BRAHMAYYA & CO.,
CHARTERED ACCOUNTANTS

PHONE : +91-80-22274551, 22274552
FAX : +91-80-22212437
EMAIL : srinivas@brahmayya.com
admin@brahmayyablr.com
'KHIVRAJ MANSION'
10/2, KASTURBA ROAD,
BENGALURU - 560 001.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMR KRISHNAGIRI SIR LIMITED
(FORMERLY, GMR KRISHNAGIRI SEZ LIMITED)
Report on the Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of **M/s. GMR Krishnagiri SIR Limited** (the **"Company"**), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "Ind AS financial statements").

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

Basis for Opinion:

3. 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 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 together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

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

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

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

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

Management's Responsibility for the Ind AS Financial Statements:

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities , selection and application of appropriate accounting policies, making judgements 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 accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements:

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

9. A further description of our responsibilities for the audit of the financial statements is as follows:

   A. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
      (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
      (ii) 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.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

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

(iv) 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 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.

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

B. 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.

C. 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.

D. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

BRAHMAYYA & CO. Chartered Accountants BENGALURU

Report on Other Legal and Regulatory Requirements:

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "**Annexure - A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extend applicable.

11. 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), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) On the basis of written representations received from the directors as on 31st March 2019 taken on record by the board of directors, none of the directors are disqualified as on 31st March, 2019 from being appointed as directors in terms of section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financials controls with reference to financial statements.

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

i. The Company does not have any material pending litigations as on the date of the balance sheet.
ii. The Company did not have long-term contracts including derivative contracts for which there were any material foreseeable losses.
iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Brahmayya & Co.,**
Chartered Accountants
ICAI Firm registration no: 000515S

G. Srinivas
Partner
Membership number: 086761

Place: New Delhi
Date: 30th April, 2019

BRAHMAYYA & CO. Chartered Accountants BENGALURU

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019 we report that:

(i) In respect of the Company's fixed assets

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) The Company has a program of verification to cover all the items Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The activities of the Company did not involve purchase of inventory and sale of goods during the year and accordingly Clause (ii) of the paragraph 3 of the Order is not applicable to the Company for the year.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, Limited Liability Partnership or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses from (iii) (a) to (iii) (c) of paragraph 3 of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations provided to us, provisions of section 185 and 186 of the Companies Act 2013 and in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and other material statutory dues applicable to it, have generally been regularly deposited with the appropriate authorities.

b) According to the information and explanations given to us, there were no undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and other material statutory dues which were outstanding, as at 31 March, 2019 for a period of more than six months from the date they became payable.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

c) According to the information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, and Cess which have not been deposited on account of dispute.

(viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration to its Manager during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For **Brahmayya & Co.,**
Chartered Accountants
ICAI Firm registration no: 000515S

G. Srinivas
Partner
Membership number: 086761

Place: New Delhi
Date: 30th April, 2019

BRAHMAYYA & CO. Chartered Accountants BENGALURU

Annexure - B to the Independent Auditors' 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 with reference to financial statements of M/s. GMR Krishnagiri SIR Limited ("the Company") as at 31 March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

Meaning of Internal Financial Controls with reference to financial statements.

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that,

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements.

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to financial statements 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 Brahmayya & Co.,
Chartered Accountants
ICAI Firm registration no: 000515S

G. Srinivas
Partner
Membership number: 086761

BRAHMAYYA & CO. Chartered Accountants BENGALURU

Place: New Delhi
Date: 30th April, 2019

GMR Krishnagiri SIR Limited
(Formerly GMR Krishnagiri SEZ Limited)
Balance Sheet as at 31st March 2019

Amount in INR

	Particulars	Notes	As at 31st March 2019	As at 31st March 2018
I	**ASSETS**			
	(1) Non-current assets			
	(a) Property, Plant and Equipment	3	34,10,931	45,01,185
	(b) Investment Property under construction	4	6,31,23,87,192	5,72,01,92,293
	(c) Other Intangible Assets	5	1,05,435	2,43,350
	(d) Financial Assets			
	(i) Loans	6	24,50,730	23,01,730
	(e) Other non-current assets	7	9,85,12,071	11,88,86,148
	(2) Current assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	9	16,33,559	1,71,68,793
	(b) Other current assets	7	31,23,813	81,50,820
	(c) Current Taxes	8	3,29,479	-
	Total Assets		**6,42,19,53,209**	**5,87,14,44,319**
II	**EQUITY AND LIABILITIES**			
	(1) Equity			
	(a) Equity Share capital	10	1,17,50,00,000	1,17,50,00,000
	(b) Other Equity	11	-2,47,19,036	86,64,835
	LIABILITIES			
	(2) Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	2,71,36,51,113	2,74,25,41,000
	(b) Provisions	15	44,60,992	1,11,76,254
	(3) Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	67,07,53,831	-
	(ii) Security Deposit	13	1,06,24,68,095	1,50,00,00,000
	(iii) Other financial liabilities	13	78,60,33,879	40,49,00,134
	(b) Other current liabilities	14	3,14,07,941	2,38,82,027
	(c) Provisions	15	28,96,394	46,26,532
	(d) Current tax Provisions	16	-	6,53,537
	Total Equity and Liabilities		**6,42,19,53,209**	**5,87,14,44,319**

As per our report of even date

For Brahmayya & Co.,
Firm Registration No: 000515S
Chartered Accountants

G. Srinivas
Partner
Membership Number: 086761

Place : NEW DELHI
Date: 30th April, 2019

BRAHMAYYA & CO. Chartered Accountants BENGALURU

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

BVN Rao
Director
DIN 00051167

Mohanrao M
Director
DIN 02506274

Sanjay Kumar Jain
Company Secretary

Govind Bhat Padyana
Chief Financials Officer

Place : Delhi
Date: 30th April, 2019

GMR Krishnagiri SIR Limited

GMR Krishnagiri SIR Limited

(Formerly GMR Krishnagiri SEZ Limited)
Statement of Profit and Loss for the yesr ended 31st March 2019

Amount in INR

	Particulars	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
I	**REVENUE**			
	Revenue From Operations		-	-
	Other Income	17	12,84,791	6,974
	Total Revenue (I)		**12,84,791**	**6,974**
II	**EXPENSES**			
	Employee Benefits Expense	18	50,67,990	4,30,478
	Depreciation and amortization expense	19	-	26,01,339
	Other Expenses	20	2,32,21,288	2,07,31,366
	Total expenses (II)		**2,82,89,278**	**2,37,63,182**
III	Profit before exceptional items and tax (I-II)		**-2,70,04,487**	**-2,37,56,208**
IV	Exceptional Items		-	-
V	Profit/(loss) before tax (III-IV)		**-2,70,04,487**	**-2,37,56,208**
VI	Tax expense:			
(1)	Current Tax		-	3,45,555
(2)	Adjustments of tax relating to earlier year		96,370	-
(3)	Deferred Tax		-	-
VII	Profit/(loss) for the period (V-VI)		**-2,71,00,857**	**-2,41,01,763**
VIII	Other Comprehensive Income			
	A Items that will be reclassified to profit or loss			
	B Items that will not be reclassified to profit or loss			
	Re-measurement gains (losses) on defined benefit plans			-
	Income tax effect		-	-
IX	Total Comprehensive Income for the period (VII + VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**-2,71,00,857**	**-2,41,01,763**
X	Earnings per equity share:			
	(1) Basic		-0.23	-0.21
	(2) Diluted		-0.23	-0.21

As per our report of even date

For **Brahmayya & Co.,**
Firm Registration No: 000515S
Chartered Accountants

G. Srinivas
Partner
Membership Number: 086761

Place : NEW DELHI
Date: 30th April, 2019

BRAHMAYYA & CO.
Chartered Accountants
BENGALURU

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

BVN Rao
Director
DIN 00051167

Mohanrao M
Director
DIN 02506274

Sanjay Kumar Jain
Company Secretary

Govind Bhat Padyana
Chief Financials Officer

Place : Delhi
Date: 30th April, 2019

GMR Krishnagiri SIR Limited

GMR Krishnagiri SIR Limited
(Formerly GMR Krishnagiri SEZ Limited)
Statement of Changes in Equity for the year ended 31 March 2019
(Amounts in Rupees, unless otherwise stated)

		Attributable to the equity holders of the parent			
			Reserves and surplus		
	Issued capital	Equity component of loans	Retained earnings	Total	Total equity
At 31 March 2017	1,17,50,00,000	18,15,68,508	-14,88,01,910	1,20,77,66,598	1,20,77,66,598
Profit for the period	-	-	-2,41,01,763	-2,41,01,763	-2,41,01,763
Reserves of the amalgamating company acquired in business combination	-		-	-	-
Adjustment for the removal of the intercompany transactions	-		-	-	-
At 31 March 2018	1,17,50,00,000	18,15,68,508	-17,29,03,673	1,18,36,64,835	1,18,36,64,835
Profit for the period	-	-	-2,71,00,857	-2,71,00,857	-2,71,00,857
Fair Valuation of corporatee Guarantee	-	-	-62,83,014	**-62,83,014**	-62,83,014
At 31 March 2019	1,17,50,00,000	18,15,68,508	-20,62,87,544	1,15,02,80,964	1,15,02,80,964

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

GMR Krishnagiri SIR Limited

(Formerly GMR Krishnagiri SEZ Limited)

Statement of cash flows for the year ended 31 March 2019

Amount in INR

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	*Cash flow from operating activities:*		
	A. *Profit before tax*	(2,70,04,487)	(2,37,56,207)
	B. *Adjustment for non-cash transactions:*		
	a. Depreciation and amortization expenses	-	26,01,339
	b. Investment WIP written-off	1,78,02,603	1,28,51,364
		1,78,02,603	**1,54,52,703**
	C. *Adjustment for investing and financing activities:*		
	Interest income earned	-	(1,031)
	Interest expense - fair value adjustment	(62,83,014)	-
		(62,83,014)	**(1,031)**
	C. *Adjustment for changes in working capital:*		
	a. Decrease / (increase) in other financial assets	(1,49,000)	12,35,379
	b. Decrease / (increase) in other current assets	50,27,007	(6,62,242)
	c. (Decrease) /Increase in trade payables	-	(33,44,627)
	d. (Decrease) /Increase in other financial liabilities	(5,63,98,160)	1,65,05,55,280
	e. (Decrease) /Increase in other current liabilities	75,25,914	1,72,62,347
	f. (Decrease) /Increase in provisions	(84,45,399)	63,94,331
		(5,24,39,639)	**1,67,14,40,468**
	D. *Cash generated from operations (A+B+C)*	**(6,79,24,537)**	**1,66,31,35,933**
	Less: Direct taxes paid (net of refunds)	(10,79,386)	(36,211)
	Net cash flow from operating activities (I)	**(6,90,03,923)**	**1,66,30,99,722**
II.	*Cash flows from investing activities*		
	a. Purchase of property, plant and equipment	(1,70,812)	(1,56,901)
	b. Sale proceeds from disposal of property, plant and equipment	-	-
	c. Payments to capital creditors, other non-current assets (net of written off's)	2,03,74,077	
	d. Payments made for investment property	(60,85,98,521)	(56,94,72,195)
	e. Proceeds from sale of current investments	-	-
	f. Interest Income received	-	1,031
	Net cash flow from/ (used in) investing activities (II)	**(58,83,95,256)**	**(56,96,28,065)**
III.	*Cash flows from financing activities*		
	a. Proceeds from borrowings	64,18,63,944	(1,08,25,92,106)
	b. Repayment of borrowings	-	-
	c. Interest paid	-	-
	Net cash flow (used in) financing activities (III)	**64,18,63,944**	**(1,08,25,92,106)**
IV.	***Net (decrease) in cash and cash equivalents (I + II + III)***	**(1,55,35,234)**	**1,08,79,551**
	Cash and cash equivalents at the beginning of the year	1,71,68,793	62,89,242
	Cash and cash equivalents acquired through merger	-	-
V.	***Cash and cash equivalents at the end of the year***	**16,33,559**	**1,71,68,793**
IV.	*Components of cash and cash equivalents:*		
	a. Cash on hand	2,51,592	3,74,573
	b. Cheques, Drafts and Stamps on hand	-	-
	c. With banks:		
	i. On Current Account	13,81,967	1,67,94,220
	ii. On Deposit Account having original maturity less than tree months	-	-
	Total cash and cash equivalents	**16,33,559**	**1,71,68,793**

Notes:

1. The above cashflow statement has been prepared under the 'Indirect Method' as set out in the IND AS - 7 on cashflow statements as referred to in section 133 of the Companies Act, 2013.

2. The above cashflow statement has been compiled from and is based on the Balance Sheet as at March 31, 2019 and the related statement of profit and loss for the year ended on that date.

As per our report of even date

For **Brahmayya & Co.,**
Firm Registration No: 000515S
Chartered Accountants

G. Srinivas
Partner
Membership Number: 086761

Place: NEW DELHI
Date: 30.04.2019

BRAHMAYYA & CO. Chartered Accountants BENGALURU

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

BVN Rao
Director
DIN 00051167

Mohnarao M
Director
DIN 02506274

Sanjay Kumar Jain
Company Secretary

Govind Bhat Padyana
Chief Financial Officer

Place : Delhi
Date: 30th April, 2019

GMR Krishnagiri SIR Limited

3. Property, plant and equipment **Amount in INR**

Particulars	Leasehold Improvements	Furniture & fixtures	Office equipment	Vehicles	Electrical Fittings	Building	Total
Cost							
Deemed cost as at 01.04.2017	**2,40,00,916**	**40,81,748**	**36,89,652**	**14,14,557**	**5,41,207**	**65,81,162**	**4,03,09,242**
Additions	-	-	1,56,901	-	-	0	1,56,901
Disposals	-	-	19,03,271	-		-	19,03,271
Adjustments	-	-	-	-		-	-
As at 31.03.2018	**2,40,00,916**	**40,81,748**	**19,43,282**	**14,14,557**	**5,41,207**	**65,81,162**	**3,85,62,872**
Additions	-	-	1,70,868	-		-	1,70,868
Disposals	-	16,79,657	-	-			16,79,657
As at 31.03.2019	**2,40,00,916**	**24,02,091**	**21,14,150**	**14,14,557**	**5,41,207**	**65,81,162**	**3,70,54,084**
Depreciation							
As at 01.04.2017	2,40,00,915	13,42,019	22,26,070	15,122	1,10,152	43,54,414	**3,20,48,692**
Charge for the year	-	7,63,803	4,99,424	4,00,376	55,992	21,96,656	39,16,251
Disposals	-	-	19,03,256	-			19,03,256
As at 31.03.2018	**2,40,00,915**	**21,05,822**	**8,22,238**	**4,15,498**	**1,66,144**	**65,51,070**	**3,40,61,688**
Charge for the period	-	3,50,940	4,23,820	4,00,349	55,916	30,091	12,61,115
Disposals	-	16,79,650	-	-			16,79,650
As at 31.03.2019	**2,40,00,915**	**7,77,112**	**12,46,058**	**8,15,847**	**2,22,060**	**65,81,162**	**3,36,43,153**
Net block							
As at 31.03.2019	**1**	**16,24,979**	**8,68,093**	**5,98,710**	**3,19,147**	**0**	**34,10,931**
As at 31.03.2018	**1**	**19,75,926**	**11,21,044**	**9,99,059**	**3,75,063**	**30,092**	**45,01,185**

BRAHMAYYA & CO.
Chartered Accountants
BENGALURU

GMR Krishnagiri SIR Limited

4. Investment Property under construction

Amounts in INR

Particulars	Total
Opening balance at 1 April 2017	**5,16,15,33,737**
Add: Additions during the year	55,86,58,556
Closing balance at 31 March 2018	**5,72,01,92,293**
Add: Additions during the period	59,21,94,899
Closing balance at 31st March 2019	**6,31,23,87,192**
Depreciation and impairment	
Opening balance at 1 April 2017	-
Depreciation	-
Closing balance at 31 March 2018	-
Depreciation	-
Closing balance at 31st March 2019	-
Net Block	
at 31st March 2019	**6,31,23,87,192**
at 31st March 2018	**5,72,01,92,293**

The Company's investment properties under sonstruction consist of Lands admeasuring 1323.06 and 1283.80 Acres in Krishnagiri District,Tamilnadu. As at 31st March 2019 and 31 March 2018, the fair values of the properties are INR 685.47 Cr and INR 641.62 Cr respectively. These valuations are based on valuations performed by Gabriel Ebenezer B.E, F.I.V, (an accredited independent valuer and Chartered Surveyors is specialist in valuing these types of investment properties) as on 31st March 2019. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The lands admeasuring to 687 Ac are mortgaged to LIC, 293 Ac are mortgaged to Delhi International Airport Limited and 295 Ac are mortgaged to Vijay Bank Limited towards security against loans taken by Holding company GMR Ifnrastructure Limited. To that extent the company has restrictions on the realisability of its investment properties.

Reconciliation of fair value

	Investment properties
	Lands
	INR Crore
Opening balance as at 1 April 2018	**641.62**
Fair value difference	41.12
Purchases	2.73
Closing balance as at 31st March 2019	**685.47**

Valuation technique used -

Belting method has been adopted for valuation that means by applying appropriate rate per Acre for each plot considering the factors such as location, Location features, Size & shape of the land/plot availability, Topography, Soil Conditions, encumbrances, infrastructure, land use regulations, Government legislation etc. and finally average out rate per acre for entire piece of land.

5. Intangible Assets

Amounts in INR

Particulars	Software	Total
Gross block		
As at 1.04.2017	28,18,448	28,18,448
Additions	-	-
Disposals		-
As at 31.03.2018	**28,18,448**	**28,18,448**
Additions	-	-
Disposals		-
As at 31.03.2019	**28,18,448**	**28,18,448**
		-
Amortization	18,52,299	18,52,299
As at 1.04.2015	-	-
Charge for the year	7,22,798	7,22,798
Disposals	-	-
As at 31.03.2018	**25,75,098**	**25,75,098**
Charge for the period	1,37,915	1,37,915
Disposals	-	-
As at 31.03.2019	**27,13,013**	**27,13,013**
Net block		-
As at 31.03.2019	**1,05,435**	**1,05,435**
As at 31.03.2018	**2,43,350**	**2,43,350**

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

6. Financial assets
Loans

	Long Term		Short Term	
	31.Mar.19	**31.Mar.18**	**31.Mar.19**	**31.Mar.18**
Carried at amortised cost				
Security deposits				
Unsecured, considered good, to related parties	-	-	-	-
Unsecured, considered good, to other parties	24,50,730	23,01,730	-	-
	24,50,730	**23,01,730**	-	-

Amounts in INR

7. Other Non-Current assets

Amounts in INR

	Long Term		Short Term	
	31.Mar.19	**31.Mar.18**	**31.Mar.19**	**31.Mar.18**
Advances recoverable in cash or kinds			17,70,667	79,72,980
Prepaid expenses	-	-	13,53,146	1,77,840
Capital Advance	65,99,395	3,34,44,088		
Balance with statutory / government Authorities	9,19,12,676	8,54,42,060	-	-
	9,85,12,071	**11,88,86,148**	**31,23,813**	**81,50,820**

8. Current Tax

Amounts in INR

	Long Term		Short Term	
	31.Mar.19	**31.Mar.18**	**31.Mar.19**	**31.Mar.18**
Advance income tax (net of provision)	-	-	3,29,479	-
	-	-	**3,29,479**	-

9. 'Cash and Cash Equivalent

Amounts in INR

Particulars	31.Mar.19	31.Mar.18
Cash and cash equivalents		
-Cash on hand	2,51,592	3,74,573
-Balances with Banks		
-In current accounts	13,81,967	1,67,94,220
Total	**16,33,559**	**1,71,68,793**

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR

10. Share Capital

Amounts in INR

Particulars	31.Mar.19	31.Mar.18
Authorised :		
15,10,00,000 (2018:15,10,00,000) Equity Shares of Rs.10 (2018: Rs.10) each	1,51,00,00,000	1,51,00,00,000
	1,51,00,00,000	1,51,00,00,000
Issued :		
11,75,00,000 (2018: 11,75,00,000) Equity Shares of Rs.10 (2018: Rs. 10) each fully paid up	1,17,50,00,000	1,17,50,00,000
Subscribed and Paid-up		
11,75,00,000 (2018: 11,75,00,000) Equity Shares of Rs.10 (2018: Rs. 10) each fully paid up	1,17,50,00,000	1,17,50,00,000
Total	1,17,50,00,000	1,17,50,00,000

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

Equity Shares	31.Mar.19	
	In Numbers	Amounts in INR
At the beginning of the year	11,75,00,000	1,17,50,00,000
Issued during the period	-	-
Outstanding at the end of the period	**11,75,00,000**	**1,17,50,00,000**

Equity Shares	31 March 2018	
	In Numbers	Amounts in INR
At the beginning of the year	11,75,00,000	1,17,50,00,000
Issued during the period	-	-
Outstanding at the end of the period	**11,75,00,000**	**1,17,50,00,000**

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Every member holding equity shares shall have voting rights in proportion to his shares of the paid up equity share capital. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding /ulitmate holding company /holding company and/or their subsidiaries/associates.

Name of Shareholder	31.Mar.19	
	No. of Shares held	Amounts in INR
GMR Infrastructure Limited and its nominees, the immediate holding company. 11,75,00,000 (2018: 11,75,00,000) Equity Shares of Rs.10 each fully paid up	11,75,00,000	1,17,50,00,000

Name of Shareholder	31 March 2018	
	No. of Shares held	Amounts in INR
GMR Infrastructure Limited and its nominees, the immediate holding company. 11,75,00,000 (2018: 11,75,00,000) Equity Shares of Rs.10 each fully paid up	11,75,00,000	1,17,50,00,000

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

Name of Shareholder	31.Mar.19	
	No. of Shares held	% Holding in Class
Equity shares of Rs.10 each fully paid		
GMR Infrastructure Limited, the immediate holding company and its nominees.	**11,75,00,000**	**100%**

Name of Shareholder	31 March 2018	
	No. of Shares held	% Holding in Class
Equity shares of Rs.10 each fully paid		
GMR Infrastructure Limited, the immediate holding company and its nominees.	**11,75,00,000**	**100%**

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.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

11 Other Equity

Amount in INR

Particulars	31.Mar.19	31 March 2018
Surplus in the statement of profit and loss		
Opening balance	-17,29,03,673	-14,88,01,910
Fair Valuation of corporatee Guarantee	-62,83,014	
	-17,91,86,687	-14,88,01,910
Add: Proft/(loss) for the year	-2,71,00,857	-2,41,01,763
Closing balance	-20,62,87,544	-17,29,03,673
Equity component of financial liabilities		
Opening balance	18,15,68,508	18,15,68,508
Adjustment for the removal of the intercompany transactions	-	-
Closing balance	18,15,68,508	18,15,68,508
Total Other equity	-2,47,19,036	86,64,835

12 Financial liabilities - Borrowings

Amount in INR

Particulars	Non - Current		Current	
	31.Mar.19	31.Mar.18	31.Mar.19	31.Mar.18
Unsecured borrowings				
Debentures				
142 (2018: 142) 12% Cumulative Optionally Convertible Debentures of Rs.10,00,000 (2018: 10,00,000) each.	14,20,00,000	14,20,00,000	-	-
Nil (March 2018: 855) 12% Cumulative Optionally Convertible Debentures of Rs.100,000 (March 2018: 100,000) each.	-	-	-	-
Loans from related parties				
Loans from group company (unsecured)	2,57,16,51,113	2,60,05,41,000	67,07,53,831	-
Total	2,71,36,51,113	2,74,25,41,000	67,07,53,831	-

The Company issued 142 numbers of 12% Cumulative Optionally Convertible Debentures of Rs.10,00,000 each aggregating to Rs. 14.2 crores to GMR Infrastructure Limited the year ended March 31, 2018. The company had also received an inter-corporate loan of Rs. 208.5 crores at an interest rate of 11% p.a. for a period of 3 years from Tambaram and Tindivanam Expressways Limited, company also taken inter corporate loan of Rs.58.83 Crores at an interest rate of 12.25% p.a for a period of 3years from GMR Infrastructure Limited. And also company taken loan of Rs.0.37 Crores at an interest rate of 12.25% p.a for a period of 3years from GMR SEZ & Port Holdings Limited for the year ended march 2018. Total outstanding as at 31st march 2018 debenture of Rs 14.20 crores and loan of Rs 260.05 crores. During the year company has taken inter corporate loan of Rs 13.33 crores at an interest rate of 12.25% p.a for a period of 5 years from GMR Infrastructure Limited Company also take short term loan of Rs.72.40 crores at an interest rate of 12.25% p.a for a period of 12 months from GMR Kishangarh Udaipur Ahmedabad Expressways Limited and company has repaid Rs.5.33 Crs to GMR Kishangarh Udaipur Ahmedabad Expressways Limited And also company has repaid the inter corporate loan of Rs.0.37 Crores to GMR SEZ & Port Holdings Limited And Company has aken inter corporate loan of Rs.1.87 Cr at an interest rate of 12.25% p.a from Honey Flower Estates Private Limited. As at 31st March 2019, the company has a total debenture of Rs 14.20 crores and loan of Rs 324.24 crores.

The debentures are optionally convertible, at the option of the debenture holders, at any time not exceeding 120 months (the term) from the date of issue of debentures into equity shares at a valuation to be mutually agreed upon as per the valuation to be done by a reputed Chartered Accountant firm at the time of conversion. In case the option is not exercised by the debenture hoder, the Debentures shall be converted by the Company into Equity Shares on the expiry of the aforesaid period.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR

13. Financial Liabilities

	Non Current		Current	
	31.Mar.19	31.Mar.18	31.Mar.19	31.Mar.18
Security Deposits				
Security Deposits to related parties			1.06.24.68.095	1.50.00.00.000
Other financial liabilities at amortised cost				
Interest accrued but not due on borrowings	-		52.85.70.919	24.30.43.047
Retention money			33.43.818	1.08.728
Non trade payable			24.90.72.322	16.17.48.359
other financials liability			50.46.820	
Total other financial liabilities	-		78.60.33.879	40.49.00.134
Total financial liabilities	-		1.84.85.01.974	1.90.49.00.135

14. Other Liabilities

Amounts in INR

	Non Current		Current	
	31.Mar.19	31.Mar.18	31.Mar.19	31.Mar.18
Statutory liabilities			3.14.07.941	2.38.82.027
Total	-	-	3.14.07.941	2.38.82.027

15. Provisions (Current and Non-Current)

Amounts in INR

	Long-term		Short-term	
	31.Mar.19	31.Mar.18	31.Mar.19	31.Mar.18
Provision for employee benefits				
Provision for Compensated Absences	37,91,034	78,36,827	4,51,648	4,44,500
Provision for Gratuity	6,69,958	33,39,427	-	-
Provision for other employee benefits		-	24,44,746	41,82,032
Total	44,60,992	1,11,76,254	28,96,394	46,26,532

16. Current tax liability

Amounts in INR

Particulars	31.Mar.19	31.Mar.18
Provision for taxation (net of advance income-tax)	-	7,29,398
Advance income tax (net of provision for current tax)	-	-75,861
	-	6,53,537

BRAHMAYYA & CO.
Chartered Accountants
BENGALURU

GMR Krishnagiri SIR Limited

17 Other income

Amounts in INR

	Year Ended 31.Mar.19	Year Ended 31.Mar.18
Other income		
Provisions no longer required, written back	-	-
Interest - Others	-	1,031
Other non-operating income	12,84,791	5,943
	12,84,791	**6,974**

18. Employee Benefits Expense

Amounts in INR

	Year Ended 31.Mar.19	Year Ended 31.Mar.18
Salaries, wages and bonus	48,28,958	3,52,775
Contribution to provident and other funds	1,96,390	63,088
Gratuity expenses	42,642	14,615
	50,67,990	**4,30,478**

19. Depreciation and amortization expense

Amounts in INR

	Year Ended 31.Mar.19	Year Ended 31.Mar.18
Depreciation of tangible assets	-	26,01,339
	-	**26,01,339**

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

20. Other expenses

Amounts in INR

	Year Ended 31.Mar.19	Year Ended 31.Mar.18
Staff welfare expenses	1,07,856	1,33,711
Rates and taxes	24,88,124	6,70,296
Advertising and sales promotion	13,52,306	57,90,135
Communication costs	31,040	7,88,763
Printing and stationery	98,757	17,40,244
Director Sitting fees	75,000	1,75,300
Books and periodicals	23,123	10,159
Rent	-	4,16,965
Roc Expenses	31,200	43,500
Logo fees	1,000	1,000
Membership and subscriptions	1,14,200	1,25,911
Social welfare expenses	9,30,074	7,09,063
Brokerage expenses	1,23,88,153	
Land Development Charges	30,41,262	
Security Expenses	-	19,15,343
Office Maintenance	1,03,785	9,21,004
Bank Charges	28,754	
Board meeting expenses	5,500	4,988
Travelling and Conveyence	7,53,739	8,37,193
Legal and Professional fees	13,55,142	61,97,243
Payments to Auditors:		
- Audit Fee	2,84,623	2,35,000
Misc Expenses	7,650	15,548
Total	2,32,21,288	2,07,31,366

Amounts in INR

	Year Ended 31.Mar.19	Year Ended 31.Mar.18
Payment to Auditors (Included in other expenses above)		
As Auditor		
Audit fee	2,00,000	2,00,000
Tax audit fee		-
In other capacity		
- Group reporting		-
Other services		
-Reimbursement of expenses	84,623	1,02,112
	2,84,623	**3,02,112**

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

21. Earnings Per Share (EPS)

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

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

Amounts in INR

Particulars	31.Mar.19	31.Mar.18
Profit attributable to equity holders of the parent		
Continuing operations	-2,71,00,857	-2,41,01,763
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	-	-
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	-	-
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	11,75,00,000	11,75,00,000
Effect of dilution:	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	11,75,00,000	11,75,00,000
Earning Per Share (Basic) (Rs)	-0.23	-0.21
Earning Per Share (Diluted) (Rs)	-0.23	-0.21
Face value per share (Rs)	10	10

BRAHMAYYA & CO.
Chartered Accountants
BENGALURU

GMR Krishnagiri SIR Limited

22. Significant accounting judgements, estimates and assumptions

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

ESTIMATES AND ASSUMPTIONS

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

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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 in currencies consistent with the currencies of the post-employment benefit obligation.

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

Further details about gratuity obligations are given in Note 22.

Fair value measurement of financial instruments

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

BRAHMAYYA & CO.
Chartered Accountants
BENGALURU

GMR Krishnagiri SIR Limited

23. Gratuity and other post-employment benefit plans

a) Defined Contribution Plans :

The Company's Contribution to Provident and Pension Fund charged to Investment properties are as follows :

Amount in INR

Particulars	2018-19	2017-18
Provident and pension fund	8,38,559	29,50,012
Total	**8,38,559**	**29,50,012**

b) Defined Benefit Plan - Gratuity as per Actuarial Valuation as at March 31, 2019 [Funded]

Amount in INR

Particulars	2018-19	2017-18
i) Change in defined benefit obligation		
Opening defined benefit obligation	63,54,616	32,56,843
Current Service Cost	4,01,902	2,51,807
Interest cost	4,69,612	2,24,325
Past Service Cost	-	18,91,887
Acquisition Cost/(Credit)	(34,86,066)	-
Actuarial loss / (gain) on obligations - experience	1,06,191	9,24,440
Benefits paid	(3,51,025)	(1,94,686)
Closing defined benefit obligation	**34,95,230**	**63,54,616**
ii) Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning of the year	30,15,190	51,83,419
Acquisition adjustment	-	(23,30,770)
Interest income on plan assets	2,16,650	2,78,894
Return on plan assets greater /(lesser) than discount rate	(77,504)	63,553
Contributions by employer	21,961	14,780
Benefits paid	(3,51,025)	(1,94,686)
Closing fair value of plan assets	**28,25,272**	**30,15,190**
iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	34,95,230	63,54,616
Fair Value of plan assets at year end	28,25,272	30,15,190
Funded status	**6,69,958**	**33,39,426**
Less : Asset ceiling adjustment	-	-
Net defined benefit asset/ (liability) recognized	**6,69,958**	**33,39,426**
iv) Expenses recognised during the period		
In Investment properties		
Current Service Cost	4,01,902	21,43,694
Net interest on net defined benefit liability / (asset)	2,52,962	(54,569)
	6,54,864	20,89,125
In Investment properties		
Actuarial (gain)/loss on defined benefit obligation - Experience Adjustments	1,06,191	9,24,440
Actuarial changes arising from changes in demographic assumptions		
Actuarial changes arising from changes in financial assumptions		
Return on plan assets (greater)/less than discount rate	77,504	(63,553)
	1,83,695	8,60,887
Total expense	**8,38,559**	**29,50,012**

v) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

	2018-19	2017-18
Investment with Insurer managed funds	100%	100%
vi) Principal actuarial assumptions used		
Discount rate (p.a.)	7.60%	7.10%
Expected rate of return on plan assets (p.a.)	7.60%	7.60%
Expected rate of increase in salary	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement Age	60 Years	60 Years

c) Leave Encashment

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 42,42,282 as at March 31, 2019 [March 31, 2018: Rs. 55,99,140/-).

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

24 Commitments and Contingencies

I Contingent Liabilities

The Company has a contingent liability towards its lands pledged against the loan availed by its holding company, GMR Infrastructure Limited as below as on 31st March 2019:

Loan availed from	No. of Acres pledged	Amount of loan (Rs. in crores)
LIC *	687	107.14
DIAL	293	146.71
Vijay Bank	295	119.36
Total	**1275**	**373.21**

*Originally 717 Acres pledged for Rs. 150 Crores borrowings, later 30 acres released and accordingly the contingent liability of the company has been reduced.

II Commitments

Amounts in INR

	31 March, 2019	31 March, 2018
a.Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	NIL	NIL

BRAHMAYYA & CO.
Chartered Accountants
BENGALURU

GMR Krishnagiri SIR Limited

25. Related Party transactions

(A) Names of Related parties and nature of related party relationships

(a) Fellow Subdiaries	GMR Tambaram Tindivanam Expressway Limited (GTTEL) Advika Properties Private Limited (APPL) Aklima Properties Private Limited (Aklima) Amartya Properties Private Limited (Amartya) Asteria Real Estates Private Limited (AREPL) Deepesh Properties Private Limited (DPPL) Dhruvi Securities Limited (Dhruvi) Eila Properties Private Limited (EPPL) Geokno India Private Limited(Geokno) GMR Aero Structure Limited (GASL) GMR Corporate Affairs Private Limited (GCAPL) GMR Highways Private Limited (GHPL) GMR Hospitality & Retail Limited (GHRL) GMR Hyderabad Vijayawada Expressway Private Limited (GHVEPL) GMR Infra Services Limited (GISL) GMR Kamalanga Energy Limited (GKEL) GMR Kishangarh Udaipur Ahmedabad Expressway Private Limited (GKUAEPL) GMR Pochanapalli Expressway Limited (GPEL) GMR Power Corporation Ltd (GPCL) GMR Rajamundhry Energy Ltd (GREL) GMR SEZ & Port Holdings Limited (GSPHL) GMR Tuni Anakapalli Expressway Limited (GTAEL) GMR Varalakshmi Foundation GMRVF Idika Properties Private Limited (IPPL) Kakinada SEZ Limited (KSL) Lakshmipriya Properties Private Limited (LPPL) Nadira Properties Private Limited (NPPL) Padmapriya Properties Private Limited (PPPL) Prakalpa Properties Private Limited (Prakalpa) Radhapriya Properties Private Limited (RPPL) Raxa Security Services Limited (RSSL) Shreyadita Properties Private Limited (SPPL) Sreepa properties Private Limited (Sreepa)
(b) Holding company	GMR Infrastructure Limited GMR Enterprise Private Limited
(c) Key management personnel	Mr. Jagadeeswara Rao M - Manager Mr. Govind Bhat Padyana - Chief Financial Officer Mr. Sanjay Kumar Jain - Company Secretary
(d) Relatives of Key Management Personnel of the Company	Mrs.Ramadevi B - Relatives of Director
(é) Enterprise where key management personnel and their relatives exercise significant influence	GMR Bannerghatta Properties Private Limited (GBPPL) Vijaya Nivas Real Estates Private Limited (VNREPL)

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

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

Particulars	As at March 31, 2019	As at March 31, 2018
i) Inter Corporate Loan taken		
Enterprises that control the Company - GIL	13,33,41,000	60,48,41,000
Fellow subsidiary - GKUAEL	72,40,00,000	-
Fellow subsidiary - HFEPL	1,98,00,000	-
Fellow subsidiary - PPPL	-	30,00,000
Fellow subsidiary - GSPHL	-	2,54,50,000
Fellow subsidiary - GASL	-	21,00,00,000
ii) Refund of Inter Corporate Loan :		
Enterprises that control the Company - GIL	17,72,30,887	81,08,33,106
Fellow subsidiary - GTTEPL	-	85,054
Fellow subsidiary - Dhruvi	-	9,00,00,000
Fellow subsidiary - PPPL	-	30,00,000
Fellow subsidiary - GSPHPL	37,00,000	2,17,50,000
Fellow subsidiary - GASL	-	21,00,00,000
Fellow subsidiary - GKUAEL	5,32,46,169	-
Fellow subsidiary - HFEPL	11,00,000	-
iii) Repayment of Debentures:		
Enterprises that control the Company - GIL	-	82,05,00,000
iv) Security Charges paid to :		
Fellow subsidiary - RSSL	35,34,663	31,31,499
v) Interest on 12% (previous year : 12%) Cumulative Optionally Convertible Debentures		
Enterprises that control the Company - GIL	1,70,40,000	3,22,57,677
vi) Interest on Inter Corporate Loan		
Fellow subsidiary - PPPL	-	82,307
Fellow subsidiary - GTTEPL	22,09,35,000	22,09,35,000
Fellow subsidiary - Dhruvi	-	62,52,534
Fellow subsidiary - GSPHPL	1,11,760	4,45,206
Fellow subsidiary - GASL	-	89,50,890
Enterprises that control the Company - GIL	5,47,61,535	4,12,33,846
Fellow subsidiary - GKUAEL	5,22,93,930	-
Fellow subsidiary - HFEPL	5,22,018	-
vi) Annual License Fee for trade license rights		
Enterprises that control the Company - GHPL	1,120	1,110
vii) Reimbursement of Expenses to:		
Fellow subsidiary - PPPL	-	80,523
Fellow subsidiary - SPPL	-	70,790
Fellow subsidiary - GMRVF	8,38,253	5,42,518
Fellow subsidiary - RPPL	1,31,27,716	1,12,47,092
Enterprises that control the Company - GIL	12,87,025	51,77,036
Fellow subsidiary - GSPHPL	30,254	-
Fellow subsidiary-GCAPL	12,681	-
Fellow subsidiary-GHRL	22,125	-
viii) Reimbursement of Expenses by:		
Fellow subsidiary - DPPL	1,668	1,51,724
Fellow subsidiary - HFEPL	6,59,799	7,65,488
Fellow subsidiary - PPPL	2,36,741	42,87,724
Fellow subsidiary - KSL	-	75,803
Enterprises that control the Company - GIL	55,219	-
Fellow subsidiary - GSPHPL	5,205	-
Fellow subsidiary - GREL	9,48,777	-
Fellow subsidiary - NPPL	370	-
Fellow subsidiary - AREPL	1,468	-
Fellow subsidiary - GISL	3,900	-
Fellow subsidiary - APPL	4,134	-
Fellow subsidiary - Aklima	2,834	-
Fellow subsidiary - Amartya	1,334	-
Fellow subsidiary - EPPL	4,750	-
Fellow subsidiary - LPPL	8,800	-
Fellow subsidiary - IPPL	668	-
Fellow subsidiary - Prakalpa	300	-
Fellow subsidiary - SPPL	2,434	-
Fellow subsidiary - Sreepa	2,800	-
Fellow Subsidiary-GEOKNO	-	18,66,063
Fellow subsidiary - GPCL	-	93,732
Enterprise where key management personnel and their relatives exercise significant influence - GBPPL	-	1,51,347
Enterprise where key management personnel and their relatives exercise significant influence - VNREPL	-	348
ix) Security deposit received from :		
Fellow subsidiary - RSSL	-	1,50,00,00,000
x) Refund of Security deposit received to :		
Fellow subsidiary - RSSL	43,75,31,905	-
Relatives of Director - B Rammadevi	2,01,000	
xi) Interest on Security deposit :		
Fellow subsidiary - RSSL	14,84,12,756	16,43,53,451

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

(C) Outstanding Balances at the year-end :

Particulars	As at March 31, 2019	As at March 31, 2018
i) Allotment of Equity Share Capital		
Holding Company – GIL	1,17,50,00,000	1,17,50,00,000
ii) 12% Cumulative Optionally Convertible Debentures		
Holding Company – GIL	14,20,00,000	14,20,00,000
iii) Interest due on 12% (Previous year: 12%) Cumulative Optionally Convertible Debentures		
Holding Company – GIL	1,70,40,000	79,87,847
iv) Inter Corporate Loan taken		
Fellow subsidiary – GTTEPL	2,00,85,00,000	2,00,85,00,000
Fellow subsidiary – GKUAEL	67,07,53,831	-
Fellow subsidiary – HFEPL	1,87,00,000	-
Holding Company – GIL	54,44,51,113	58,83,41,000
Fellow subsidiary – GSPHPL	-	37,00,000
v) Interest due on Inter Corporate Loan		
Fellow subsidiary – GTTEPL	40,42,20,532	20,53,79,032
Fellow subsidiary – GKUAEL	4,67,10,704	-
Holding Company – GIL	6,01,88,766	2,95,43,671
Fellow subsidiary – HFEPL	4,10,917	-
Fellow subsidiary – GSPHPL	-	1,22,272
Fellow subsidiary – Padmapriya	-	10,225
vi) Rental deposit		
Relatives of Director - B Rammadevi	-	2,01,000
vii) Debtors / Receivable		
Holding Company – GIL	6,76,195	9,24,643
Fellow subsidiary – PPPL	-	46,56,100
Fellow subsidiary – Geokno	4,98,142	1,74,219
Fellow subsidiary-GHPL	16,305	16,305
Fellow subsidiary-GPCL	543	94,275
Fellow subsidiary-GKEL	-	1,52,862
Fellow subsidiary-GCAPL	6,681	
Fellow subsidiary-GREL	9,48,777	-
viii) Creditors / payable		
Fellow subsidiary – RSSL	1,29,03,92,166	1,64,92,89,827

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

26. Fair values

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

27. Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. 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.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.

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

► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

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 does not have fluctuating interest rate borrowings, thus company does not have any interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have exposure to foreign currency payable or receivable balances and hence it does not have any foreign currency risk.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

28 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to 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 total debt divided by total capital plus total debt.

Amount in INR

	At 31 March 2019	At 31 March 2018
Borrowings	3,38,44,04,944	2,74,25,41,000
Total debt	**3,38,44,04,944**	**2,74,25,41,000**
Capital Components		
share Capital	1,17,50,00,000	1,17,50,00,000
Other equity	-2,47,19,036	86,64,835
Total Capital	**1,15,02,80,964**	**1,18,36,64,835**
Capital and net debt	**4,53,46,85,908**	**3,92,62,05,835**
Gearing ratio (%)	**75%**	**70%**

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

29. Recent accounting pronouncements

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

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

Ind AS 116 is effective for the Group in the first quarter of fiscal year 2019 using either one of two methods:

(a) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 116 (the full retrospective method); or

(b) retrospectively with the cumulative effect of initially applying Ind AS 116 recognized at the date of initial application (April 01, 2019) and providing certain additional disclosures as defined in Ind AS 116 (the modified retrospective method).

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.

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

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

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

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

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

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

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

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

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

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

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

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

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

Amendments to Ind AS 40 - Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its financial statements.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

30. Effective tax reco

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

	Year ended 31.Mar.19	Year ended 31.Mar.18
Tax expenses		
Current tax	96,370	3,45,555
Deferred tax	-	-
Total taxes	96,370	3,45,555

Effective Tax Reconciliation for the year ended March 31, 2018
(Amount in Rupees , unless otherwise stated)

Income tax	Year ended 31.Mar.19	Year ended 31.Mar.18
Accounting profit before tax	**-2,70,04,487**	**-2,37,56,208**
Tax rate	25.75%	25.75%
Tax at the applicable tax rate of 25.75% (March 31, 2018: 25.75%)	**(69,53,656)**	(61,17,224)
Deferred tax**	6953655.524	6117223.537
At the effective income tax rate	0	**0**
Total tax expense reported in the statement of profit and loss	**0**	**0**

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

BRAHMAYYA & CO.
Chartered Accountants
BENGALURU

GMR Krishnagiri SIR Limited

Related Party Transaction Details
For the period ended March 31, 2019
Balance Sheet
GMR Krishnagiri SIR Limited
Company Code E5500

A. **Receivable / Reimbursement / Trade receivable / Deposits paid / Interest receivable**

In Rs.

Sl No	Short Code	IC Code	Company name	Transaction Description	GL Code	Main Head	Sub Head	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)
1	GPCL	I_E2100	GMR Power Corporation Limited	Reimbursement of Expenses		Others Current Assets	Advances recoverable in cash or in kind (unsecured)	543		543
2	GEOKNO	GEOKNO	GEOKNO India Private Limited	Reimbursement of Expenses		Others Current Assets	Advances recoverable in cash or in kind (unsecured)	4,98,142		4,98,142
3	GIL	I_E6100	GMR Infrastructure Limited	Reimbursement of Expenses		Others Current Assets	Advances recoverable in cash or in kind (unsecured)	6,76,195		6,76,195
4	GREL	I_E2160	GMR Rajahmundry Energy Limited	Reimbursement of Expenses		Others Current Assets	Advances recoverable in cash or in kind (unsecured)	9,48,777		9,48,777
5	GCAPL	I_E6610	GMR Corporate Affairs Private Limited	Reimbursement of Expenses		Others Current Assets	Advances recoverable in cash or in kind (unsecured)	6,681		6,681
6	GMRHL	I_E3300	GMR Highways Limited	Reimbursement of Expenses		Others Current Assets	Advances recoverable in cash or in kind (unsecured)	16,305		16,305

B. **Payable / Trade payable / Retention payable / Deposits received / Interest payable**

In Rs.

Sl No	Short Code	IC Code	Company name	Transaction Description	GL Code	Main Head	Sub Head	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)
1										-
2	GIL	I_E6100	GMR Infrastructure Limited	Interest accured-ICD		Other Current Financial Liabilities	Interest accrued but not due on borrowings	6,01,88,766		6,01,88,766
3	GTTEL	I_E3110	GMR Tambaram Tindivanam Expressways Limited	Interest accured-ICD		Other Current Financial Liabilities	Interest accrued but not due on borrowings	40,42,20,532		40,42,20,532
4	GIL	I_E6100	GMR Infrastructure Limited	Interest accured-Debentures		Other Current Financial Liabilities	Interest accrued but not due on borrowings	1,70,40,000		1,70,40,000
5	GKUAEL	I_E3260	GMR Kishangarh Udaipur Ahmedabad Expressways Limited	Interest accured-ICD		Other Current Financial Liabilities	Interest accrued but not due on borrowings	4,67,10,704		4,67,10,704
6	HFEPL	I_E5529	Honey Flower Estates Private Limited	Interest accured-ICD		Other Current Financial Liabilities	Interest accrued but not due on borrowings	4,10,917		4,10,917
7	RAXA	I_E8000	Raxa Security Services Limited	Creditors		Other Current Financial Liabilities	Non trade payables	1,29,03,92,166		1,29,03,92,166

C. **Loan given to group companies / Share application money / Other advances**

In Rs.

Sl No	Short Code	IC Code	Company name	Transaction Description	GL Code	Main Head	Sub Head	IGAAP Amount	Investment in Equity portion of related party loans / debenture Other IND AS adjustment	Notional interest expense accrued till date	Total (net of Ind AS Adjustments)
1											-
2											-

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

D. Loan taken from group companies / Share application money refundable / Other loans/ Prefrence Share/ Debentures

Sl No	Short Code	IC Code	Company name	Transaction Description	GL Code	Main Head	Sub Head	IGAAP Amount	Equity Component of related party loans / debenture/ Prf Share (excluding DTL)	Notional Interest expense accrued till date	Total (IGAAP + IND AS Adjustments)	DTL/ DTA
1	GIL	I_E6100	GMR Infrastructure Limited	Debentures		Borrowings Non Current	Bonds/Debentures (unsecured)	14,20,00,000.0			14,20,00,000.0	
2	GTTEL	I_E3110	GMR Tambaram Tindivanam Expressways Limited	Loan - ICD		Borrowings Non Current	Loans from group company	2,00,85,00,000.0			2,00,85,00,000.0	
3	GKUAEL	I_E3260	GMR Kishangarh Udaipur Ahmedabad Expressways Limited	Loan - ICD		Borrowings Current	Loans from group company - ST	67,07,53,831.0			67,07,53,831.0	
4	HFEPL	I_E5529	Honey Flower Estates Private Limited	Loan - ICD		Borrowings Non Current	Loans from group company	1,87,00,000.0			1,87,00,000.0	
5	GIL	I_E6100	GMR Infrastructure Limited	Loan - ICD		Borrowings Non Current	Loans from group company	54,44,51,113.0			54,44,51,113.0	
6											-	

E. Deferred Tax

In Rs.

Sl No	Short Code	IC Code	Company name	Transaction Description	GL Code	Main Head	Sub Head	IGAAP Amount	DTL on Equity Component	DTL reversed via Notional interest	Total (IGAAP + IND AS Adjustments)
1											-

F. Share Capital/ Other Equity (SAM/ Equity Component of Loan/ Debenture/ Preference share)

In Rs.

Sl No	Short Code	IC Code	Company name	Transaction Description	GL Code	Main Head	Sub Head	IGAAP Amount	Equity Component of related party loans / debenture/ Prf Share (excluding DTL)	DTL/ DTA (DTL on equity component)	Deferred Tax on Ind AS Adjustments	Total (IGAAP + IND AS Adjustments)
1	GIL	I_E6100	GMR Infrastructure Limited	share capital	2010101006	Equity	Share Capital	1,17,50,00,000				1,17,50,00,000
2	GTTEL	I_E3110	GMR Tambaram Tindivanam Expressways Limited	Other Equity	2010209001	Other equity	Equity component of Related Party Loans	18,15,68,508				18,15,68,508
3												-

G. Investment in group company (including equity components of loans/ debenture/ pref share/ financial guarantee)

In Rs.

Sl No	Short Code	IC Code	Company name	Transaction Description	GL Code	Main Head	Sub Head	IGAAP Amount	Investment in Equity portion of preference share/ debenture/ Loans	Notional Interest expense accrued till date	Total (net of Ind AS Adjustments)
1										-	-

H. Provision

In Rs.

Sl No	Short Code	IC Code	Company name	Transaction Description	GL Code	Main Head	Sub Head	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)
1										-

For Brahmayya & Co
Firm registration number 000515S
Chartered Accountants

G. Srinivas
Partner
Membership no. 086761
Place : NEW DELHI
Date: 30-04-2019

BRAHMAYYA & CO. Chartered Accountants BENGALURU

For and on behalf of the Board of Directors

BVN Rao
Director
DIN: DIN 02506274

Sanjay Kumar Jain
Company Secretary

GMR Krishnagiri SIR Limited

Related Party Transaction Details
For the period ended March 31, 2019
Profit & Loss
GMR Krishnagiri SIR Limited
Company Code E5500

A. Income

In Rs.

Sl No	Short Code	IC Code	Company name	Transaction Description	GL Code	Main Head	Sub Head	IGAAP Amount	Provisional Income	Reimbursement Income	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/ DTA	Deferred Tax Expense/ (Income)
1												-		

B. Expense (including Dividend paid)

In Rs.

Sl No	Short Code	IC Code	Company name	Transaction Description	GL Code	Main Head	Sub Head	IGAAP Amount	Provisional Expense	Reimbursement Expense	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/ DTA	Deferred Tax Expense/ (Income)
1	GIL	I_E6100	GMR Infrastructure Limited	Consultancy expenses		Other expenses	Professional	477805				4,77,805.00		

C. Expenses / income capitalised to CWIP / FA / Other Intangible assets

In Rs.

Sl No	Short Code	IC Code	Company name	Capitalised under (to be selected from dropdown list)	GL Code	Nature of Expense	Sub Head	IGAAP Amount			Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)
1												-

For Brahmayya & Co
Firm registration number 000515S
Chartered Accountants

G. Srinivas
Partner
Membership no. 086761
Place : NEW DELHI
Date: 30-04-2019

BRAHMAYYA & CO. Chartered Accountants BENGALURU

For and on behalf of the Board of Directors

BVN Rao
Director
DIN: DIN 02506274

Sanjay Kumar Jain
Company Secretary

GMR Krishnagiri SIR Limited

GMR Krishnagiri SIR Limited
(Formerly GMR Krishnagiri SEZ Limited)
Statement of Assets and Liabilities

(Amount in Rs)

	Particulars	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
1	**ASSETS**		
	a) Non-current assets		
	Property, plant and equipment	34,10,931	45,01,185
	Investment property under construction	6,31,23,87,192	5,72,01,92,293
	Other intangible assets	1,05,435	2,43,350
	Financial assets		
	Loans and advances	24,50,730	23,01,730
	Other non-current assets	9,85,12,071	11,88,86,148
		6,41,68,66,358	**5,84,61,24,706**
	b) Current assets		
	Financial assets		
	Cash and cash equivalents	16,33,559	1,71,68,793
	Other current assets	31,23,813	81,50,820
	Current tax assets (net)	3,29,479	-
		50,86,851	2,53,19,613
	TOTAL ASSETS (a+b)	**6,42,19,53,209**	**5,87,14,44,319**
2	**EQUITY AND LIABILITIES**		
	a) Equity		
	Equity share capital	1,17,50,00,000	1,17,50,00,000
	Other equity	(2,47,19,036)	86,64,835
	Total equity	**1,15,02,80,964**	**1,18,36,64,835**
	b) Non-current liabilities		
	Financial liabilities		
	Borrowings	2,71,36,51,113	2,74,25,41,000
	Provisions	44,60,992	1,11,76,254
		2,71,81,12,105	**2,75,37,17,254**
	c) Current liabilities		
	Financial liabilities		
	Borrowings	67,07,53,831	-
	Security Deposits	1,06,24,68,095	1,50,00,00,000
	Other Financial Liablilities	78,60,33,879	40,49,00,134
	Other current liabilities	3,14,07,941	2,38,82,027
	Provisions	28,96,394	46,26,532
	Current tax Provisions	-	6,53,537
		2,55,35,60,140	**1,93,40,62,230**
	TOTAL EQUITY AND LIABILITIES (a+b+c)	**6,42,19,53,209**	**5,87,14,44,319**

As per our report of even date

For Brahmayya & Co.,
Firm Registration No: 000515S
Chartered Accountants

G. Srinivas
Partner
Membership Number: 086761

Place : NEW DELHI
Date: 30th April, 2019

BRAHMAYYA & CO. Chartered Accountants BENGALURU

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

BVN Rao
Director
DIN 00051167

Sanjay Kumar Jain
Company Secretary

Place : Delhi
Date: 30th April, 2019

Mohanrao M
Director
DIN 02506274

Govind Bhat Padyana
Chief Financial Officer

GMR Krishnagiri SIR Limited

(Amount in Rs)

GMR Krishnagiri SIR Limited

Statement of standalone Audited Results for Quarter and Year ended March 31, 2019

	Particulars	Quarter ended			Year ended	
		31.03.19	31.12.18	31.03.18	31.03.19	31.03.18
		(Refer Note 1)	Unaudited	(Refer Note 1)	Audited	Audited
A	**Continuing Operations**					
1	**Revenue**					
	a) Revenue from operations					
	i) Other operating income	-	-	-	-	-
	b) Other income					
	i) Others	12,43,000	41,791	6,974	12,84,791	6,974
	Total revenue	12,43,000	41,791	6,974	12,84,791	6,974
2	**Expenses**					
	(a) Employee benefits expense	12,34,465	10,65,496	2,63,164	50,67,990	4,30,478
	(b) Depreciation and amortisation expenses	-	-	-	-	26,01,339
	(c) Other expenses	1,88,55,791	5,60,596	1,35,99,163	2,32,21,288	2,07,31,366
	Total expenses	2,00,90,256	16,26,092	1,38,62,327	2,82,89,278	2,37,63,183
3	**Profit/(loss) from continuing operations before exceptional items and tax expense (1-2)**	(1,88,47,256)	(15,84,301)	(1,38,55,352)	(2,70,04,487)	(2,37,56,209)
4	Exceptional items	-	-	-	-	-
5	**Profit/(loss) from continuing operations before tax expenses (3 ± 4)**	(1,88,47,256)	(15,84,301)	(1,38,55,352)	(2,70,04,487)	(2,37,56,209)
6	**Tax expenses of continuing operations**					
	(a) Current tax	-	-	-	-	-
	(b) Prior Period tax	-	96,370	-	96,370	-
	(c) Deferred tax	-	-	-	-	-
7	**Profit/(loss) after tax from continuing operations (5 ± 6)**	(1,88,47,256)	(16,80,671)	(1,38,55,352)	(2,71,00,857)	(2,37,56,209)
B	**Discontinued Operations**					
8	**Profit/(loss) from discontinued operations before tax expenses**	-	-	-	-	-
9	**Tax expenses of discontined operations**					
	(a) Current tax	-	-	-	-	3,45,555
	(b) Deferred tax	-	-	-	-	-
10	**Profit/(loss) after tax from discontinued operations (8 ± 9)**	-	-	-	-	(3,45,555)
11	**Profit/(loss) after tax for respective periods (7 + 10)**	(1,88,47,256)	(16,80,671)	(1,38,55,352)	(2,71,00,857)	(2,41,01,764)
12	**Other Comprehensive Income**					
	(A) (i) Items that will not be reclassified to profit or loss	-	-	-		-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-		-
	(B) (i) Items that will be reclassified to profit or loss	-	-	-		-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-		-
13	**Total other comprehensive income, net of tax for the respective periods**	-	-	-		-
14	**Total comprehensive income for the respective periods (11 ± 13) [comprising Profit (loss) and Other comprehensive income (net of tax) for the respective periods]**	(1,88,47,256)	(16,80,671)	(1,38,55,352)	(2,71,00,857)	(2,41,01,764)
15	**Earnings per equity share**					
	i) Basic & diluted EPS	(0.01)	(0.03)	(0.00)	(0.23)	(0.21)
	ii) Basic & diluted EPS from continuing operations	(0.01)	(0.03)	(0.00)	(0.23)	(0.21)
	iii) Basic & diluted EPS from discontinued operations	-	-	-	-	-

Note 1: The figures of the last quarter of current and previous years are the balancing figures between the audited figures in respect of the full financials year and the published unaudited year to date figures for nine months ended for the respective years.

As per our report of even date

For **Brahmayya & Co.,**
Firm Registration No: 000515S
Chartered Accountants

G. Srinivas
Partner
Membership Number: 086761

Place : NEW DELHI
Date: 30th April, 2019

BRAHMAYYA & CO. Chartered Accountants BENGALURU

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

BVN Rao
Director
DIN 00051167

Mohanrao M
Director
DIN 02506274

Sanjay Kumar Jain
Company Secretary

Govind Bhat Padyana
Chief Financials Officer

Place : Delhi
Date: 30th April, 2019

GMR Krishnagiri SIR Limited

GMR Krishnagiri SIR Limited
(formerly known as GMR Krishnagiri SEZ Limited)
Notes to Accounts

1. Corporate Information

Tamil Nadu Industrial Development Corporation Limited (TIDCO), through international competitive bidding has selected GMR Infrastructure Limited (GIL) as Joint Venture Partner to develop a Multi-product Special Economic Zone (SEZ) in Krishnagiri District of Tamil Nadu, India. A Memorandum of Understanding (MOU) was entered in to with TIDCO on August 6, 2007. GIL has incorporated GMR Krishnagiri SEZ Ltd (GKSEZ),during the year company has changed it's name as GMR Krishnagiri SIR Limited, as a wholly owned subsidiary, for the development and operation of the SEZ. As per the Bid conditions

The registered office of the company is located in Chennai, India.

Information on other related party relationships of the Company is provided in Note 25.

The financial statements were approved for issue in accordance with a resolution of the directors on 30.04.2019

2. Significant Accounting Policies

A. Basis of preparation

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

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

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

B. Summary of significant accounting policies

a. 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:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when it is:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) 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.

b. Property, plant and equipment

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

Land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

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 asset are derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property,

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

On Transition to Ind AS, the Company has availed the optional exemption on "Long term Foreign currency Monetary items" and has accordingly continued with the policy to adjust the exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset recognised in the financial statements for the period ended 31 March 2016 (as per previous GAAP) to the cost of the tangible asset and depreciates the same over the remaining life of the asset. In accordance with the Ministry of Corporate Affairs ('MCA') circular dated August 09, 2012, exchange differences adjusted to the cost of tangible fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

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.

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.

c. Depreciation on Property, plant and equipment

Depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013 except for assets individually costing less than Rs. 5,000 which are fully depreciated in the year of acquisition and certain items of building, plant and equipment, the Company, based on technical assessment made by technical expert and management estimate, believes that the useful lives of such assets are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Property, plant and equipment acquired under finance lease is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of lease term.

Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

GMR Krishnagiri SIR Limited

(formerly known as GMR Krishnagiri SEZ Limited)

Notes to Accounts

d. Investment properties

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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.

Intangible assets include software etc and their useful lives are assessed as either finite or indefinite.

Research and development cost:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an 'intangible asset' when all of the below conditions are met:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale
ii. The Company's intention to complete the asset and use or sell it
iii. The Company has ability to use or sell the asset

iv. It can be demonstrated how the asset will generate probable future economic benefits

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

v. Adequate technical, financial and other resources to complete the development and to use or sell the asset are available, and

vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

f. Amortisation of intangible assets

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

Intangible assets (Software licences etc) are amortised over the useful life of 6 years as estimated by the management.

g. Borrowing cost

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

h. Leases

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.

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.

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

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.

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:

i) 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

ii) 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 Group 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. 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 Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group'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

i. Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares:
Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis and includes all applicable costs in bringing goods to their present locations and condition.

Contract work-in-progress:
Costs incurred that relate to future activities on the contract are recognised as contract work-in-progress. Contract work-in-progress comprises of construction cost and other directly attributable overheads and are measured at lower of cost and net realisable value.

Brahmayya & Co. Chartered Accountants Bengaluru

GMR Krishnagiri SIR Limited

Traded / Finished goods:
Traded goods are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used

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

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

k. Provisions, Contingent liabilities, Contingent assets, and Commitments

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

BRAHMAYYA & CO.
Chartered Accountants
BENGALURU

GMR Krishnagiri SIR Limited

reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost."

Contingent liability is disclosed in the case of:

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

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

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

I. Retirement and other 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.

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 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.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognised each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

i) The date of the plan amendment or curtailment, and

ii) The date that the Company recognises related restructuring costs

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

i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

ii) Net interest expense or income

Long term employee benefits

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

m. Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

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

v) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

vi) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

vii) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

viii) The asset's contractual cash flows represent SPPI

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

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

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

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

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

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

Impairment of financial assets

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

ix) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

x) Financial assets that are debt instruments and are measured as at FVTOCI

xi) Lease receivables under Ind AS 17

xii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

xiii) Loan commitments which are not measured as at FVTPL

xiv) Financial guarantee contracts which are not measured as at FVTPL

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

xv) Trade receivables or contract revenue receivables; and

xvi) All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

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

xvii) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

xviii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

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

xix) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

xx) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

xxi) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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

Financial liabilities

Initial recognition and measurement

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss :

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

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

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

Loans and borrowings :

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

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

Financial guarantee contracts:

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 derecognition 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 or loss.

Reclassification of financial assets

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

Offsetting of financial instruments

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

Derivative financial instruments

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

n. Cash and cash equivalents

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

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

o. 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:

i) *In the principal market for the asset or liability, or*

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

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

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

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

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

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

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

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

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

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

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

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years.

At each reporting date, the Company 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 Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, 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.

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.

This note summarises accounting policy for fair value.

p. Revenue recognition

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

Sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

i. Income from management / technical services is recognised as per the terms of the agreement on the basis of services rendered.

BRAHMAYYA & CO.
Chartered Accountants
BENGALURU

GMR Krishnagiri SIR Limited

ii. On disposal of current investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. Such income is included under the head 'other operating income' for companies engaged in investing activities and under the head 'other income' for other companies in the statement of profit and loss.
iii. Insurance claim is recognised on acceptance of the claims by the insurance company.

Revenue earned in excess of billings has been included under 'other assets' as unbilled revenue and billings in excess of revenue has been disclosed under 'other liabilities' as unearned revenue.

Expenditure including pre-operative and other incidental expenses incurred by the Group on projects that are in the process of commissioning, being recoverable from the respective SPVs / subsidiaries incorporated for carrying out these projects, are not charged to the statement of profit and loss and are treated as advances to the respective entities.

The Company applied Ind AS 115 for the first time from April 1, 2018. Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

In current financial year, Company does not have any revenue arising from contract with customers and thus there is no impact on the financial statements of the company on account this new revenue recognition standard.

Interest income

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

Dividends

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

q. Taxes

Tax expense comprises current and deferred tax.

Current income tax

BRAHMAYYA & CO.
Chartered Accountants
BENGALURU

GMR Krishnagiri SIR Limited

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

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

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

Deferred tax

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

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

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

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

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

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

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

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

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

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

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

r. Corporate Social Responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited