GMR Energy Trading Limited by way of hypothecation.

**Terms of Repayment**

The RTL amount shall be repaid in a bullet instalment on March 31, 2022 and carries a fixed interest of 10% per annum.

**(iii) The Company has the following amounts that are due for payment towards RTL as on the balance sheet date \***

		Rupees in Lakhs	
Particulars		March 31, 2019	March 31, 2018
Principal Repayment of RTL**	Upto 30 days	200.00	-
Interest Accrued and Due on RTL**	Upto 30 days	258.59	-
<b>Total</b>		<b>458.59</b>	<b>-</b>

\*- The Company confirms that it has not received any communication/notice from the bank demanding repayment of the loan on account of non payment of dues upto the date of signing of the financial statements.

\*\* - paid on April 06, 2019

**13 Current -Borrowings**

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
<b>Secured</b>		
<i>At Amortised Cost</i>		
<b>Loans repayable on Demand</b>		
Cash Credit facilities from banks [refer note (i) and (v) below],	559.92	-
Working Capital Loan from banks [refer note (ii) and (v) below],	5,000.00	4,500.00
<b>Unsecured</b>		
<i>At Amortised Cost</i>		
Loan from other parties [refer note (iii) and (v) below],	2,150.00	-
Inter Corporate Loan from related parties [refer Note (iv) and (v) below and Note No. 35],	6,628.19	12,667.00
<b>Total</b>	<b>14,338.11</b>	<b>17,167.00</b>

**(i) Cash Credit facilities:**

Cash Credit facilities are secured by way of a first charge on the current assets of the Company. The Cash Credit facility is for a period of one year and has been extended upto May 24, 2019. The interest rate is MCLR-6M plus spread of 3% which as at March 31, 2019 is 11.42% per annum.

**(ii) Working Capital Loan from Banks**

Working Capital facility from bank is secured by way of a first charge on the current assets of the Company. The Working Capital facility is for a period of one year and has been renewed for a further period of three months upto May 24, 2019. The interest rate is MCLR-3M plus spread of 2.82% which as at March 31, 2019 is 11.42% per annum.



**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2019

**(iii) Loan from Other parties**

Unsecured loans availed from other parties are repayable within 60 Days and is due on February 22, 2019 from the date of disbursement in case of one party and on May 31, 2019 for the other party. The loans carry interest ranging from 11% to 13% per annum.

**(iv) Inter Corporate Loan from related parties**

The inter corporate loan from related parties is unsecured and is repayable on April 03, 2019 for loan amounting to Rs. 2,628.19 Lakhs and in case of loan amounting to Rs. 4,000.00 Lakhs for a period not exceeding one year from the date of disbursement. The applicable rate of interest on is 12.25% per annum.

(v) The Company has the following amounts that are due for payment towards current borrowing as on the balance sheet date

Particulars	Nature	Rupees in Lakhs	
		March 31, 2019	March 31, 2018
Loan from Other Parties	Principal*	1,150.00	-
	Interest	118.98	-
	(a)	1,268.98	-
Inter Corporate Loan from related parties	Interest (b)	292.37	1,302.86
<b>Total</b>	<b>(a)+(b)</b>	<b>1,561.35</b>	<b>1,302.86</b>

\*- Rs. 200.00 Lakhs paid on April 18, 2019.

**14 Trade Payable**

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
<b>Current:</b>		
At Amortised Cost		
<b>Trade payables</b>		
due to micro and small enterprises (including retention money) (refer note (a) below.)	12.03	20.56
- due to related parties	27,808.05	23,279.26
- due to others	9,137.92	44,927.71
<b>Total current trade payables</b>	<b>36,958.00</b>	<b>68,227.53</b>

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# GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2019

## Notes:

- (a) The Management is in continuous process of obtaining confirmations from its vendors regarding their registrations under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Under the MSMED Act, 2006 which came into force with effect from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of information and records available with the company, the following disclosures are made for the amounts due to Micro, Small and Medium Enterprises. Further, in view of the management, the impact of interest, if any, that may be payable in accordance with the provision of the Act are not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018*
a) (i) Principal amount due to the enterprises remaining unpaid to supplier	12.03	20.56
a) (ii) Interest due thereon to the enterprises remaining unpaid to supplier	-	-
b) Amount of Interest due and payable for the period of delay in making payment (which has been paid but not beyond the appointed date during the year) but without adding the interest specified under the MSMED Act	-	-
c) Payment made to the enterprises beyond appointed date under Section 15 of MSMED	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.36	0.94
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	-	-

\*- Disclosure above have been restated based on the MSMED Confirmations received from vendors during the current financial year.

- (b) For explanation on the Company's credit risk management processes, refer note no. 28.  
(c) The fair value of trade and other payables is not materially different from the carrying value presented

## 15 Other Financial Liabilities

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Current:		
At Amortised Cost		
Current maturities of long-term borrowings (Refer Note No. 12(i) above)	770.00	200.00
Salaries, Bonus and other Payables to Employees	14.24	12.02
Other Payables	-	0.01
Interest accrued and due on term loans	258.59	-
Interest accrued but not due on term loans	274.95	188.10
Interest accrued and due on short term loans from other parties	118.98	-
Interest accrued and due on Inter corporate loans from related party (refer Note No. 35)	292.37	1,302.86
<b>Total</b>	<b>1,729.13</b>	<b>1,702.99</b>

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Financial liabilities carried at amortised cost		
Non Current Borrowings	27,909.49	26,778.53
Current Borrowings	14,338.11	17,167.00
Trade Payable	36,958.00	68,227.53
Other financial liabilities	1,729.13	1,702.99
<b>Total</b>	<b>80,934.73</b>	<b>113,876.05</b>



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Notes to the financial statements as on March 31, 2019

16 Other liabilities		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Current :			
Unearned revenue			
related parties [ refer note no. 35]	-	11.24	
others	-	1,129.87	
Advance received from Customers	620.00	1,728.59	
Statutory dues Payable	91.95	334.86	
<b>Total other current liabilities</b>	<b>711.95</b>	<b>3,204.66</b>	
17 Provisions		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Non-current :			
Provision for employee benefits			
- Leave benefits [refer note 33(c)].	64.80	39.87	
<b>Total non-current provisions</b>	<b>64.80</b>	<b>39.87</b>	
Current			
Provision for employee benefits			
- Gratuity [refer note 33(b)].	-	9.02	
- Leave benefits [refer note 33(c)].	8.16	20.19	
- other employee benefits	240.74	71.06	
Other provisions			
Provision for power banking arrangement [Refer Note (a) below].	4,434.09	6,466.78	
Provision for rebate	11.05	58.58	
<b>Total current provisions</b>	<b>4,694.04</b>	<b>6,625.63</b>	
<b>Total provisions</b>	<b>4,758.84</b>	<b>6,665.50</b>	
Movement of provisions		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
a) Power Banking arrangement*			
Balance at the beginning of the year	6,466.78	9,053.01	
Add : Provision made during the year	4,405.24	6,466.78	
Less : Provision utilised / (reversed) during the year	(6,437.93)	(9,053.01)	
<b>Balance at the end of the year</b>	<b>4,434.09</b>	<b>6,466.78</b>	
* - the provisions are expected to be utilised over a period of next one year			
b) Provision for rebate**			
Balance at the beginning of the year	58.58	35.89	
Add : Provision made during the year	11.05	58.58	
Less : Provision utilised / (reversed) during the year	(58.58)	(35.89)	
<b>Balance at the end of the year</b>	<b>11.05</b>	<b>58.58</b>	
** - the provisions are expected to be utilised over a period of next one month			

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Notes to the financial statements as on March 31, 2019

**18 Income Tax**

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

18.01 Income tax expense in the statement of profit and loss comprises:		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
<b>Profit or loss section</b>			
Current Tax	17.05	47.00	
Deferred Tax	-	(0.48)	
<b>Tax expense / (credit) to Statement of Profit and Loss</b>	<b>17.05</b>	<b>46.52</b>	
<b>Other comprehensive income section (OCI)</b>			
Deferred tax related to items recognised in OCI during the year:			
Re-measurement gains (losses) on defined benefit plans	-	0.48	
<b>Tax expense / (credit) to Other Comprehensive Income</b>	<b>-</b>	<b>0.48</b>	
<b>Tax expense / (credit) to Total Comprehensive Income</b>	<b>17.05</b>	<b>47.00</b>	

**18.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:**

		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Profit / (Loss) before tax	(569.96)	293.20	
Applicable tax rate	33.384%	33.063%	
Tax effect of income / (loss) (a)	(190.28)	96.94	
Adjustments:			
Tax effect on re-measurement gains (losses)	-	(0.48)	
Tax effect on items not deductible (net)	67.67	14.18	
Tax effect on non-taxable income (net)	-	(16.77)	
Tax effect on sale of investments	(11.93)	-	
Tax effect on brought forward losses utilised	(144.79)	-	
Tax effect on deduction claimed under Chapter VIA	(0.17)	(5.74)	
Tax effect of Minimum Alternate Tax above normal tax rate	17.05	-	
(b)	(72.17)	(8.81)	
Utilisation of Minimum Alternate Tax (MAT) Credit (c)	-	41.13	
(d)=(a+b-c)	(262.45)	47.00	
Unused tax allowances and losses on which deferred tax asset not recognised during the year (e)	279.50	-	
(f)=(d+e)	17.05	47.00	
Recognition of deferred tax asset to the extent of deferred tax liability recognised directly under equity (g)	-	0.48	
<b>Tax expense / (credit) to Statement of Profit and Loss (e)+(f-g)</b>	<b>17.05</b>	<b>46.52</b>	
Tax expense / (credit) to Other Comprehensive Income (h)	-	0.48	
<b>Tax expense / (credit) to Total Comprehensive Income (i)=(f+g)</b>	<b>17.05</b>	<b>47.00</b>	

**18.03 Non-current tax assets (net)**

		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Opening Balance	330.01	155.01	
Less: Current tax payable (including interest)	(17.05)	(47.00)	
Less: Refund received during the year	(2.10)	(147.60)	
Add: Current taxes paid	436.93	369.60	
<b>Closing balance of Non-current tax assets (net)</b>	<b>747.79</b>	<b>330.01</b>	



**GMR Energy Trading Limited**

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Notes to the financial statements as on March 31, 2019

**18 Income Tax**

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

Deferred tax:		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
<b>Deferred tax liability</b>			
<b>Non-Current</b>			
Property, plant and equipments and intangible assets	0.32	2.52	
Borrowings recorded measured at amortized cost	440.84	507.93	
<b>Total Non-Current</b>	<b>441.16</b>	<b>510.45</b>	
<b>Current</b>			
Fair value of investments	-	17.34	
Other current assets - Gratuity paid in advance	0.45	-	
<b>Total Current</b>	<b>0.45</b>	<b>17.34</b>	
<b>Gross deferred tax liability</b>	<b>441.61</b>	<b>527.79</b>	
<b>Deferred tax asset</b>			
<b>Non-Current</b>			
Unused losses	625.73	686.63	
Provision for Leave Encashment	21.63	13.31	
<b>Total Non-Current</b>	<b>647.36</b>	<b>699.94</b>	
Provision for rebate	3.69	19.56	
Provision for Leave Encashment	2.72	6.74	
Provision for Gratuity	-	3.01	
Provision for doubtful recoverables	216.89	-	
Disallowances u/s 40(a)(ia)	30.66	-	
Disallowances u/s 433	21.25	-	
<b>Total Current</b>	<b>275.21</b>	<b>29.31</b>	
<b>Gross deferred tax asset</b>	<b>922.57</b>	<b>729.25</b>	
<b>Net deferred tax (assets) / liability</b>	<b>(480.96)</b>	<b>(201.46)</b>	
Less: Unused tax allowances and losses not recognised *	480.96	201.46	
<b>Net deferred tax (assets) / liability</b>	<b>-</b>	<b>-</b>	

\*-The Company has unused tax allowances and tax losses which arose in India of Rs. 1,874.34 Lakhs (March 31, 2018: Rs. 2,308.05 Lakhs). The unused tax losses are available for offsetting for eight years against future taxable profits of the companies in which the losses arose. With regard to unused allowances, same is allowable in future period against taxable profits without any time limit. Majority of these losses will expire in March 2026.

18.05 Reconciliations of deferred tax (liabilities) /assets		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Opening balance	-	-	
Tax income/(expense) during the period recognised in profit or loss	-	0.48	
Tax income/(expense) during the period recognised in GCI	-	(0.48)	
Amount recognised directly in equity	-	-	
<b>Closing balance</b>	<b>-</b>	<b>-</b>	

18.06 Amount recognised directly in equity		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Opening balance	-	-	
Add: Deferred tax recognised directly in equity during the year	-	-	
<b>Closing balance of deferred tax netted off with other components of equity</b>	<b>-</b>	<b>-</b>	





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**Notes to the financial statements as on March 31, 2019**

19 Revenue from operations	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
<b>Particulars</b>		
Sale of Energy (including open access charges recovered) [refer notes (a) to (c) below and Note No. 35(a.) to (c.)]	37,504.45	173,042.38
Trading Margin on sale of Renewable Energy Certificates [refer Note No. 35(d.)]	12.17	16.67
Other operating income	1.26	41.41
<b>Total</b>	<b>37,517.88</b>	<b>173,100.46</b>

**Notes:**

- a) Effective 1st April 2018, the Company has adopted Ind AS 115 "Revenue from contracts with customers" retrospectively with the cumulative effect of initial application of the standard being recognized at the date of initial application i.e., April 01, 2018 as per Para C3(b) of Ind AS 115. The Company, accordingly during the year, has undertaken an assessment of whether it is principal or agent in its transactions for energy trading based on the indicators specified under Ind AS 115. Based on such assessment and as per the opinion / advice obtained from the expert, the Company is of the view that it is an agent in arrangements involving Exchange sales, transmission Charges, certain bilateral contracts and REC sales and has disclosed the revenue for the year ended March 31, 2019 at net. In case of other specific sales contracts entered with customers, the Company is of the view that it is principal, wherever it is primarily responsible for fulfilling the promise to supply power, bears inventory and credit risks etc., under such contract. The details of revenue and purchases disclosed net for the year ended March 31, 2019 is as follows:

Particulars	Rupees in Lakhs	
	March 31, 2019	
Exchange Sales	55,221.67	
Transmission Charges	40,931.10	
Bilateral Sales	61,383.78	
REC Sales	15.18	
Reimbursement of charges on other performance obligations	1,125.68	
<b>Total</b>	<b>158,677.41</b>	

- b) The Company during the previous year has entered into service fee agreement for facilitating the Power Purchase agreements (PPAs). In terms of the said service fee agreement the Company is entitled to retain only its fixed trading margin ranging from 0.02 paisa / kWh to 0.03 paisa / kWh and it is bound to pay the vendor only on receipt from the customer. Any surplus over and above its fixed trading margin is to be transferred / paid to the service provider who has identified the customer and vendor for the PPAs as per the service fee agreement. Accordingly, the Company's revenue for the year, being fixed by the third party and without any corresponding credit risk, the revenue has been recognized only on the trading margin considering the agent principal relationship amounting to Rs. 730.55 Lakhs under sale of energy.

- c) Revenue from sale of energy is net of rebate paid/ provided for prompt payment made by customers amounting to Rs. 98.95 Lakhs [March 31, 2018 : Rs. 306.05 Lakhs].

20 Other income	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
<b>Particulars</b>		
<b>Interest income:</b>		
On bank deposits	0.50	25.77
On Inter Corporate Loans and Security Deposits [refer Note No. 35(e.)]	4,991.58	2,823.87
On Income Tax Refund	-	26.94
Net gain / (loss) on sale of Investments	35.73	283.16
Miscellaneous Income	6.86	
Provision/payable no longer payable written back	153.99	50.72
<b>Total</b>	<b>5,190.66</b>	<b>3,210.46</b>



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Notes to the financial statements as on March 31, 2019

21	Purchase of traded goods	Rupees in Lakhs	
		March 31, 2019	March 31, 2018
	Particulars		
	Purchase of Energy (including open access charges paid) [refer Note No. 35(f)]*	33,473.09	169,282.97
	<b>Total</b>	<b>33,473.09</b>	<b>169,282.97</b>
* - net of rebate received from vendors for prompt payment towards supply of power of Rs. 312.54 Lakhs [March 31, 2018 : Rs. 268.98].			
22	Employee benefit expenses	Rupees in Lakhs	
		March 31, 2019	March 31, 2018
	Particulars		
	Salaries, wages and bonus [refer Note No. 35].	1,003.83	614.53
	Contribution to provident and other funds [refer Note No. 33].	48.32	47.35
	Staff welfare expenses	11.85	26.62
	<b>Total</b>	<b>1,064.00</b>	<b>688.50</b>
23	Depreciation and amortisation expenses	Rupees in Lakhs	
		March 31, 2019	March 31, 2018
	Particulars		
	Depreciation of tangible assets	17.73	6.93
	Amortisation of intangible assets	0.23	0.40
	<b>Total</b>	<b>17.96</b>	<b>7.33</b>
24	Finance costs	Rupees in Lakhs	
		March 31, 2019	March 31, 2018
	Particulars		
	Interest expense		
	On term loan from banks	3,388.44	1,189.72
	On working capital loan from bank	489.51	522.01
	On cash credit / bank overdraft from bank	14.04	10.58
	On inter corporate loans received from related parties [refer Note No. 35]	1,366.17	1,232.34
	On loans from other parties	273.49	-
	On Security Deposits for sub-lease	24.05	-
	Other interest	2.10	12.57
	Other borrowing costs	76.91	77.58
	<b>Total</b>	<b>5,634.71</b>	<b>3,044.80</b>

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**Notes to the financial statements as on March 31, 2019**

25 Other expenses	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Particulars		
Rent and hire charges*	56.37	55.33
Rates and taxes	48.94	48.11
Insurance	0.09	0.51
Repairs and maintenance	-	-
Others	53.94	30.20
Electricity charges	1.85	162.77
Business Promotion*	65.32	62.53
Foreign Exchange Loss	0.98	0.22
Logo Charges*	-	39.23
Communication costs	3.61	2.99
Professional and consultancy charges*	892.32	2,433.10
Travelling and conveyance*	154.81	70.66
Payment to auditors		
- Statutory Audit	8.26	7.45
- Tax Audit	3.54	3.00
Directors' sitting fees*	4.07	4.51
Donation	60.00	29.75
Corporate Social Responsibility [Refer Note No. 32]*	5.28	5.00
Provision for Doubtful advances/receivables	643.68	-
Bad Debts written off	3.78	-
Security Deposits Written off*	12.17	-
Interest accrued on Inter Corporate Loans given to related party written off [refer Note No. 35(w.)]**	1,032.21	-
Printing and stationery	0.24	1.75
Bidding expenses	4.90	14.40
Membership, books and periodical expenses	22.47	21.48
Bank charges	1.43	0.51
Miscellaneous expenses	1.48	0.62
<b>Total</b>	<b>3,088.74</b>	<b>2,994.12</b>

\*- refer Note No. 35 for related party transactions.

\*\* - The Company during the year has restructured the Inter Corporate Loans given to one of its fellow subsidiary, on commercial prudence with a view to recover the same at the earliest. In terms of the same, the Company has started charging interest on interest accrued upto date by principalising the same. An amount of Rs. 1,032.21 Lakhs was written off in the exercise of the restructuring.

26 The disaggregation of changes to OCI by each type of reserve in equity is shown below:	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Particulars		
Re-measurement gains (losses) on defined benefit plans	0.01	1.44
Income tax effect	-	(0.48)
<b>Total</b>	<b>0.01</b>	<b>0.96</b>

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Notes to the financial statements as on March 31, 2019

**27 Financial Instruments****27.01 Financial instruments by category**

Financial instruments comprise financial assets and financial liabilities.

a) The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

a) The carrying value and fair value of financial instruments by categories as at March 31, 2020 were as follows:						Rupees in Lakhs
Particulars	Refer note no.	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<i>Financial assets:</i>						
Loans	5	39,670.99	-	-	39,670.99	39,670.99
Other financial assets	6	2,281.03	-	-	2,281.03	2,281.03
Trade Receivables	7	44,587.60	-	-	44,587.60	44,587.60
Cash and cash equivalents	8	2,201.42	-	-	2,201.42	2,201.42
<b>Total</b>		<b>88,741.04</b>	<b>-</b>	<b>-</b>	<b>88,741.04</b>	<b>88,741.04</b>
<i>Financial liabilities</i>						
Non-current Borrowings	12	28,679.49	-	-	28,679.49	28,679.49
Current Borrowings	13	14,338.11	-	-	14,338.11	14,338.11
Trade payables	14	36,958.00	-	-	36,958.00	36,958.00
Other financial liabilities	15	959.13	-	-	959.13	959.13
<b>Total</b>		<b>80,934.73</b>	<b>-</b>	<b>-</b>	<b>80,934.73</b>	<b>80,934.73</b>

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

						Rupees in Lakhs
Particulars	Refer note no.	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<i>Financial assets:</i>						
Investments:						
in Mutual Funds	4	-	1,445.88	-	1,445.88	1,445.88
Loans	5	41,255.54	-	-	41,255.54	41,255.54
Other financial assets	6	4,056.87	-	-	4,056.87	4,056.87
Trade Receivables	7	62,654.43	-	-	62,654.43	62,654.43
Cash and cash equivalents	8	14,597.87	-	-	14,597.87	14,597.87
<b>Total</b>		<b>122,564.71</b>	<b>1,445.88</b>	<b>-</b>	<b>124,010.59</b>	<b>124,010.59</b>
<i>Financial liabilities</i>						
Non-Current Borrowings	12	26,978.53	-	-	26,978.53	26,978.53
Current Borrowings	13	17,167.00	-	-	17,167.00	17,167.00
Trade payables	14	68,227.53	-	-	68,227.53	68,227.53
Other financial liabilities	15	1,502.99	-	-	1,502.99	1,502.99
<b>Total</b>		<b>113,876.05</b>	<b>-</b>	<b>-</b>	<b>113,876.05</b>	<b>113,876.05</b>

Short term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

**27 Financial Instruments****27.02 Fair value hierarchy**

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

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. This includes mutual funds that have quoted price
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.





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Notes to the financial statements as on March 31, 2019

a) The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2019:

Particulars	Total	Level 1	Rupees in Lakhs	
			Level 2	Level 3
Assets measured at fair value through profit or loss:				
Liabilities measured at fair value through profit or loss:				

b) The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2019:

Particulars	Total	Level 1	Rupees in Lakhs	
			Level 2	Level 3
Assets measured at fair value through profit or loss:				
Investments:				
in Mutual Funds	1,445.88	1,445.88	-	-
Liabilities measured at fair value through profit or loss:				

During the year ended March 31, 2019 and March 31, 2018 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of liquid mutual funds is based on net asset value quoted price.

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

**28 Financial risk management****Financial Risk Factors**

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

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

**28 Financial risk management****28.01 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis have been prepared on the basis that the amount of net debt as at March 31, 2019. The analysis exclude the impact of movements in market variables on : the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets.

**(i) 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 primarily to the Company's long term debt obligations with floating interest rates.

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**Notes to the financial statements as on March 31, 2019****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. 50 basis points represents management's assessment of reasonably possible change in interest rate. With all other variables held constant, the Company's loss before tax is affected through the impact interest rate of borrowings is as follows:

Particulars	Type of currency	Change in Rate	Rupees in Lakhs			
			Effect on profit / (loss) before tax		Effect on total equity	
			March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Interest rates	INR	(+)50	(160.54)	(92.91)	(160.54)	(92.91)
Interest rates	INR	(-)50	160.54	92.91	160.54	92.91

\*- figures in negative represents increase in losses/decrease in profits.

**28.02 Credit risk**

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities primarily loans receivables, including deposits with banks and financial institutions and other financial instruments. Credit exposure is controlled by counter party limits for major counter parties that are reviewed and approved by the Management regularly. Ongoing credit evaluation is performed based on the financial condition of receivables and the collaterals held as security in some of the cases. The Company generally deals with parties which has good credit rating/worthiness given by external rating agencies or based on the Company's internal assessment. Refer Note No. 6 and 7 for credit risk and other information in respect of trade receivables and other financial assets.

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

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

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

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

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

**28 Financial risk management****28.03 Liquidity risk**

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

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

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





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The following are the contractual maturities of non-derivative financial liabilities, including the estimated interest payment on an undiscounted basis which therefore differs from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the year end.

Particulars	Carrying Amount	Repayable on demand	Due within 1 year	Rupees in Lakhs	
				Due between 1 to 5 years	Due after 5 years
As at March 31, 2019					
Non-derivative financial liabilities					
Borrowings (including current maturities)	37,709.92	6,909.92	1,570.00	15,130.00	14,100.00
Loan from related party	6,628.19	-	6,628.19	-	-
Trade payable	36,958.00	-	36,958.00	-	-
Other financial liabilities	959.13	669.94	289.19	-	-
Total	82,255.24	7,579.86	45,445.38	15,130.00	14,100.00

Particulars	Carrying Amount	Repayable on demand	Due within 1 year	Rupees in Lakhs	
				Due between 1 to 5 years	Due after 5 years
As at March 31, 2018					
Non-derivative financial liabilities					
Borrowings (including current maturities)	33,000.00	-	4,700.00	7,500.00	20,800.00
Loan from related party	12,667.00	-	12,667.00	-	-
Trade payable	68,227.53	-	68,227.53	-	-
Other financial liabilities	1,502.98	1,302.86	200.13	-	-
Total	115,397.52	1,302.86	85,794.66	7,500.00	20,800.00

The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

**28.04 Excessive risk concentration:**

Concentration indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. 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.

The Company's risk management policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio to manage business concentration credit risk. Identified concentrations of credit risks are controlled and managed accordingly.

**28.05 Capital management**

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

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

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

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Notes to the financial statements as on March 31, 2019

**28 Financial risk management****28.05 Capital management**

Particulars		Rupees in Lakhs	
		March 31, 2019	March 31, 2018
Total Debt / borrowings	(a)	43,017.60	44,145.53
<b>Capital Components</b>			
Equity Share Capital		7,400.00	7,400.00
Other Equity		(1,436.13)	(849.13)
<b>Total Capital</b>		<b>5,963.87</b>	<b>6,550.87</b>
<b>Capital and total debt</b>	(b)	<b>48,981.47</b>	<b>50,696.40</b>
<b>Gearing ratio (%)</b>	(a)/(b)	<b>87.82%</b>	<b>87.08%</b>

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

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**Notes to the financial statements as on March 31, 2019****29 Calculation of Earning per share (EPS):**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. There is no dilutive potential ordinary shares as at March 31, 2019 and March 31, 2018. Thus, diluted EPS equals basic EPS.

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

Particulars	March 31, 2019	March 31, 2018
a. Nominal value of Equity shares (in Rupees per share)	10	10
b. Weighted average number of Equity shares at the year end (in Nos.)	74,000,000	74,000,000
c. Profit attributable to equity holders of the Company for basic earnings (Rupees in Lakhs)	(587.01)	246.68
d. Basic/Diluted Earning per share of Rs 10/- each (in Rs.) [(c)/(b)]	(0.79)	0.33

Note :

\*- The RTL lender has an unqualified right to take all actions as may be prescribed in the Relevant framework applicable in the event of the lender implementing the Strategic Debt Restructuring, to convert the balance loan obligations into paid up equity share capital at any time until the currency of the facilities, in accordance with the provisions of the applicable Laws. These shares being contingently issuable and not quantifiable, currently are not considered for the purpose of computation of Diluted Earnings per Share.

**30 Contingent liabilities and commitments****I. Contingent Liabilities**

Particulars	March 31, 2019	Rupees in Lakhs March 31, 2018
a. Letter of Credit limits unused	1,870.38	322.61

b. The Company had entered into a Letter of Intent ('LOI') with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for supply of power in the month of October, 2018. However on account of the power generator's failure to supply power, the Company was not able to meet its obligations under the LOI. On account of this failure, MSEDCL had invoked the Bank Guarantees submitted by the Company to the extent of Rs. 172.80 Lakhs and adjusted receivables amounting to Rs. 175.71 Lakhs. MSEDCL has also raised a legal dispute on the Company at the Central Electricity Regulatory Commission seeking revocation of its trading license on account of this failure, which is pending admission at the CERC. The Company however is of the view that the Invocation of Bank guarantee amount and receivable adjusted aggregating to Rs. 347.71 Lakhs is not valid in law and the litigation filed at the CERC by MSEDCL will not hold good as the same is not in accordance with the terms of the LOI and there is no financial implication expected out of this matter. The Company is also confident of recovering the amount adjusted by MSEDCL, however has currently provided for the said amount under prudence in its books and does not expect any effect on the trading business of the Company.

c. The Supreme Court had passed an order dated February 28, 2019 that for the purpose of contribution to be made under the Employees Provident Fund and Miscellaneous Provisions Act, 1956 ('EPF Act'), the definition of basic wages includes all emoluments paid in cash to the employees in accordance with the terms of their contract of employment. In view of the same, the Company is liable to make contribution towards Provident Fund on the salary paid by it to its employees retrospectively. However there is no clarity on effective date from when the liability is required to be paid by the Company. The Company further is of the view that the liability payable on account of retrospective effect will be accounted and paid on clarification if any provided by the Provident Fund Authorities and based on its analysis is of the further opinion that the impact if any may not be material.

d. The Company has also been party to various petitions filed by the power generating / distribution companies against various DISCOMs / procuring Companies in respect of claim for compensation / increased tariff rates which are pending before various statutory authorities and Hon'ble Courts. The management is of the opinion that the recoveries / payables, if any, arising out of such litigations are a pass through considering the Company being a trader in electricity and accordingly there is no liability or outflow foreseen by / against the Company.

**II. Capital Commitments**

Particulars	March 31, 2019	Rupees in Lakhs March 31, 2018
-------------	----------------	-----------------------------------

31 The Management of the Company is of the opinion that no provision is required to be made in its books of account, with respect to any material foreseeable losses under the applicable laws, accounting standards on long term contracts including derivative contracts.



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**Notes to the financial statements as on March 31, 2019****32 Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
a. Gross amount approved by CSR Committee to be spent during the year	6.28	5.00
b. Amount spent by the Company during the year:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	6.28	5.00
iii) Details of related party transactions		
GMR Varalakshmi Foundation [refer note no. 35].	6.28	5.00

**33 Employee Benefits****a) Defined Contribution Plans:**

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

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Provident and pension fund	30.02	25.58
Superannuation fund	12.15	11.22
<b>Total</b>	<b>42.17</b>	<b>36.80</b>

**b) Gratuity**

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2019 and March 31, 2018:

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
<b>i) Change in defined benefit obligation</b>		
Defined benefit at the beginning	36.54	25.61
Current Service Cost *	6.09	10.33
Interest expenses	2.70	1.82
Acquisition Cost/(Credit)	-	(0.19)
Re-measurement - Actuarial loss / (gain)	0.03	(1.03)
Benefits paid	(2.00)	-
<b>Defined benefit at the end</b>	<b>43.36</b>	<b>36.54</b>
* - Includes past service cost of Rs. Nil [March 31, 2018 : Rs. 5.37 Lakhs] arising due to change in Gratuity ceiling from Rs. 10.00 Lakhs to Rs. 20.00 Lakhs.		
<b>ii) Change in fair value of plan assets:</b>		
Fair value of Plan Assets at the beginning	27.51	13.44
Expected return on plan assets	2.64	1.39
Acquisition Adjustment	-	-
Actuarial gains/ (losses)	0.04	0.41
Contributions by employer	16.53	12.27
Benefits paid	(2.00)	-
<b>Fair value of plan assets at the end</b>	<b>44.72</b>	<b>27.51</b>
<b>iii) Amount Recognized in the Balance Sheet</b>		
Present Value of Obligation as at year end	43.36	36.54
Fair Value of plan assets at year end	44.72	27.51
<b>Net (asset) / liability recognised</b>	<b>(1.36)</b>	<b>9.03</b>





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Notes to the financial statements as on March 31, 2019

**b) Gratuity**

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
<b>iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses.</b>		
Current Service Cost	6.09	10.33
Net interest on net defined benefit liability / (asset)	0.06	0.43
<b>Total expense</b>	<b>6.15</b>	<b>10.76</b>
<b>v) Recognised in other comprehensive income for the year</b>		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumption	-	-
Actuarial changes arising from changes in experience adjustments	0.03	(1.03)
Return on plan assets excluding interest income	(0.04)	(0.41)
<b>Recognised in other comprehensive income</b>	<b>(0.01)</b>	<b>(1.44)</b>
<b>vi) Maturity profile of defined benefit obligation</b>		
Within the next 12 months (next annual reporting period)	2.85	2.22
Between 1 and 5 years	16.27	14.00
Between 5 and 10 years	41.54	35.84
<b>vii) Quantitative sensitivity analysis for significant assumptions is as below:</b>		
<b>Increase / decrease on present value of defined benefit obligation as at year end</b>		
(i) one percentage point increase in discount rate	(4.13)	(3.55)
(ii) one percentage point decrease in discount rate	4.87	4.20
(i) one percentage point increase in salary escalation rate	3.54	3.53
(ii) one percentage point decrease in salary escalation rate	(3.52)	(3.06)
(i) one percentage point increase in employee turnover rate	0.93	0.75
(ii) one percentage point decrease in employee turnover rate	(1.06)	(0.87)
<b>Sensitivity Analysis Method</b>		
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by in percentage, keeping all the other actuarial assumptions constant.		
Particulars	March 31, 2019	March 31, 2018
<b>viii) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:</b>		
Investment with Insurer managed funds	100%	100%
<b>ix) Actuarial Assumptions</b>		
Discount rate (p.a.)	7.60%	7.60%
Salary escalation	6.00%	6.00%
Weighted average duration of defined benefit obligation	10 Years	10 Years
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Rate of employee turnover	5.00%	5.00%

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2018 and March 31, 2019 the plan assets have been invested in Insurer managed funds.

The Company expects to contribute Rs. 16.53 Lakhs to the gratuity fund during FY 2019-20.

Notes:

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

**c) Leave Encashment**

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 72.96 Lakhs as at March 31, 2019 [March 31, 2018: Rs. 60.06 Lakhs].



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**Notes to the financial statements as on March 31, 2019****34 Operating Lease**

The Company has entered into certain cancellable operating lease agreements mainly for office premises, space of car parking and furniture hire. Under these agreements refundable interest-free deposits have been given.

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Lease rentals under cancellable lease	56.37	55.33

**35 List of Related Parties with whom transactions have taken place during the year:**

- |   |   |
|---|---|
| i. Parties where control exists ;<br>Holding Company                                | GMR Infrastructure Limited [GIL]  |
| ii. Enterprises having control over the Company                                     | GMR Enterprises Private Limited [GEPL]<br>GMR Generation Assets Limited [GGAL]<br>GMR Energy Limited [GEL]<br>GMR Power Infra Limited [GPIL]<br>RAXA Security Services Limited [RSSL]<br>Delhi International Airport Limited [DIAL]<br>Kakinada SEZ Private Limited [KSPL]<br>GMR Hyderabad International Airport Limited [GHIAL]<br>GMR Corporate Affairs Private Limited [GCAPL]<br>JSW GMR Cricket Private Limited [JGCPL] [formerly GMR Sports Private Limited] (fellow subsidiary upto May 12, 2018)   |
| iii. Fellow Subsidiary  | JSW GMR Cricket Private Limited [JGCPL] [formerly GMR Sports Private Limited] (w.e.f May 13, 2018)<br>GMR Warora Energy Limited [GWEL]<br>GMR Kamalanga Energy Limited [GKEL]<br>GMR Chhattisgarh Energy Limited [GMRCEL]<br>GMR (Badrinath) Hydro Generation Private Limited [GBHPL]<br>GMR Bajoli Holi Hydropower Private Limited [GBHHPL]<br>Mrs. Grandhi Satyavathi Smitha [Whole-Time Director]<br>Mr. Ashok Kumar Prusty [Whole-Time Director]<br>Mr. Kusumarchi Parameswara Rao - Director<br>Mr. Vithala Satyanarayana Murthy - Director<br>Mr. Subash Chandra Kalia - Director [director upto November 23, 2017] |
| iv. Associates  |   |
| v. Key Managerial Personnel   | Mr. Buchisanvaji Raju Grandhi - Husband of Mrs. Grandhi Satyavathi Smitha (Whole time director)   |
| vi. Relative of Key Managerial Personnel  |   |
| vii. Other entities in which KMP and their relatives exercise significant influence | GMR Varalakshmi Foundation [GVF]<br>GMR Family Fund Trust [GFFT]  |

viii. Details of the transactions are as follows : *		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
a. <i>Sale of Energy</i>			
GMR Warora Energy Limited [GWEL]	7,773.25	7,554.32	
GMR Kamalanga Energy Limited [GKEL]	-	5,756.00	
Delhi International Airport Limited [DIAL]	2,454.78	2,636.44	
b. <i>Open Access recovered#</i>			
GMR Warora Energy Limited [GWEL]	835.49	452.44	
GMR Kamalanga Energy Limited [GKEL]	986.23	1,332.44	
GMR Chhattisgarh Energy Limited [GMRCEL]	5,798.34	3,590.28	
c. <i>Rebate received on prompt payment</i>			
GMR Warora Energy Limited [GWEL]	100.64	-	
GMR Kamalanga Energy Limited [GKEL]	1.01	3.83	
GMR Chhattisgarh Energy Limited [GMRCEL]	74.19	128.59	
d. <i>Trade Margin on Sales of Renewable Energy Certificates</i>			
GMR Generation Assets Limited [GGAL]	2.57	5.27	
Delhi International Airport Limited [DIAL]	(0.43)	-	
GMR Power Infra Limited [GPIL]	0.70	2.21	





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Notes to the financial statements as on March 31, 2019

**35 List of Related Parties with whom transactions have taken place during the year:****viii. Details of the transactions are as follows : \***

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
<b>e. Interest income on Inter Corporate Loans and Deposits:</b>		
GMR Generation Assets Limited [GGAL]	1,859.81	2,103.92
GMR Bajoli Holi Hydropower Private Limited [GBHPL]	177.23	-
GMR Infrastructure Limited [GIL]	1,913.29	692.26
Kakinada SEZ Private Limited [KSPL]	1,041.25	27.69
<b>f. Purchase of Energy#</b>		
GMR Warora Energy Limited [GWEL]	50,162.80	50,674.48
GMR Kamalanga Energy Limited [GKEL]	27,592.55	13,551.55
GMR Chhattisgarh Energy Limited [GMRCEL]	20,332.16	22,115.34
<b>g. Rebate given for prompt payment</b>		
Delhi International Airport Limited [DIAL]	84.94	-
<b>h. Compensation for non supply of power</b>		
GMR Chhattisgarh Energy Limited [GMRCEL]	56.44	59.16
<b>i. Open Access paid #</b>		
GMR Warora Energy Limited [GWEL]	3,061.96	1,605.75
<b>j. Logo fees paid / provided to</b>		
GMR Enterprises Private Limited [GEPL]	-	39.23
<b>k. Contribution towards Corporate Social Responsibility</b>		
GMR Varalakshmi Foundation [GVF]	6.28	5.00
<b>l. Donation made</b>		
GMR Varalakshmi Foundation [GVF]	-	1.75
<b>m. Rent, Hire and other Charges</b>		
Mr. Buchisanyasi Raju Grandhi	44.81	39.84
GMR Hyderabad International Airport Limited [GHIAL]	0.11	0.79
GMR Corporate Affairs Private Limited [GCAPL]	-	0.43
<b>n. Technical consultancy services (including reversals)</b>		
GMR Infrastructure Limited [GIL]	(14.18)	1,159.91
<b>o. Interest and finance charges:</b>		
GMR (Badrinath) Hydro Generation Private Limited [GBHPL]	-	33.57
GMR Infrastructure Limited [GIL]	-	12.40
GMR Energy Limited [GEL]	1,156.13	1,186.37
GMR Enterprises Private Limited [GEPL]	210.04	-
<b>p. Travelling Expenses</b>		
Delhi International Airport Limited [DIAL]	-	1.23
<b>q. Other expenses</b>		
Delhi International Airport Limited [DIAL]	1.22	1.08
Mr. Buchisanyasi Raju Grandhi	0.98	0.90
GMR Hyderabad International Airport Limited [GHIAL]	2.80	0.16
GMR Infrastructure Limited [GIL]	0.28	-
RAXA Security Services Limited [RSSI]	-	0.39
<b>r. Business Promotion Expenses</b>		
JSW GMR Cricket Private Limited [JGCPL] [formerly GMR Sports Private Limited]	25.12	-
<b>s. Membership fees recovered :</b>		
GMR Chhattisgarh Energy Limited [GMRCEL]	2.00	-
GMR Generation Assets Limited [GGAL]	0.20	-
GMR Kamalanga Energy Limited [GKEL]	4.00	-
GMR Power Infra Limited [GPIL]	0.20	-
GMR Warora Energy Limited [GWEL]	3.00	-
<b>t. Remuneration paid to Key Management Personnel**</b>		
Mrs. Grandhi Satyavathi Smitha	67.09	54.00
Mr. Ashok Kumar Prusly	132.45	100.81



**GMR Energy Trading Limited**

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**Notes to the financial statements as on March 31, 2019****35 List of Related Parties with whom transactions have taken place during the year:****viii. Details of the transactions are as follows : \***

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
<b>u. Sitting fees (excluding taxes):</b>		
Mr. Subash Chandra Kalia	-	1.25
Mr. Vithala Satyanarayana Murthy	2.01	1.95
Mr. Kusumanchi Parameswara Rao	1.59	0.65
<b>v. Security Deposit written off</b>		
RAXA Security Services Limited (RSSL)	7.55	-
<b>w. Interest accrued written off</b>		
GMR Generation Assets Limited (GGAL)	1,032.21	-
<b>x. Security Deposit receivable:</b>		
RAXA Security Services Limited (RSSL)	-	7.55
GMR Family Fund Trust (GFFT)	57.61	57.61
Kakinada SEZ Private Limited (KSPIL)	8,500.00	8,500.00
<b>y. Earnest Money Deposit given and receivable:</b>		
Delhi International Airport Limited (DIAL)	10.00	-
<b>z. Inter Corporate loan and deposit given:</b>		
GMR Generation Assets Limited (GGAL)		
Opening Balance	18,578.76	22,864.15
Add: Granted during the year	3,024.01	912.00
Add: Interest accrued principalised	3,545.53	-
Less: Refunded / repaid during the year	(2,500.00)	(5,197.39)
Closing balance	22,648.30	18,578.76
GMR Bajaj Holi Hydropower Private Limited (GBHHPL)		
Opening Balance	-	-
Add: Granted during the year	3,170.00	-
Less: Refunded / repaid during the year	-	-
Closing balance	3,170.00	-
GMR Infrastructure Limited (GIL)		
Opening Balance	13,818.28	-
Add: Granted during the year	11,274.43	13,818.28
Less: Refunded / repaid during the year	(20,416.15)	-
Closing balance	4,676.56	13,818.28
<b>aa. Interest receivable on Inter Corporate deposit / loans:</b>		
GMR Generation Assets Limited (GGAL)	89.22	3,031.78
GMR Infrastructure Limited (GIL)	3.55	106.86
GMR Bajaj Holi Hydropower Private Limited (GBHHPL)	159.51	-
Kakinada SEZ Private Limited (KSPIL)	1,055.75	24.92
<b>ab. Inter Corporate Loan and Deposit taken</b>		
GMR Energy Limited (GEL)		
Opening Balance	12,667.00	7,667.00
Add: Received during the year	4,000.00	7,700.00
Less: Repaid during the year	(10,038.81)	(2,700.00)
Closing balance	6,628.19	12,667.00
GMR (Badrinath) Hydro Generation Private Limited (GBHPL)		
Opening Balance	-	-
Add: Received during the year	-	5,100.00
Less: Repaid during the year	-	(5,100.00)
Closing balance	-	-
GMR Infrastructure Limited (GIL)		
Opening Balance	-	-
Add: Received during the year	-	5,800.00
Less: Repaid during the year	-	(5,800.00)
Closing balance	-	-





# **GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

Notes to the financial statements as on March 31, 2019

35 List of Related Parties with whom transactions have taken place during the year:

viii. Details of the transactions are as follows : \*

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
GMR Enterprises Private Limited [GEPL]		
Opening Balance		-
Add: Received during the year	7,500.00	-
Less: Repaid during the year	(7,500.00)	-
Closing balance	-	-
ac. Interest payable on Inter Corporate deposit / loans		
GMR Energy Limited [GEL]	292.37	1,287.88
GMR (Badrinath) Hydro Generation Private Limited [GBHPL]	-	3.39
GMR Infrastructure Limited [GIL]	-	11.59
ad. Unbilled Revenue		
Delhi International Airport Limited [DIAL]	200.81	415.92
ae. Due from:		
GMR Chhattisgarh Energy Limited [GMRCEL]	2,725.44	2,976.36
GMR Infrastructure Limited [GIL]	9.44	-
af. Due to:		
GMR Warora Energy Limited [GWEL]	22,225.57	21,422.51
GMR Kamalanga Energy Limited [GKEL]	5,419.65	1,475.92
GMR Generation Assets Limited [GGAL]	-	58.53
GMR Power Infra Limited [GPIL]	-	16.42
GMR Enterprises Private Limited [GEPL]	37.82	39.23
Mr. Buchisanyasi Raju Grandhi	4.52	6.16
GMR Hyderabad International Airport Limited [GHIAL]	2.95	0.56
GMR Corporate Affairs Private Limited [GCAPL]	117.55	119.64
GMR Energy Limited [GEL]	-	0.45
GMR Infrastructure Limited [GIL]	-	139.84
Mrs. Grandhi Satyavathi Smitha	7.92	0.42
Mr. Ashok Kumar Prusty	0.37	1.29

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

#- Netted off with revenue from operations as explained in Note No. 19(a).

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

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
a. Short term employee benefits	192.26	148.83
b. Post - Employment Benefits (Provident Fund and Superannuation Fund)	7.28	5.98
c. Termination Benefits	-	-
d. Any other Payment/ benefits	3.60	3.85

36 The Company has a process of obtaining balance confirmations from its vendors and customers. As on the date of the financials, the Company is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management however does not expect any material difference affecting the current year's financial statements due to the same.

37 The Company is engaged primarily in the business of trading of electricity. As per the requirements of Ind AS 108, "Operating Segments", the principal revenue generating activities of the Company is from trading of electricity which is regularly reviewed by the Entity's Chief Operating Decision Maker (CODM) for the purpose of resource allocation and performance assessment. Accordingly, the management is of the view the Company has a single reportable segment and the requirements of reporting on operating segments and related disclosures as envisaged in Indian Accounting Standard 108 is not applicable to the present activities of the Company.

The Company's only segment being trading of electricity comprises of four customers which have contributed more than 10% of the revenue during the year amounting to Rs. 21,539.48 Lakhs (net of Ind AS 115 adjustment as explained in Note No. 19(a)) [March 31, 2018 : 2 customers amounting to Rs. 70,502.83 Lakhs].



**GMR Energy Trading Limited**

CIN : U31200KA2008PLC045104

**Notes to the financial statements as on March 31, 2019**

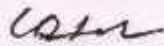
- 38 a) The Company, at any point in time during the year has not entered into derivative contracts and there are no derivative contracts outstanding as at March 31, 2019.
- b) The Company does not have any financial assets or liabilities which are denominated in foreign currency as at the Balance Sheet date.
- 39 Figures of the previous year wherever necessary, have been regrouped and rearranged to conform with those of the current year.

As per our report of even date attached

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number : 101720W/W100355



Chandan Lala

Partner

Membership No.: 035671



Place: Mumbai

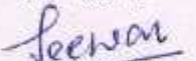
Date: April 19, 2019

**For and on behalf of the Board of Directors**

GMR Energy Trading Limited



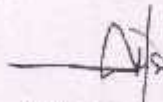
Ashok Kumar Prusty  
Whole-time Director  
DIN: 07603471



Jeewan Pandey  
Chief Financial Officer  
Membership No.: 509863

Place: New Delhi

Date: April 19, 2019



Ashis Basu  
Director  
DIN: 01872283



Manisha Tripathi  
Company Secretary  
Membership No.: A-47334

