CHATURVEDI & SHAH LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMR POWER CORPORATION LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GMR POWER CORPORATION LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of Profit and Loss (including other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'standalone financial statements').

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No. 16 (a) & (b) to the standalone financial statements for the year ended March 31, 2019 which describe uncertainty in the entire matter relating to claim /counter claim filed by the Company and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) being sub-judice before the Honorable Supreme Court of India and not attaining finality.

Our opinion is not modified in respect of the aforesaid matter.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

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

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

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

Management's Responsibility for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) the Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity, the statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) the sub-judice matter as described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) on the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

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CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

h) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the information and explanations given to us, the remuneration paid by the Company to its managerial personnel during the year is in accordance with the provisions of Section 197 of the Act.

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

   i. the Company has disclosed the impact of pending litigations on its financial position to the extent quantifiable in its standalone financial statements – Refer Note No. 30 to the standalone financial statements;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note No. 31 to the financial statements;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for CHATURVEDI & SHAH LLP
Chartered Accountants
Firm Registration Number : 101720W/W100355

Chandan Lala
Partner
Membership Number: 035671

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: April 24, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

In terms of the Annexure referred to in our report to the members of **GMR Power Corporation Limited** ('the Company') on the standalone financial statements for the year ended March 31, 2019, we report that:

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments.

b) The Company has physically verified the property, plant and equipments during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) There are no immovable properties in the name of the Company and accordingly Paragraph 3(i)(c) of the Order is not applicable to the Company.

ii) In our opinion and according to the information and explanations given to us, the Company has discontinued its power generation business and doesn't maintain any inventory. Consequently requirement of paragraph 3(ii) of the Order is not applicable to the Company.

iii) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties listed in the register maintained under Section 189 of the Act. Consequently requirements of paragraph 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.

iv) In our opinion and according to the information and explanation given to us by the management of the Company, there are no loans, investments, guarantees, securities granted in respect of which provisions of Section 185 and Section 186 of the Act are applicable and hence not commented upon. Consequently requirement of paragraph 3(iv) of the Order is not applicable to the Company.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provision of paragraph 3(v) of the Order is not applicable to the Company. There are no orders from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi) In our opinion and according to the information and explanations given to us, the Company has discontinued its power generation business and is not required to maintain cost records under sub-section (1) of Section 148 of the Act. Consequently requirement of paragraph 3(vi) of the order is not applicable to the Company.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

b) According to the information and explanations given to us, no undisputed statutory dues were outstanding, at the year end, for a period of more than six months.

c) According to the information and explanation given to us and records of the Company, there are no dues of income tax, goods and service tax, sales tax, service tax, duty of customs, value added tax or cess or other material statutory dues which have not been deposited on account of any dispute except the following:-

Nature of the Statute	Nature of Dues	Period to which it pertains	Amount Demanded (Rupees)	Forum where dispute is pending
Income-tax Act, 1961	Disallowance of MAT Credit	AY 2016-17	16,464,090	Order Giving Effect (OGE) to the favourable Order from Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Short deduction - Tax deducted at source	AY 2008-09 AY 2009-10 AY 2012-13	7,930 14,960 1,700	Pending before Assessing officer.
-do-	Delay in filing of e-TDS statement	AY 2015-16	1,040	Pending before Assessing officer.

viii) According to the information and explanation given to us and records of the Company, the Company has neither taken any loans or borrowings from financial institutions, banks and Government nor has issued any debentures to any party. Accordingly the question of default doesn't arise.

ix) According to the information and explanation given to us and records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company, during the year, has not availed any term loans from banks and financial institutions hence the question of utilization of terms loans doesn't arise.

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CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

x) During the course of examination of books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across with any material fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.

xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the adequate approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

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

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company, during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3(xiv) of the Order is not applicable

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

xvi) In our opinion and according to the information and explanations given to us, on perusal of the criteria of financial assets and financial income as per the last audited financial statements, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. The Company has not obtained registration in this regard.

for CHATURVEDI & SHAH LLP
Chartered Accountants
Firm Registration Number : 101720W / W100355

Chandan Lala
Partner
Membership Number: 035671

Place: Mumbai
Date: April 24, 2019

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of GMR Power Corporation Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Act.

Auditors' Responsibility

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

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

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

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for CHATURVEDI & SHAH LLP
Chartered Accountants
Firm Registration Number : 101720W / W100355

Chandan Lala
Partner
Membership Number: 035671

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: April 24, 2019

o/c

GMR Power Corporation Limited

CIN : U40105MH1995PLC318311

Balance sheet as at March 31, 2019

Rupees in Millions

Particulars	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	2.53	0.32
Intangible assets	3	-	-
Financial assets			
Investments	4	5.40	5.40
Loans	5	0.63	224.52
Non Current Income tax asset (net)	18	148.28	116.19
Total non-current assets		**156.84**	**346.43**
Current assets			
Inventories	8	-	-
Financial assets			
Trade receivables	9	1,141.17	1,141.19
Cash and cash equivalents	10	1.49	26.87
Loans	5	6,772.07	6,336.54
Other financial assets	6	645.82	961.36
Other current assets	7	66.05	66.34
Assets classified as held for sale	26	-	50.58
Total current assets		**8,626.60**	**8,582.88**
Total Assets		**8,783.44**	**8,929.31**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2,475.00	2,475.00
Other equity	12	255.92	246.69
Total equity		**2,730.92**	**2,721.69**
LIABILITIES			
Non-current liabilities			
Provisions	17	1.92	1.54
Total non-current liabilities		**1.92**	**1.54**
Current liabilities			
Financial Liabilities			
Borrowings	13	74.82	136.43
Other financial liabilities	14	87.18	107.71
Trade Payables	15		
Total outstanding dues of micro and small enterprises		-	-
Dues to others		242.35	214.91
Other current liabilities	16	5,643.27	5,667.75
Provisions	17	2.98	79.28
Total current liabilities		**6,050.60**	**6,206.08**
Total liabilities		**6,052.52**	**6,207.62**
TOTAL EQUITY AND LIABILITIES		**8,783.44**	**8,929.31**
Significant accounting policies	1	-	-

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

As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number : 101720W/W100355

For and on behalf of the Board of Directors

GMR Power Corporation Limited

Chandan Lala

Partner

Membership No.: 035671

Meena Lochani Raghunathan

Director

DIN: 07145001

Arunendu Saha

Arunendu Saha

Director

DIN: 06776423

Atul Aggarwal

Chief Financial Officer

Membership No.: 500466

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai

Date: April 24, 2019

Place: New Delhi

Date: April 24, 2019

GMR POWER CORPORATION LIMITED

GMR Power Corporation Limited
CIN : U40105MH1995PLC318311
Statement of profit and loss for the year ended March 31, 2019

Rupees in Millions

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Continuing Operations			
INCOME			
Other income	19	320.66	344.74
Total Income		**320.66**	**344.74**
EXPENSES			
Employee benefit expenses	20	4.53	3.73
Depreciation and amortisation expenses	21	0.38	0.21
Finance costs	22	11.50	23.44
Other expenses	23	450.91	6.96
Total Expenses		**467.32**	**34.34**
Profit/(loss) before tax expenses from continuing operations		**(146.66)**	**310.40**
Tax expenses of continuing operations			
Current tax	18	-	5.50
MAT Credit	18	-	(40.04)
Deferred tax	18	(0.03)	(0.16)
Income tax expense		**(0.03)**	**(34.70)**
Profit/(loss) after tax expenses from continuing operations		**(146.63)**	**345.10**
Discontinued Operations	25		
Profit/(loss) before tax expenses from discontinued operations		**155.79**	**(69.99)**
Tax expenses of discontinued operations			
Current tax		-	-
Deferred tax		-	-
Income tax expense		-	-
Profit/(loss) after tax expenses from discontinued operations		**155.79**	**(69.99)**
Profit / (loss) for the year		**9.16**	**275.11**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	24		
Re-measurement gains/(losses) on defined benefit plans		0.10	0.48
Income tax effect		(0.03)	(0.16)
Other comprehensive income for the year (net of tax)		**0.07**	**0.32**
Total comprehensive income for the year		**9.23**	**275.43**
Earnings per equity share:	29		
(Face value of equity shares of Rs.10 each)			
(1) Basic / Diluted earning per share for continuing operations and discontinued operations		0.04	1.11
(2) Basic / Diluted earning per share for continuing operations		(0.59)	1.39
(3) Basic / Diluted earning per share for discontinued operations		0.63	(0.28)
Significant accounting policies	1		

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

As per our report of even date attached.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number : 101720W/W100355

Chandan Lala
Partner
Membership No.: 035671

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: April 24, 2019

For and on behalf of the Board of Directors
GMR Power Corporation Limited

Arunendu Saha

Meena Lochani Raghunathan
Director
DIN: 07145001

Arunendu Saha
Director
DIN: 06776423

Atul Aggarwal
Chief Financial Officer
Membershio No.: 500466
Place: New Delhi
Date: April 24, 2019

GMR Power Corporation Limited

CIN : U40105MH1995PLC318311

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

Rupees in Millions

Particulars	Equity Share Capital	Other equity: General Reserve	Major Maintenance Reserve	Retained Earnings	Other Comprehensive Income	Total equity
Balance as at April 01, 2017	**2,475.00**	**217.97**	**200.00**	**(202.79)**	**1.09**	**2,691.27**
Changes in equity for the year ended March 31, 2018						
Transferred to retained earnings	-	-	(200.00)	-	-	**(200.00)**
Profit / (Loss) for the year	-	-	-	275.11	-	**275.11**
Recognition of Financial Guarantee issued to fellow subsidiary	-	-	-	(4.73)	-	**(4.73)**
Write off of interest receivable from fellow subsidiary on instruction of equity participant	-	-	-	(240.28)	-	**(240.28)**
Transferred from Major Maintenance Reserve	-	-	-	200.00	-	**200.00**
Other comprehensive income						
Re-measurement gains/(loss) on defined benefit plans	-	-	-	-	0.32	**0.32**
Balance as at March 31, 2018	**2,475.00**	**217.97**	**-**	**27.31**	**1.41**	**2,721.69**
Changes in equity for the year ended March 31, 2019						
Profit / (Loss) for the year	-	-	-	9.16	-	**9.16**
Other comprehensive income						
Re-measurement gains/(loss) on defined benefit plans	-	-	-	-	0.07	**0.07**
Balance as at March 31, 2019	**2,475.00**	**217.97**	**-**	**36.47**	**1.48**	**2,730.92**

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

As per our report of even date attached.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number : 101720W/W100355

Chandan Lala

Partner

Membership No.: 035671

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai

Date: April 24, 2019

For and on behalf of the Board of Directors

GMR Power Corporation Limited

Meena Lochani Raghunathan

Director

DIN: 07145001

Arunendu Saha

Director

DIN: 06776423

Atul Aggarwal

Chief Financial Officer

Membership No.: 500466

Place: New Delhi

Date: April 24, 2019

GMR Power Corporation Limited

CIN : U40105MH1995PLC318311

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

Rupees in Millions

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax from continuing operations	(146.66)	310.40
	Profit / (loss) before tax from discontinued operations	155.79	(69.99)
	Profit / (loss) before tax	**9.13**	**240.41**
	Adjustments for Non-Cash items		
	Interest & Finance Charges	11.50	29.01
	Depreciation and amortisation	0.38	196.22
	Loss/ (profit) on sale of property, plant and equipment	(134.67)	(261.60)
	Interest income	(319.26)	(340.57)
	Loss/ (Profit) on sale of Investments in mutual funds	(0.91)	(2.67)
	Provision no longer required written back	(87.29)	(1.22)
	Allowance for doubtful ICDs & Accrued Interest	412.97	-
	Re-measurement of defined benefit plans	0.10	0.48
	Cash Flow before changes in working capital	**(108.05)**	**(139.94)**
	Adjustment for changes in working capital :		
	Increase/ (Decrease) in trade payables and others	45.95	130.33
	Decrease / (Increase) in trade receivables and others	20.04	(29.62)
	Decrease/ (Increase) in Inventories	18.89	0.09
	Cash generated from operations	**(23.17)**	**(39.14)**
	Less: Taxes (paid) / refund	(32.09)	(34.58)
	Net cash from / (used in) operating activities	**(55.26)**	**(73.72)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment for property, plant and equipment	(2.59)	-
	Proceeds from sale of property, plant and equipment	134.67	385.61
	Proceeds from sale of Mutual fund units	0.91	25.11
	Inter Corporate Deposit / Loans given	(211.79)	(954.79)
	Interest received	201.88	516.11
	Net Cash from/ (used in) investing activities	**123.08**	**(27.96)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Short term borrowings from Group Company	(61.61)	128.43
	Interest and finance charges paid	(31.59)	(2.38)
	Net Cash flow from / (used in) financing activities	**(93.20)**	**126.05**
D	**Net Increase/(Decrease) in Cash and Cash Equivalents**	**(25.38)**	**24.37**
	Add: Cash and Cash Equivalents at the beginning of the year	26.87	2.50
	Cash and Cash Equivalents as at the end of the year	**1.49**	**26.87**
	Break-up of cash and cash equivalents		
	Cash in hand	-	-
	Balances with banks:		
	in current accounts	1.49	26.87
	Cash and Cash Equivalents as at the end of the year	**1.49**	**26.87**

GMR Power Corporation Limited
CIN : U40105MH1995PLC318311
Statement of Cash flows for the year ended March 31, 2019

Notes:

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.

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

Rupees in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short Term Borrowings		
Opening Balance	136.43	8.00
Proceeds / (repayment) of short term borrowings (net) *	(61.61)	128.43
Non-cash fair value changes	-	-
Closing balance	**74.82**	**136.43**

* - during the year the Company has renewed the inter corporate loan availed of Rs. 74.82 Millions [March 31, 2018: Rs. 8.00 Millions] which has not been considered under proceeds / repayment of short term borrowings disclosed above.

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

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

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number : 101720W/W100355

Chandan Lala
Partner
Membership No.: 035671

Place: Mumbai
Date: April 24, 2019

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
GMR Power ~~Corporation~~ Limited

Meena Lochani Raghunathan
Director
DIN: 07145001

Arunendu Saha
Director
DIN: 06776423

Atul Aggarwal
Chief Financial Officer
Membership No.: 500466

Place: New Delhi
Date: April 24, 2019

GMR POWER CORPORATION LIMITED

GMR Power Corporation Limited
CIN : U40105MH1995PLC318311

Notes to the financial statements for the year ended March 31, 2019

1 Company Overview and Significant Accounting Policies:

1.1 Company overview:

GMR Power Corporation Limited ('GPCL' or 'the Company') is a Public limited Company domiciled in India. It was engaged in business of generation and sale of power. The Company had entered into a power purchase agreement (PPA) with Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) (formerly known as Tamil Nadu Electricity Board) for supply of power from its 200 MW plant situated at Basin Bridge, Chennai, India which had expired on February 14, 2015. In view of the expired PPA the Company during previous year had discontinued the Power Generation operations and had initiated sale of its Plant and identified the buyer. The buyer was responsible for dismantling, demolishing the building and restoring the land to its original condition which has been completed during the year and land has been handed over to TANGEDCO. The Company is evaluating certain strategic restructuring options including mergers with other group companies and fellow subsidiaries including new avenues for the business.

Further, the Company is also engaged in extending inter corporate deposits / loans to Group Companies basically on short term basis and earns interest as the major source of income.

Information on other related party relationships of the Company is provided in Note no. 34.

The financial statements of the Company for the year ended March 31, 2019 were authorised for issue in accordance with a resolution of the Board of Directors on April 24, 2019.

1.2 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 (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 (the 'Act'). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

The standalone Ind AS financial statements are presented in 'Indian Rupees' (INR) which is also the Company's functional currency and all values are disclosed to the nearest Million with two decimals (INR 000,000.00), except when otherwise indicated.

b) Summary of significant accounting policies

i) Current versus non-current classification

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

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

b) Held primarily for the purpose of trading;

c) Expected to be realised within twelve months after the reporting period; or

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

All other assets are classified as non-current.

A liability is treated as current when:

a) It is expected to be settled in normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is due to be settled within twelve months after the reporting period; or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

ii) Property, Plant & Equipments:

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost including government grants and decommissioning costs less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties, levies. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

1 **Company Overview and Significant Accounting Policies:**

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

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these for more than a period of 12 months and having a value of more than 5 Lakhs.

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

Depreciation and amortisation

Depreciation on tangible assets are provided using straight line method over the useful life of the assets as technically estimated by the Management in terms of Schedule II to the Companies Act, 2013, except for diesel engine based power plant wherein life is taken as 19 years which is less than as specified in Schedule II to the Companies Act.

Buildings on lease hold land are depreciated over the tenure of the lease.

Leasehold assets are amortized at rates based on the tenure of the lease or the rates specified in Schedule II of the Companies Act,2013 whichever is higher.

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 de-recognition 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.

Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Machinery spares which are specific to a particular item of Property, Plant & Equipments and whose use is expected to be irregular are capitalized as Property, Plant & Equipments.

iii) **Intangible assets**

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

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

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

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

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

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

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

iv) **Borrowing cost**

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

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

1 **Company Overview and Significant Accounting Policies:**

v) **Government grants**

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, the cost of the asset shown at gross value and grant there on is treated as capital grant which is recognised as income in the statement of profit and loss over the period and proportion in which depreciation is charged. Revenue grants are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

vi) **Leases**

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

Company as a lessee :

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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

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.

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:
a. 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
b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Company as a lessor :

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

a. another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or

b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.

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

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

Lands obtained on leases, where there is no reasonable certainty that the Company will obtain ownership by the end of the lease term shall generally be classified as finance leases. The minimum lease payments include upfront premium paid plus any annual recurring lease rental which is amortized over the lease term.

vii) **Inventories**

Inventories are valued as follows:
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 inventories to their present locations and condition.

GMR POWER CORPORATION LIMITED

1 Company Overview and Significant Accounting Policies:

viii) Impairment of non-financial assets

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

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

i. in the case of an individual asset, at the higher of the net selling price and the value in use; and

ii. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

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

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

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

Impairment losses of continuing operations, 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.

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

ix) Provisions and Contingent Liabilities

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

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.

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

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

Provisions and contingent liability are reviewed at each balance sheet.

GMR POWER CORPORATION LIMITED

1 Company Overview and Significant Accounting Policies:

x) **Decommissioning liability**

Decommissioning Liability are recognised for those lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

xi) **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 to provident fund, pension fund and superannuation fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

The company treats accumulated leave expected to be carried forward beyond twelve months, as long—term employee benefit for measurement purposes. Such long—term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year—end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

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

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

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

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

a. The date of the plan amendment or curtailment, and

b. The date that the Company recognises related restructuring costs

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

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

b. Net interest expense or income

xii) **Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

GMR POWER CORPORATION LIMITED

1 **Company Overview and Significant Accounting Policies**

Effective Interest Method :

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

a. Financial Assets

Financial assets at amortised cost

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

Financial assets measured at fair value

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

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

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

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

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

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will results if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are predicted over the next 12 months.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

De-recognition of financial assets

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

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

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

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

GMR POWER CORPORATION LIMITED

1 Company Overview and Significant Accounting Policies:

b. Financial liabilities and Equity Instruments

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

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

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

Financial liabilities at FVTPL

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

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

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

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

Financial liabilities at amortised cost

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

Financial liabilities at amortised cost

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

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

De-recognition of Financial liabilities

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

Offsetting of financial instruments

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

Derivative financial instruments

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

Embedded Derivative financial instruments

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

1 **Company Overview and Significant Accounting Policies:**

Preference shares and Subordinate Debt

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares/ subordinate debt, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

The Company issues preference shares/ debt to the Holding Company / Parent / Equity Participants which are at below market rate of interest. The Company fair values the liability component of such financial instruments using a market rate for an equivalent instrument. The difference between the carrying value and the fair value of the liability component is recognised as a contribution from parent and recognised in other equity. The regular unwinding of the financial instrument is recognised in the statement of profit and loss under 'finance cost'.

xiii) Revenue Recognition

The Company derives its revenue from sale of energy units generated from its generating units of Thermal power plant to its customers under Power Purchase agreement and Merchant Basis.

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

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties.

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

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

Revenue from energy units sold is recognised on accrual basis on delivery of the units at the delivery point as per the terms of the Power Purchase Agreement (PPA) and Letter of Intent (LOI) [collectively hereinafter referred to as 'the PPAs'] and includes unbilled revenue accrued up to the end of the accounting year.

Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to the customers based on the units of energy delivered at delivery point and rates agreed with customers.

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

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

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

Interest Income:

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

Dividends:

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

xiv) 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.

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.

GMR POWER CORPORATION LIMITED

1 **Company Overview and Significant Accounting Policies:**

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

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

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

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

xvi) Foreign currencies

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

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

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

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

xvii) Fair value measurement

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

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

a) In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

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

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.

1 Company Overview and Significant Accounting Policies:

xviii) Taxes on income

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

xix) Earnings per share

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

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

1 Company Overview and Significant Accounting Policies:

xx) **Non-current assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

a. The appropriate level of management is committed to a plan to sell the asset;

b. An active programme to locate a buyer and complete the plan has been initiated;

c. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;

d. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and

e. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

1.3 **Significant accounting judgements, estimates and assumptions**

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

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

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

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

i. **Taxes**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961. Deferred tax assets recognised to the extent of the corresponding deferred tax liability. Also Refer Note No. 18.

ii. **Fair value measurement of financial instruments**

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

iii. **Contingencies**

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

iv. **Defined benefit plans (gratuity benefits)**

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

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

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

Further details about gratuity obligations are given in note no. 32(b).

GMR POWER CORPORATION LIMITED

1 Company Overview and Significant Accounting Policies:

B. Significant judgements

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

Property, plant and equipment and Intangible Assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation / amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired/ constructed and reviewed periodically, including at each financial year end. The lives are based on the technical assessment which has relied on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence and Government Policies impacting the assets use. Refer note 2 and 3 for details of value of non current assets and its depreciation/ amortisation.

ii. **Provision for decommissioning liability (Asset Retirement Obligation)**

The Company had entered into an agreement with the Customer for the sale of the Power Plant during the year ending March 31, 2018 based on the e-auction conducted by it. In terms of the same the customer was under an obligation to take possession of the plant after dismantling the power plant and bringing back the plant site to the original condition to facilitate handover of the site back to TANGEDCO. The Asset Retirement Obligation towards decommissioning of the Plant has been reversed during the year and recognised to Statement of Profit and Loss on completion of the sale of assets, successful hand over of land to TANGEDCO and no subsequent claims on the Company with respect to restoration by TANGEDCO.

iii. **Recognition of Minimum Alternate Tax (MAT) Credit**

The Company, during the year ended March 31, 2018, has recognised MAT credit pertaining to Financial year 2012-13 (Assessment Year 2013-14) of Rs. 40.04 Millions, considering the re-assessment of the business plan and availability of taxable profit in the future. Refer Note No. 18.03.

1.4 **New and amended Ind AS effective as on April 1, 2018**

As per Companies (Indian Accounting Standards) Amendment Rules, 2018, the Company has adopted following amendments made to Ind AS for annual periods beginning on or after 1st April, 2018:

i. ***Ind AS 115, 'Revenue from Contracts with Customers':***

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

The impact on account of applying the erstwhile Ind AS18 'Revenue', instead of Ind AS 115 'Revenue from Contract with Customers', on the statement of profit and loss of the Company for the year ended and as at March 31, 2019 is insignificant.

ii. Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. There is no impact on account of adoption of this amendment.

iii. ***Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses:***

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. These amendments apply retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. There is no impact on account of adoption of this amendment.

1.5 **Introduction of new standards and amendments to existing standards issued but not effective**

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

1 **Company Overview and Significant Accounting Policies:**

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

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

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

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

ii. **Amendment to Ind AS 19** – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

iii. **Ind AS 12 Appendix C:** Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition –

a. Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

b. Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

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

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

1 **Company Overview and Significant Accounting Policies:**

B. Significant judgements

i. Property Plant and Equipment and Intangible Assets

Property, plant and equipment and Intangible Assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation / amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired/ constructed and reviewed periodically, including at each financial year end. The lives are based on the technical assessment which has relied on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence and Government Policies impacting the assets use. Refer note 2 and 3 for details of value of non current assets and its depreciation/ amortisation.

ii. Provision for decommissioning liability (Asset Retirement Obligation)

The Company had entered into an agreement with the Customer for the sale of the Power Plant during the year ending March 31, 2018 based on the e-auction conducted by it. In terms of the same the customer was under an obligation to take possession of the plant after dismantling the power plant and bringing back the plant site to the original condition to facilitate handover of the site back to TANGEDCO. The Asset Retirement Obligation towards decommissioning of the Plant has been reversed during the year and recognised to Statement of Profit and Loss on completion of the sale of assets, successful hand over of land to TANGEDCO and no subsequent claims on the Company with respect to restoration by TANGEDCO.

iii. Recognition of Minimum Alternate Tax (MAT) Credit

The Company, during the year ended March 31, 2018, has recognised MAT credit pertaining to Financial year 2012-13 (Assessment Year 2013-14) of Rs. 40.04 Millions, considering the re-assessment of the business plan and availability of taxable profit in the future. Refer Note No. 18.03.

1.4 **New and amended Ind AS effective as on April 1, 2018**

As per Companies (Indian Accounting Standards) Amendment Rules, 2018, the Company has adopted following amendments made to Ind AS for annual periods beginning on or after 1st April, 2018:

i. ***Ind AS 115, 'Revenue from Contracts with Customers':***

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

The impact on account of applying the erstwhile Ind AS18 'Revenue', instead of Ind AS 115 'Revenue from Contract with Customers', on the statement of profit and loss of the Company for the year ended and as at March 31, 2019 is insignificant.

ii. Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. There is no impact on account of adoption of this amendment.

iii. ***Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses:***

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. These amendments apply retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. There is no impact on account of adoption of this amendment.

1.5 **Introduction of new standards and amendments to existing standards issued but not effective**

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

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Notes to the financial statements for the year ended March 31, 2019

1 **Company Overview and Significant Accounting Policies:**

v. **Prepayment Features with Negative Compensation, Amendments to Ind AS 109, Financial Instruments**

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

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

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

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

vi. **Annual Improvements to Ind AS**

• Ind AS 23, 'Borrowing Cost'- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

• Ind AS 103, 'Business Combination'- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

• Ind AS 111, 'Joint arrangements'- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.

• Ind AS 12, 'Income Taxes'- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

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

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

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

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Notes to the financial statements for the year ended March 31, 2019

2 Property, plant and Equipment

Rupees in Millions

Particulars	Office Equipments	Plant and Equipments (owned)	Plant and Equipments (On lease)	Building (on leasehold land)	Furniture and Fixtures	Vehicles	Total
Gross block							
As at April 1, 2017	6.38	1,013.67	-	159.52	1.32	1.21	1,182.10
Additions	-	-	-	-	-	-	-
Disposals	6.38	684.52	-	159.52	1.32	-	851.74
Transferred to asset held for sale (Note no.26)	-	329.15	-	-	-	-	329.15
As at March 31, 2018	-	-	-	-	-	1.21	1.21
Additions	-	-	-	-	-	2.59	2.59
Disposals	-	-	-	-	-	-	-
As at March 31, 2019	-	-	-	-	-	3.80	3.80
Depreciation							
As at April 1, 2017	5.28	664.16	-	159.25	0.50	0.67	829.86
Charge for the year	0.70	195.02	-	0.14	0.14	0.22	196.22
Deductions	5.98	561.72	-	159.39	0.64	-	727.73
Transferred to asset held for sale (Note no.26)	-	297.46	-	-	-	-	297.46
As at March 31, 2018	-	-	-	-	-	0.89	0.89
Charge for the year	-	-	-	-	-	0.38	0.38
Deductions	-	-	-	-	-	-	-
As at March 31, 2019	-	-	-	-	-	1.27	1.27
Net block							
As at March 31, 2018	-	-	-	-	-	0.32	0.32
As at March 31, 2019	-	-	-	-	-	2.53	2.53

Notes to the financial statements for the year ended March 31, 2019

Note:

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

b. The Company, during the previous year, had entered into an agreement with Mjunction Services Limited for identification of potential buyer through e-auction in respect of power plant asset (except for Steam Turbine Generator) and accordingly a successful buyer was identified as M/s Anton Engineering ('Buyer'). The Company placed sale order on buyer for sale of 4x50 MW Diesel based power plant located at Basin Bridge, Chennai on 'as is where is basis' for a consideration of Rs. 570.00 Millions for transferring the entire power plant assets including stores and spares, demolishing of buildings and restoration of plant site. In terms of the sale order, the buyer removes the assets under an invoice based on the segments / lots defined in the sale order over the period of time where by the risks and rewards are transferred. Accordingly, a portion of the same was dismantled and sold during the previous year and the balance that were pending in the site to be removed having a book value of Rs. 31.69 Millions was classified as held for sale and disclosed in Note No. 26. The sale process has been completed, during the year, upon removal of all the assets and the Company has handed over the land to TANGEDCO. The profit from sale of the assets sold to the buyer during the year amounting to Rs. 134.67 Millions [March 31, 2018: Rs. 261.00 Millions] which has been invoiced has been disclosed under Note No. 25 as exceptional items under other income from discontinued operations.

c. The Steam Turbine Generator classified under Plant and Equipment on lease is carried at Re. 1. In view of the handover of the plant site back to TANGEDCO as referred to in Note (b) above, the Steam Turbine Generator has been moved to GMR Vemagiri Power Generation Limited (GVPGL) site for safe keeping pending settlement of lease obligation.

d. Assets are owned and are used for own use, unless otherwise mentioned.

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Notes to the financial statements for the year ended March 31, 2019

3 Intangible assets

Rupees in Millions

Particulars	Computer Software	Total
Gross block		
As at April 1, 2017	2.52	2.52
Additions	-	-
Disposals	-	-
As at March 31, 2018	2.52	2.52
Additions	-	-
Disposals	-	-
As at March 31, 2019	2.52	2.52
Amortisation		
As at April 1, 2017	2.52	2.52
Charge for the year	-	-
Disposals	-	-
As at March 31, 2018	2.52	2.52
Additions	-	-
Disposals	-	-
As at March 31, 2019	2.52	2.52
Net block		
As at March 31, 2018	-	-
As at March 31, 2019	-	-

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

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Notes to the financial statements for the year ended March 31, 2019

4 Investments

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Non-current investments		
Investment in equity instruments of Associates	5.40	5.40
Total	5.40	5.40
Current investments		
Total	-	-
Total carrying value	5.40	5.40

Details of Investments

Particulars	March 31, 2019	March 31, 2018
Non-current investments		
Unquoted		
Investments carried at cost		
Investment in equity instruments of Associates		
270,000 (March 31, 2018: 270,000) equity shares of Rs.10 each fully paid-up in GMR Tambaram Tindivanam Expressways Ltd [1]	2.70	2.70
270,000 (March 31, 2018: 270,000) equity shares of Rs.10 each fully paid-up in GMR Tuni Anakapalli Expressways Ltd [1]	2.70	2.70
Total (A)	5.40	5.40
Current investments		
Total (B)	-	-
Total Investments (A+B)	5.40	5.40
Aggregate value of unquoted non-current investments	5.40	5.40
Aggregate value of unquoted current investments	-	-

[1] - 250,000 Equity shares of Rs. 10 each fully paid up, held in GMR Tambaram Tindivanam Expressways Private Limited and GMR Tuni Anakapalli Expressways Private Limited included above, are pledged as security towards loan facilities availed by the respective investee companies.

5 Loans

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Non-current		
Carried at amortised cost		
Loan Receivables – considered good - secured	-	-
Loan Receivables – considered good - unsecured		
Security deposit		
other	0.63	0.64
Loan to related parties [refer note no. 34(vii)]		
Inter Corporate deposit	-	223.88
Loan Receivables which have significant increase in credit risk *	-	-
Loan Receivables – credit impaired **	-	-
Total (A)	**0.63**	**224.52**
Current		
Carried at amortised cost		
Loan Receivables – considered good - secured	-	-
Loan Receivables – considered good - unsecured		
Security deposit		
related parties [refer note no. 34(vii)]	10.75	10.75
other	9.38	9.38
Loan to related parties [refer note no. 34(vii)]		
Inter Corporate deposit	4,644.29	4,208.62
Inter Corporate loan	2,106.81	2,106.81
Loans to employees	0.84	0.98
Loan Receivables which have significant increase in credit risk *	-	-
	6,772.07	**6,336.54**
Loan Receivables – credit impaired **		
Inter Corporate deposit	2,883.20	2,883.20
Inter Corporate loan	323.19	323.19
	3,206.39	3,206.39
Less: Allowances for doubtful loans / deposits	(3,206.39)	(3,206.39)
	-	-
Total (B)	**6,772.07**	**6,336.54**
Total loans (A+B)	**6,772.70**	**6,561.06**

* - There are no loan receivables which have a significant increase in credit risk based on the information available with the Company.

** - During the year ended March 31, 2017, the Company had impaired for credit loss on inter corporate deposit / loan granted to fellow subsidiaries in view of the enterprise valuation obtained from an expert which had valued these deposits/loans at a lower value than the transaction value [Refer Note No. 34(vii)]. The Company has not recognised interest income on the inter corporate deposit / loans which has been credit impaired under prudence and also considering the waiver of interest given w.e.f., April 1, 2017.

GMR POWER CORPORATION LIMITED

6 Other financial assets

Rupees in Millions

Particulars	**March 31, 2019**	**March 31, 2018**
Non-current		
Total non-current balance of other financial assets (A)	-	-
Current		
Unsecured considered good		
Carried at amortised cost		
Other receivables		
related parties [refer note no. 34(vii)]	2.73	2.67
others *	7.00	26.64
Other advances and recoverables from related parties [refer note no. 34(vii)]	0.88	0.88
Interest accrued on Inter corporate loans / deposits [Refer Note No. 12(c), 23 and 34(vii)].	635.21	931.17
Total current balance of other financial assets (B)	**645.82**	**961.36**
Total other financial assets (A+B)	**645.82**	**961.36**

* - receivable from M/s Anton Engineering towards sale of power plant assets as referred to in Note No. 2(b).

7 Other assets

Rupees in Millions

Particulars	**March 31, 2019**	**March 31, 2018**
Non-current	-	-
Total (A)	-	-
Current		
Unsecured considered good		
Advances recoverable in cash or kind		
Trade	64.68	65.00
Others		
Prepaid expenses	-	-
Gratuity plan asset (net of provision) [refer note no. 32(b)]	1.37	1.34
Total (B)	**66.05**	**66.34**
Total other assets (A+B)	**66.05**	**66.34**

8 Inventories

Rupees in Millions

Particulars	**March 31, 2019**	**March 31, 2018**
(Valued at lower of cost and net realizable value)		
Stores and spares *	-	18.89
	-	18.89
Less: Transferred to assets held for sale (Refer note no.26)	-	(18.89)
Total	-	-

* - stores and spares are transferred / sold along with the power plant assets as referred to in Note No. 2(b). Accordingly, in the previous year, the same has been classified as held for sale and disclosed in Note No. 26.

9 Trade receivables

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Trade Receivables – considered good - secured	-	-
Trade Receivables – considered good - unsecured		
others	1,141.17	1,141.19
Trade Receivables which have significant increase in credit risk [refer note (e) below]	-	-
Trade Receivables – credit impaired [refer note (e) below]	-	-
Total	**1,141.17**	**1,141.19**

Notes:

a) Trade receivables are interest bearing and are generally on terms up to 60 days.

b) Credit concentration:

As on balance sheet date Trade receivables from State Electricity Distribution Companies (DISCOMS) under expired Long term power purchase agreement constitutes 100% (March 31, 2018 : 100.00%).

c) Expected credit loss

The majority of the receivables are from DISCOMS which are Government undertakings. The Company has certain power sales bills recievable pending litigations. The Company also has certain payables to the said customers which has not been released pending recovery of the receivables. The receivables are interest bearing, hence the provision for time value of money is not required. The amount receivables from the Discoms are considered good by the management of the Company considering its past recoveries and experiences with the customer.

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

e) There are no trade receivables which are credit impaired or which have a significant increase in credit risk based on the information available with the Company.

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

10 Cash and cash equivalents

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Cash in hand	-	-
[March 31, 2019: Rs. 2,606/- (March 31, 2018: Rs. 3,553/-)]		
Balances with banks:		
in current accounts	1.49	26.87
Total	**1.49**	**26.87**

Break-up of financial assets

Particulars	March 31, 2019	March 31, 2018
Financial asset carried at cost		
Investment in equity instruments of Associates	5.40	5.40
Financial asset carried at amortised cost		
Trade receivables	1,141.17	1,141.19
Cash and cash equivalents	1.49	26.87
Loans	6,772.70	6,561.06
Other financial assets	645.82	961.36
Total	**8,566.58**	**8,695.88**

Rupees in Millions

11 Share capital

Particulars	March 31, 2019	March 31, 2018
Authorised		
250,000,000 (March 31, 2018: 250,000,000) Equity Shares of Rs 10/- each	2,500.00	2,500.00
Issued, Subscribed and Paid up		
247,500,000 (March 31, 2018: 247,500,000) Equity Shares of Rs 10/- each	2,475.00	2,475.00
Total	**2,475.00**	**2,475.00**

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

Particulars	Numbers	Rupees in Millions
March 31, 2019		
Balance at the beginning of the year	247,500,000	2,475.00
Shares issued during the year	-	-
Balance at the end of the year	247,500,000	2,475.00
March 31, 2018		
Balance at the beginning of the year	247,500,000	2,475.00
Shares issued during the year	-	-
Balance at the end of the year	247,500,000	2,475.00

b. Terms/Rights Attached to equity Shares

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

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

30% of equity shares (i.e., 74,250,000) of the Company has been pledged with Security Trustees of Yes Bank Limited held by GMR Generation Assets Limited (GGAL)

c. Restrictions on the distribution of dividends :

The Board shall propose to the shareholders the maximum possible dividend payable under applicable law. Upon such recommendation shareholders shall declare dividends as follows -

i. All such dividends & profits shall be paid to shareholders in their existing shareholding pattern,

ii. Any such dividend or other distribution shall be based on profit generated by the Company or on appropriate basis permitted by the applicable laws.

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

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

Particulars	Numbers	Rupees in Millions
March 31, 2019		
Equity Shares at par value of Rs 10/- each GMR Generation Assets Limited	126,225,000	1,262.25
March 31, 2018		
Equity Shares at par value of Rs 10/- each GMR Generation Assets Limited	126,225,000	1,262.25

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Notes to the financial statements for the year ended March 31, 2019

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

Particulars	Numbers	Rupees in Millions
March 31, 2019		
GMR Generation Assets Limited	126,225,000	51.00%
Odeon Limited, Mauritius	121,274,300	49.00%
March 31, 2018		
GMR Generation Assets Limited	126,225,000	51.00%
Odeon Limited, Mauritius	121,274,300	49.00%

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

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

12 Other equity

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
a) General Reserve	**217.97**	**217.97**
b) Major Maintenance Reserve		
Balance at the beginning of the year	-	200.00
Less: Transferred to retained earnings *	-	(200.00)
Balance at the end of the year	-	-
c) Surplus in the statement of profit and loss		
Balance at the beginning of the year	28.72	(201.70)
Adjustment to retained earnings		
Recognition of Financial Guarantee issued to fellow subsidiary	-	(4.73)
Write off of interest receivable from fellow subsidiary on instruction of equity participant ** [Refer Note No. 34(vii)]	-	(240.28)
Transferred from Major Maintenance Reserve	-	200.00
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	0.07	0.32
Profit / (Loss) for the year	9.16	275.11
Balance at the end of the year	**37.95**	**28.72**
Total	**255.92**	**246.69**

* - The Company had discontinued its Power Generation operations pursuant to non renewal of PPA by TANGEDCO and initiated dismantling and sale of the plant during the previous year. In view of the same the Major Maintenance reserve which was appropriated out of the profits in the earlier years being no longer required was transferred to retained earnings during the previous year.

** - The Company during the previous year in terms of the instructions of equity participant had partially written off interest accrued from Associate amounting to Rs. 240.28 Millions up to March 31, 2017. In view of the transaction being in the nature of distribution on instruction from the equity participant, the interest writen off has been adjusted to retained earnings.

13 Borrowings

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Short-term		
Unsecured		
Inter Corporate Loan from related party [refer note (a) below and 34 (vii)]	74.82	136.43
Total	**74.82**	**136.43**

Nature of security and terms of Repayment:

(a) Inter Corporate Deposit / Loan

The inter-corporate loan is repayable at the end of the agreement period not later than September 15, 2019. Applicable rate of interest on principle amount for the year varies between 7% to 12.25%.

14 Other Financial Liabilities

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Current financial liabilities		
Other financial liabilities at amortised cost		
Financial guarantee contracts	-	0.37
Current Maturities of finance lease obligations [refer note (a) below]	6.61	6.61
Interest Accrued and due on borrowings	2.12	22.21
Interest payable to vendor on delayed payment	16.97	16.97
Security deposit towards sale of power plant assets	57.00	57.00
Salaries, Bonus and other Payables to Employees	0.10	0.17
Other Payables	4.38	4.38
Total	**87.18**	**107.71**

Nature of security and terms of Repayment:

(a) Finance lease:

Leasehold assets represent steam turbine generator obtained under Finance lease which is secured against Plant & Equipments leased under the Finance Lease arrangement. The Lease amount shall be repaid in 5 equal annual instalments of Rs. 3.44 Million over a period of 5 years at an interest rate of 10%. The lease term is 5 years after which the legal title is passed to the lessee. There is no escalation clause in the lease agreement. There are no restrictions imposed by the lease agreements. There are no sub leases.

15 Trade Payable

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Current balance		
due to micro and small enterprises (refer note (a) below)	-	-
due to related parties [refer note no. 34(vii)]	27.87	26.46
due to others	214.48	188.45
Total	**242.35**	**214.91**

Note:

(a) There are no micro and small enterprises to which the Company owes dues or with which the Company had transactions during the year, based on the information available with the Company, which has been relied upon by the auditors.

Terms and conditions of the above financial liabilities:

For explanation on the Company's credit risk management processes, refer note no. 28

The fair value of trade and other payables is not materially different from the carrying value presented.

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Break-up of financial liabilities — Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Financial asset carried at amortised cost		
Borrowings	74.82	136.43
Other financial liabilities	87.18	107.71
Trade Payable	242.35	214.91
Total	**404.35**	**459.05**

16 Other liabilities — Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Other current liabilities		
Advance received against claim [refer note (a) & (b) below]	5,370.02	5,370.02
Advance received from customer [refer note (b)(iii) below]	272.67	272.67
Advance received from other customers	0.07	0.06
Statutory dues	0.51	25.00
Total other current liabilities	**5,643.27**	**5,667.75**

(a) Claims/counterclaims arising out of the Power Purchase Agreement (PPA) in respect of the dues recoverable from Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) (formerly known as Tamil Nadu Electricity Board) on account of Sale of Energy including reimbursement towards Interest on Working Capital, Minimum Alternate Tax, Rebate, Start/Stop charges and payment of land lease rentals to TANGEDCO respectively were pending settlement / reconciliation with TANGEDCO. In this regard, the Company had approached Tamilnadu Electricity Regulatory Commission (TNERC) to resolve the aforementioned claims/counterclaims. A favourable Order was received from TNERC on April 16, 2010 (hereinafter referred to as " the order") and in pursuance of the Order, the Company had filed its claim on April 30, 2010 amounting to Rs. 4,816.78 Millions.

TANGEDCO had filed a petition against TNERC Order in Appellate Tribunal for Electricity (APTEL). In terms of an interim Order on November 19, 2010 from APTEL, TANGEDCO made deposit of Rs. 5,370.02 Millions [March 31, 2018: Rs. 5,370.02 Millions] including interest on delayed payment of claim amount.

APTEL vide its Order dated February 28, 2012, upheld the claim of the Company and TANGEDCO has filed petition to the Supreme Court of India against said APTEL Order.

(b) In accordance with the Company's accounting policy, pending acceptance of claims by TANGEDCO, pending adjudication of petition before the Supreme court, the Company has not recognized the following as income in the books of account:

i) the claims aggregating to Rs. 4,021.28 Millions and interest on delayed payment of claim aggregating to Rs. 553.24 Millions.

ii) Claim towards Supplementary Invoices submitted subsequent to April 30, 2010 with regard Start and Stop Charges of Rs. 164.42 Millions [March 31, 2018: 164.42 Millions] and interest on delayed payment of tariff invoices/supplementary bills of Rs. 2,720.60 Millions [March 31, 2018: Rs. 2,212.91 Millions].

iii) Land Lease rentals (LLR) amounting to Rs. 284.82 Millions [March 31, 2018: Rs. 284.82 Millions] subsequent to the Order Date included in Tariff invoices was not recognized by the Company. The Company has received Rs. 272.67 Millions [March 31, 2018: Rs. 272.67 Millions] which was shown under Advance from Customers.

Accordingly, the amount received towards Claim amount and Claim towards LLR after the date of Order is shown as advance in the books of accounts pending adjudication of petition before the Supreme Court. The company on the basis that substantial amount has been received though under protest, has offered the said claims up to March 31, 2014 as income in its tax returns under normal provisions of Income Tax Act, 1961 and has claimed the deduction as available under section 80 IA of the Income Tax Act, 1961, in view of the expert opinion received.

c) APTEL vide its Order dated February 28, 2012, had further directed the Company to verify and pay counter claims of TANGEDCO in respect of the benefits earned, if any, by the Company with regard to delayed payment towards fuel supply that are not in terms with Fuel Supply Agreement (FSA). TANGEDCO had appealed to the Honourable Supreme Court of India in Civil Appeals seeking certain interim relief with respect to the benefits pointed out by the Honourable APTEL on credit period of Fuel Supplies by HPCL. Honourable Supreme Court vide its Order dated April 24, 2014 had referred the dispute to TNERC for examining the contesting claim of the parties in so far as the quantum of amount is concerned. The Company during the year has received an Order from TNERC in pursuance of the Order of Supreme Court. TNERC in its Order has upheld TANGEDCO's claim amounting to Rs. 1,213.70 Millions, consisting of Rs. 1,146.40 Millions as notional interest towards extended credit period and around Rs. 26.60 Millions towards freight subsidy and Rs. 40.60 Millions as interest on the same. The Company's counter claim of Rs. 1,910.20 Millions under old PPA towards interest on delayed payments, start and stop charges, invoice for nil dispatches and invoice for differential rates for the period from July 2011 to February 2014 has not been adjudicated and adjustments rejected. The Company has preferred an appeal before APTEL on March 12, 2019 against the TNERC Order and intends to peruse the same. The Company has not provided / accounted for the financial impact of the claims / counter claims currently in view of the fact that the matter has not attained finality and is pending proceedings before Hon'ble Supreme Court and appeal before APTEL.

Further the Company has been legally advised that in view of pendency of matter in the Supreme Court and APTEL, the entire matter of claim / counter claim is sub-judice and has not attained finality.

17 Provisions

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Non-current Provisions		
Provision for leave benefits	1.92	1.54
Total non-current provisions	**1.92**	**1.54**
Current Provisions		
Provision for leave benefits	0.23	0.57
Provision for employee benefits	2.75	1.72
Provision for decommissioning liability [refer note (a) below)]	-	76.99
Total current provisions	**2.98**	**79.28**

Note:

(a) Movement for provision in Asset Retirement Obligation:

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Balance at the beginning of the year	76.99	71.42
Add: Notional interest accounted on unwinding of liability	-	5.57
Less: Provision reversed during the year	(76.99)	
Balance at the year end	-	**76.99**

* In pursuance to the dismantling and sale of the power plant assets as referred to in Note No. 2(b) by the buyer, successful hand over of land to TANGEDCO and no subsequent claims on the Company with respect to restoration by TANGEDCO, the provision for Asset Retirement Obligation is no longer required and has been reversed to Statement of Profit and Loss and disclosed under discontinued operations.

18 Income Tax

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

18.01 Income tax expense in the statement of profit and loss comprises:

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Profit or loss section		
Continuing Operations		
Current Tax	-	5.50
MAT Credit	-	(40.04)
Deferred Tax	(0.03)	(0.16)
	(0.03)	(34.70)
Discontinued Operations		
Current Tax	-	-
Deferred Tax	-	-
	-	-
Tax expense / (credit) to Statement of Profit and Loss	**(0.03)**	**(34.70)**
Other comprehensive income section (OCI)		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement gains (losses) on defined benefit plans	0.03	0.16
Tax expense / (credit) to Other Comprehensive Income	**0.03**	**0.16**
Tax expense / (credit) to Total Comprehensive Income	**-**	**(34.54)**

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

Particulars		March 31, 2019	March 31, 2018
Profit / (Loss) before tax		9.13	240.41
Applicable tax rate		27.820%	33.063%
Tax effect of income / (loss)	(a)	2.54	79.49
Adjustments:			
Tax effect on re-measurement gains (losses)		0.03	0.16
Tax effect on non-taxable income (net)		(11.53)	(83.96)
Tax effect on non-deductible expenses (net)		1.21	89.13
Tax effect on items not debited to profit and loss but deductible		-	(79.44)
Tax effect on sale of investments		-	0.12
	(b)	(10.29)	(73.99)
Utilisation of Minimum Alternate Tax (MAT) Credit	(c)	-	-
	(d)=(a+b-c)	(7.75)	5.50
Unused tax allowances and losses for the year	(e)	7.75	-
Current tax	(f)=(d+e)	-	5.50
Recognition of deferred tax asset to the extent of deferred tax liability recognised directly under equity	(g)	0.03	0.16
Recognition of MAT Credit Entitlement	(h)	-	(40.04)
Tax expense / (credit) to Statement of Profit and Loss	(i)=(f-g+h)	**(0.03)**	**(34.70)**

GMR POWER CORPORATION LIMITED

18 Income Tax

Rupees in Millions

Particulars		March 31, 2019	March 31, 2018
Tax expense / (credit) to Other Comprehensive Income	(j)	0.03	0.16
Tax expense / (credit) to Total Comprehensive Income	(k)=(i+j)	-	(34.54)

18.03 Non-current tax assets (net)

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Opening Balance	116.19	47.07
Less: Current tax payable (including interest)	-	(5.50)
Less: Refund received during the year	-	(2.38)
Add: MAT Credit Entitlement *	-	40.04
Add: Current taxes paid	32.09	36.96
Closing balance of Non-current tax assets (net)	**148.28**	**116.19**

* - The Company had Minimum Alternate Tax (MAT) credit for Rs. 40.04 Millions which was carried forward in the return of income from Financial Year 2012-13 (Assessement Year 2013-14). The MAT Credit was not recognised in the books of accounts up to March 31, 2017 as the Company did not anticipate any tax liability against which the credit could be utilised. During the year ending March 2018, the management of the company had re-assessed the business plan considering the income arising out sale of the power plant assets over the future years and have assessed that it is certain that the company will have taxable income in near future. The management is also evaluating possible restructuring alternatives including merger and accordingly have recognized an amount of Rs. 40.04 Millions as MAT credit entitlement in the books of accounts in view of reasonable certainty as discussed above.

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

Deferred tax:

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Deferred tax liability		
Non-Current		
Property, plant and equipments and intangible assets	-	-
Total Non-Current	-	-
Current		
Fair value of investments	-	-
Assets classified as held for sale	-	16.89
Total Current	-	16.89
Gross deferred tax liability	-	16.89
Deferred tax asset		
Non Current		
Property, plant and equipments and intangible assets	0.70	1.35
Other financial liabilities	-	0.12
Provision for decommissioning liability	-	25.70
Unused losses	7.75	-
Total Non-Current	8.45	27.17

18 Income Tax

Deferred tax:

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Current		
Loans and advances	892.02	1,070.42
Provision for Leave Encashment	0.60	0.70
Total Current	**892.62**	**1,071.12**
Gross deferred tax asset	**901.07**	**1,098.29**
Net deferred tax (assets) / liability	**(901.07)**	**(1,081.40)**
Less: Deferred Tax not recognised over uncertainity *	901.07	1,081.40
Net deferred tax (assets) / liability	-	-

* - The Company has not recognised deferred tax assets under prudence in view of the pendency of restructuring alternatives including merger.

18.05 Reconciliations of deferred tax (liabilities) /assets

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Opening balance	-	-
Tax income/(expense) during the period recognised in profit or loss	0.03	0.16
Tax income/(expense) during the period recognised in OCI	(0.03)	(0.16)
Amount recognised directly in equity	-	-
Closing balance	-	-

18.06 Amount recognised directly in equity

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Opening balance	-	-
Add: Deferred tax recognised directly in equity during the year	-	-
Closing balance of deferred tax netted off with other components of equity	-	-

19 Other income

Rupees in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income:		
on Inter Corporate Loans and Deposits [refer note no. 34(vii)]	318.89	332.84
on Income Tax Refund	-	1.50
Net gain /(loss) on sale of Investments	0.91	2.67
Fair value gain on financial instruments at fair value through profit or loss	0.37	7.73
Miscellaneous Income	-	-
Provision no longer required written back	0.49	-
Total	**320.66**	**344.74**

20 Employee benefit expenses

Rupees in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	4.28	3.07
Contribution to provident and other funds [refer note no. 32]	0.24	0.33
Staff welfare expenses	0.01	0.33
Total	**4.53**	**3.73**

21 Depreciation and amortisation expenses

Rupees in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets	0.38	196.22
Less: Transferred to discontinued operation (Refer note no.25)	-	(196.01)
Total	**0.38**	**0.21**

22 Finance costs

Rupees in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense		
on inter-corporate deposit	11.50	23.41
other interest	-	0.03
Total	**11.50**	**23.44**

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23 Other expenses

Rupees in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent and hire charges	0.08	0.28
Rates and taxes	0.08	0.02
Insurance	0.31	-
Repairs and maintenance - others	-	0.21
Electricity, Fuel and water charges	-	-
Logo Charges	1.15	2.07
Communication costs	0.21	0.55
Legal and Professional charges	2.75	0.79
Travelling and conveyance	1.46	1.42
Bank and other finance charges	0.07	0.12
Payment to auditors		
Statutory Audit	0.87	0.89
Certification charges	0.11	-
Tax Audit	0.24	0.24
Directors' sitting fees	0.42	0.35
Donation	30.00	-
Accrued interest written off * [refer note no. 34(vii)]	412.97	-
Miscellaneous expenses	0.19	0.02
Total	**450.91**	**6.96**

* - The Company during the year has entered into one time settlement process with one of its Associates with a view to improve its liquidity position. In the said process of settlement, it has partially written off interest accrued amounting to Rs 412.97 Millions and has charged the same to statement of profit and loss.

24 The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Rupees in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Re-measurement gains / (losses) on defined benefit plans	0.10	0.48
Income tax effect	(0.03)	(0.16)
Total	**0.07**	**0.32**

25 Discontinued Operations

During the year ended March 31, 2018, the Company has entered into an agreement for sale of its power plant assets located in Chennai. Accordingly the Company has disclosed the same as discontinued operations in terms of Ind AS 105:

Rupees in Millions

Profit / (Loss) from discontinued operations	Year ended March 31, 2019	Year ended March 31, 2018
INCOME		
Other income	86.80	8.86
Total Income	**86.80**	**8.86**
EXPENSES		
Employee benefit expenses	8.14	12.59
Depreciation and amortisation expenses	-	196.01
Finance costs	0.02	5.66
Other expenses	57.52	126.19
Total Expenses	**65.68**	**340.45**
Profit/(loss) before exceptional items and tax expenses	**21.12**	**(331.59)**
Exceptional items [(gains) / losses]*	(134.67)	(261.60)
Profit/(loss) from discontinued operations before tax expenses	**155.79**	**(69.99)**
Tax expenses of discontinued operations		
Current tax	-	-
MAT Credit	-	
Deferred tax	-	-
Tax expenses	-	-
Profit/(loss) from discontinued operations after tax expenses	**155.79**	**(69.99)**

* - includes profit on sale of power plant assets. For details refer note no. 2(b).

26 The details of assets / disposal group classified as held for sale and liabilities associated thereto are as under:

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Group of assets classified as held for sale		
Property, plant and equipments (Note 2)	-	31.69
Inventories (Note 8)	-	18.89
Total	-	**50.58**
Liabilities associated with group of assets classified as held for sale	-	-
Total	-	-
Net assets directly associated with held for sale	-	**50.58**

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27 Financial Instruments

27.01 Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

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

Rupees in Millions

Particulars	Refer note no.	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets:						
Cash and cash equivalents	10	1.49	-	-	1.49	1.49
Other bank balances	10	-	-	-	-	-
Investments:						
in equity instruments of Associates	4	5.40	-	-	5.40	5.40
in preference shares of Associates	4	-	-	-	-	-
in Mutual Funds	4	-	-	-	-	-
Trade Receivables	9	1,141.17	-	-	1,141.17	1,141.17
Loans	5	9,979.09	-	-	6,772.70	6,772.70
Other financial assets	6	645.82	-	-	645.82	645.82
Total		**11,772.97**	-	-	**8,566.58**	**8,566.58**
Financial liabilities						
Borrowings	13	74.82	-	-	74.82	74.82
Trade payables	15	242.35	-	-	242.35	242.35
Other financial liabilities	14	87.18	-	-	87.18	87.18
Total		**404.35**	-	-	**404.35**	**404.35**

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

Rupees in Millions

Particulars	Refer note no.	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets:						
Cash and cash equivalents	10	26.87	-	-	26.87	26.87
Other bank balances	10	-	-	-	-	-
Investments:						
in equity instruments of Associates	4	5.40	-	-	5.40	5.40
in preference shares of Associates	4	-	-	-	-	-
in Mutual Funds	4	-	-	-	-	-
Trade Receivables	9	1,141.19	-	-	1,141.19	1,141.19
Loans	5	9,767.45	-	-	6,561.06	6,561.06
Other financial assets	6	961.36	-	-	961.36	961.36
Total		**11,902.27**	-	-	**8,695.88**	**8,695.88**
Financial liabilities						
Borrowings	13	136.43	-	-	136.43	136.43
Trade payables	15	214.91	-	-	214.91	214.91
Other financial liabilities	14	107.71	-	-	107.71	107.71
Total		459.05	-	-	459.05	459.05

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27 **Financial Instruments**

27.02 Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. This includes mutual funds that have quoted price

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

Rupees in Millions

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

b) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

Rupees in Millions

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

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

The fair value of liquid mutual funds is based on net asset value quoted price. Derivative financial instruments are valued based on directly or indirectly observable inputs in the marketplace. Fair value is determined using Level 3 inputs at Discounted cash flows.

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

28 **Financial risk management**

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. 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.

28 Financial risk management

28.01 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, 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 analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The analysis 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 analysis:

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 March 31, 2019 and March 31, 2018.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when expense is denominated in a foreign currency). Company's foreign currency exposure mainly relates to payment to supplier and it is paid at spot rate applicable on date of transaction. The details of unhedged exposure to foreign currency is given in Note No. 35.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's borrowings are at fixed rate, which do not expose it to significant interest rate risk.

28.02 Credit risk

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities primarily loans receivables, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

Aging analysis of the trade receivables has been considered from the date it is due: Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Upto 3 months	-	-
3 to 6 months	-	-
More than 6 months	1,141.17	1,141.19
Total	**1,141.17**	**1,141.19**

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

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

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

28 Financial risk management

28.03 Liquidity risk

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

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

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

The following are the contractual maturities of non-derivative financial liabilities, including the estimated interest payment:

Rupees in Millions

Particulars	Carrying Amount	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2019					
Non-derivative financial liabilities					
Loan from related party	74.82	-	74.82	-	-
Trade payable	242.35	-	242.35	-	-
Other financial liabilities	87.18	-	87.18	-	-
Total	**404.35**	-	**404.35**	-	-

Rupees in Millions

Particulars	Carrying Amount	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2018					
Non-derivative financial liabilities					
Loan from related party	136.43	-	136.43	-	-
Trade payable	214.91	-	214.91	-	-
Other financial liabilities	107.71	-	107.71	-	-
Total	**459.05**	-	**459.05**	-	-

28.04 Excessive risk concentration:

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

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

28.05 Capital management

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

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

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

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28 Financial risk management

28.05 Capital management

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Total Debt / borrowings	74.82	136.43
Capital Components		
Equity Share Capital	2,475.00	2,475.00
Reserves & Surplus	37.95	28.72
General Reserve	217.97	217.97
Major Maintenance Reserve	-	-
Total Capital	**2,730.92**	**2,721.69**
Capital and total debt	**2,805.74**	**2,858.12**
Gearing ratio (%)	**2.67%**	**4.77%**

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

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

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29 Calculation of Earning per share (EPS):

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

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

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
a. Nominal value of Equity shares (in Rupees per share)	10	10
b. Weighted average number of Equity shares at the year end (in Nos.)	247,500,000	247,500,000
c. Profit / (Loss) from continuing operations (Rupees in Millions)	(146.63)	345.10
d. Profit / (Loss) from discontinued operations (Rupees in Millions)	155.79	(69.99)
e. Basic/Diluted Earning per share for continuing operations and discontinued operations of Rs 10/- each (in Rs.) [(c+d)/(b)]	0.04	1.11
f. Basic/Diluted Earning per share for continuing operations of Rs 10/- each (in Rs.) [(c)/(b)]	(0.59)	1.39
g. Basic/Diluted Earning per share for discontinued operations of Rs 10/- each (in Rs.) [(d)/(b)]	0.63	(0.28)

30 Contingent liabilities and commitments

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Contingent Liabilities		
a. Claim of TANGEDCO for interest on delay in passing on duty draw back refund	15.60	15.60
b. Claim approved by TNERC pending appeal with APTEL [refer note (g) below]	1,213.70	-
c. Corporate Guarantees on behalf of GMR Chhattisgarh Energy Limited [refer note (h) below]	-	1,900.10
d. Debit note received from Hindustan Petroleum Corporation Limited for differential rate on furnace oil.	12.70	12.70
e. Disputed Income tax demand including interest [refer note (j) below]	16.46	16.46
f. Disputed tax deducted at source including interest	0.03	0.03

g. In terms of APTEL and Supreme Court's Order as discussed in Note No. 16, the Company during the year has received an Order from TNERC, wherein it is upheld TANGEDCO's claim amounting to Rs. 1,213.70 Millions, consisting of Rs. 1,146.40 Millions as notional interest towards extended credit period and around Rs. 26.60 Millions towards freight subsidy and Rs. 40.60 Millions as interest on the same. The Company's counter claim of Rs. 1,910.20 Millions under old PPA towards interest on delayed payments, start and stop charges, invoice for nil dispatches and invoice for differential rates for the period from July 2011 to February 2014 has not been adjudicated and adjustments rejected. The Company has preferred an appeal before APTEL on March 12, 2019 against the TNERC Order and intends to peruse the same. The Company has not provided / accounted for the financial impact of the claims / counter claims currently in view of the fact that the matter has not attained finality and is pending proceedings before Hon'ble Supreme Court and appeal before APTEL.

h. The Company had given a corporate guarantee to bankers of GMR Chhattigarh Energy Limited amounting to Rs. 1,900.10 Millions against the bank guarantee issued, which expired on May 19, 2018. The Company has not executed any further agreement for extension of said corporate guarantee and is of the opinion that the same is not automatically renewable, hence no contingent liability is disclosed.

i. During the year ended March 31, 2011, the Company had received a refund of customs duty of Rs. 295.70 Millions which was paid earlier towards the import of the plant and machinery and was passed on to TANGEDCO as a pass through as per the terms of the PPA. During the year ended March 31, 2012, the Company has received an intimation for cancellation of the duty draw back refund received earlier. The Company does not foresee any liability in respect of the same demand as the liability, if any, is to be recovered from TANGEDCO, the ultimate beneficiary of the refund received earlier.

j. In respect of Assessment Year (AY) 2016-17, the Company during the year has received favourable order from Commissioner of Income-tax Appeals, against the order raising the tax demand, by allowing the MAT Credit including surcharge and Cess, which was not considered at the time of processing the return of income u/s 143(1). The Company is in the process of obtaining the Order Giving Effect Order from the Assessing Officer, pending which the Company continues to disclose same as contingent liability.

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

l. In respect of the above contingent liabilities the company does not foresee any cash outflows in future.

Capital and other Commitments

Rupees in Millions

Particulars	**March 31, 2019**	**March 31, 2018**
a. Capital and other Commitments	-	-

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

32 **Employee Benefits**

a) Defined Contribution Plans :

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

Rupees in Millions

Particulars	**March 31, 2019**	**March 31, 2018**
Provident and pension fund	0.50	0.72
Superannuation fund	0.41	0.55
Total	**0.91**	**1.27**

b) Gratuity

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

Rupees in Millions

Particulars	**March 31, 2019**	**March 31, 2018**
i) Change in defined benefit obligation		
Defined benefit at the beginning	1.47	3.91
Current Service Cost *	0.19	0.42
Interest expenses	0.11	0.19
Acquisition Cost/(Credit)	(0.14)	-
Re-measurement - Actuarial loss / (gain)	(0.11)	(0.44)
Benefits paid	-	(2.61)
Defined benefit at the end	**1.52**	**1.47**
ii) Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning	2.81	4.66
Expected return on plan assets	0.22	0.26
Acquisition Adjustment	(0.14)	-
Actuarial gains/ (losses)	(0.01)	0.03
Contributions by employer	0.01	0.47
Benefits paid	-	(2.61)
Fair value of plan assets at the end	**2.89**	**2.81**

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	1.52	1.47
Fair Value of plan assets at year end	2.89	2.81
Net (asset) / liability recognised	**(1.37)**	**(1.34)**
iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses.		
Current Service Cost	0.19	0.42
Net interest on net defined benefit liability / (asset)	(0.11)	(0.07)
Total expense	**0.08**	**0.35**
v) Recognised in other comprehensive income for the year		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumption	-	-
Actuarial changes arising from changes in experience adjustments	(0.11)	(0.44)
Return on plan assets excluding interest income	0.01	(0.03)
Recognised in other comprehensive income	**(0.10)**	**(0.47)**
vi) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	0.09	0.09
Between 2 and 5 years	1.77	0.51
Between 5 and 10 years	0.40	1.77
vii) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / decrease on present value of defined benefit obligation as at year end		
(i) one percentage point increase in discount rate	(0.09)	(0.10)
(ii) one percentage point decrease in discount rate	0.10	0.11
(i) one percentage point increase in salary escalation rate	0.10	0.11
(ii) one percentage point decrease in salary escalation rate	(0.09)	(0.10)
(i) one percentage point increase in employee turnover rate	0.01	0.01
(ii) one percentage point decrease in employee turnover rate	(0.01)	(0.01)

Sensitivity Analysis Method

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by in percentage, keeping all the other actuarial assumptions constant.

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
viii) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with Insurer managed funds	100%	100%
ix) Actuarial Assumptions		
Discount rate (p.a.)	7.60%	7.60%
Salary escalation	6.00%	6.00%
Weighted average duration of defined benefit obligation	10 Years	10 Years
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Rate of employee turnover	5.00%	5.00%

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

The Company expects to contribute Rs. 0.01 Millions to the gratuity fund during FY 2019-20.

Notes:

i The estimates of future salary increases, considered in actuarial valuation, take into consideration for inflation, seniority, promotion and other relevant factors.

ii The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

c) **Leave Encashment**

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 2.15 Millions as at March 31, 2019 [March 31, 2018: Rs. 2.11 Millions).

33 Operating Lease

The Company has entered into certain cancellable operating lease agreements mainly for plant site and office premises / furniture hire. Under these agreements refundable interest-free deposits have been given:

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
Lease rentals under cancellable lease	44.27	49.95

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

i.	Parties where control exists : Holding Company	GMR Generations Assets Limited [GGAL]
ii.	Enterprises having control over the Company	GMR Enterprises Private Limited [GEPL] GMR Infrastructure Limited [GIL]
iii.	Fellow Subsidiary / Associates	GMR Energy Limited [GEL] GMR Consulting Services Private Limited [GCSPL] GMR Warora Energy Limited [GWEL] GMR Corporate Affairs Private Limited [GCAPL] RAXA Security Services Limited [RSSL] GMR Energy Trading Limited [GETL] GMR Chhattisgarh Energy Limited [GMRCEL] GMR Vemagiri Power Generation Limited [GVPGL] Dhruvi securities Private Limited [DSPL] GMR Badrinath Hydro Generation Private Limited[GBHPL] GMR Bundelkhand Energy Limited [GBEL] GMR Kamalanga Energy Limited [GKEL] SJK PowerGen Limited [SJKPL] GMR Londa Hydropower Private Limited [GLHPL] GMR Rajahmundry Energy Limited(GREL) GMR Krishnagiri SEZ Limited [GKSL]
iv.	Enterprises where significant influence exists	GMR Tuni-Anakapalli Expressways Private Limited [GTAEPL] GMR Tambaram - Tindivanam Expressways Private Limited [GTTEPL]
v.	Other entities	GMR Varalakshmi Foundation [GVF] GMR Family Fund Trust [GFFT]
vi.	Key Management Personnel	Sri Rakesh Kohli [Manager]

vii. **Details of the transactions are as follows : ***

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
a. *Logo fees paid to*		
GMR Enterprises Private Limited [GEPL]	1.15	2.07
b. *Security charges Paid to:*		
RAXA Security Services Limited [RSSL]	-	0.09

GMR Power Corporation Limited
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Notes to the financial statements for the year ended March 31, 2019

Details of the transactions are as follows : *

Rupees in Millions

	Particulars	March 31, 2019	March 31, 2018
c.	*Rent & Hire Charges*		
	GMR Corporate Affairs Private Limited [GCAPL]	0.08	0.28
d.	*Technical consultancy services paid to:*		
	GMR Infrastructure Limited [GIL]	0.21	0.50
e.	*Interest and finance charges expenses:*		
	GMR Consulting Services Private Limited [GCSPL]	0.17	0.72
	GMR Generations Assets Limited [GGAL]	11.33	22.69
f.	*Loss on sale of assets (net)*		
	GMR Vemagiri Power Generation Limited [GVPGL] *[March 31, 2019: Rs. 0/- (March 31, 2018: Rs. 227/-)]*	-	-
g.	*Interest income on Inter Corporate deposits:*		
	GMR Vemagiri Power Generation Limited [GVPGL]	1.11	1.34
	Dhruvi securities Private Limited [DSPL]	21.70	21.70
	GMR Badrinath Hydro Generation Private Limited[GBHPL]	11.41	11.41
	GMR Londa Hydropower Private Limited [GLHPL]	3.50	3.50
	GMR Energy Limited [GEL]	29.39	-
	GMR Generations Assets Limited [GGAL]	-	147.65
	GMR Infrastructure Limited [GIL]	215.08	143.51
	GMR Bundelkhand Energy Limited [GBEL]	36.70	3.72
h.	*Sale of Scrap*		
	GMR Vemagiri Power Generation Limited [GVPGL]	0.01	0.11
	GMR Kamalanga Energy Limited [GKEL]	-	0.59
	GMR Warora Energy Limited [GWEL]	-	0.42
i.	*Profit on sale of assets (net)*		
	GMR Kamalanga Energy Limited [GKEL]	-	0.13
	GMR Chhattisgarh Energy Limited [GMRCEL]	-	0.48
j.	*Remuneration paid to Key Management Personnel* **		
	Sri Rakesh Kohli	3.90	3.77
k.	*Sitting fees paid to Directors*		
	Sri Ben Lin Choon Ke	0.08	0.06
	Sri Bimal Jayant Parekh	0.14	0.10
	Sri Santhana Raman Vaidyanathan	-	0.10
	Sri K P Rao	0.15	0.04

GMR Power Corporation Limited
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Notes to the financial statements for the year ended March 31, 2019

Details of the transactions are as follows : *

Rupees in Millions

	Particulars	March 31, 2019	March 31, 2018
I.	*Inter corporate deposit / loan given*		
	GMR Vemagiri Power Generation Limited [GVPGL]		
	Opening Balance	15.90	24.92
	Add: Granted during the year	-	-
	Less: Refunded / repaid during the year	-	9.02
	Closing balance	15.90	15.90
	GMR Energy Limited [GEL]		
	Opening Balance	-	-
	Add: Granted during the year	737.50	-
	Less: Refunded / repaid during the year	737.50	-
	Closing balance	-	-
	GMR Generations Assets Limited [GGAL]		
	Opening Balance	-	2,650.27
	Add: Granted during the year	-	-
	Less: Refunded / repaid during the year	-	2,650.27
	Closing balance	-	-
	GMR Badrinath Hydro Generation Private Limited[GBHPL]		
	Opening Balance	163.00	163.00
	Add: Granted during the year	-	-
	Less: Refunded / repaid during the year	-	-
	Closing balance	163.00	163.00
	SJK PowerGen Limited [SJKPL]		
	Opening Balance	3,472.72	3,472.72
	Add: Granted during the year	-	-
	Less: Refunded / repaid during the year	-	-
	Closing balance	3,472.72	3,472.72
	GMR Londa Hydropower Private Limited [GLHPL]		
	Opening Balance	50.00	50.00
	Add: Granted during the year	-	-
	Less: Refunded / repaid during the year	-	-
	Closing balance	50.00	50.00
	Dhruvi securities Private Limited [DSPL]		
	Opening Balance	310.00	310.00
	Add: Granted during the year	-	-
	Less: Refunded / repaid during the year	-	-
	Closing balance	310.00	310.00
	GMR Kamalanga Energy Limited [GKEL]		
	Opening Balance	2,120.00	2,120.00
	Add: Granted during the year	-	-
	Less: Refunded / repaid during the year	-	-
	Closing balance	2,120.00	2,120.00

GMR POWER CORPORATION LIMITED

GMR Power Corporation Limited

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Notes to the financial statements for the year ended March 31, 2019

Details of the transactions are as follows : *

Rupees in Millions

Particulars	March 31, 2019	March 31, 2018
GMR Infrastructure Limited [GIL]		
Opening Balance	3,356.08	-
Add: Granted during the year	710.00	3,647.20
Less: Refunded / repaid during the year	583.21	291.12
Closing balance	3,482.87	3,356.08
GMR Bundelkhand Energy Limited [GBEL]		
Opening Balance	258.00	-
Add: Granted during the year	85.00	381.00
Less: Refunded / repaid during the year	-	123.00
Closing balance	343.00	258.00
m. *Inter corporate deposit / loan taken*		
GMR Consulting Services Private Limited [GCSPL]		
Opening Balance	8.00	8.00
Received during the year	-	-
Repaid during the year	8.00	-
Closing balance	-	8.00
GMR Generations Assets Limited [GGAL]		
Opening Balance	128.43	-
Received during the year	7.79	452.63
Repaid during the year	61.40	324.20
Closing balance	74.82	128.43
n. *Provision for diminution in value of Inter corporate deposit / loan*		
SJK PowerGen Limited [SJKPL]	2,883.20	2,883.20
GMR Kamalanga Energy Limited [GKEL]	323.19	323.19
o. *Investments held:*		
In equity instruments		
GMR Tuni-Anakapalli Expressways Private Limited [GTAEPL]	2.70	2.70
GMR Tambaram - Tindivanam Expressways Private Limited [GTTEPL]	2.70	2.70
p. *Refundable security deposit receivable from:*		
GMR Family Fund Trust [GFFT]	5.93	5.93
RAXA Security Services Limited [RSSL]	4.82	4.82
q. *Interest receivable on Inter Corporate deposit / loans*		
GMR Vemagiri Power Generation Limited [GVPGL]	1.09	0.09
Dhruvi securities Private Limited [DSPL]	20.99	1.66
GMR Badrinath Hydro Generation Private Limited [GBHPL]	20.54	10.27
GMR Kamalanga Energy Limited [GKEL]	412.97	825.94
GMR Londa Hydropower Private Limited [GLHPL]	6.30	3.15
GMR Infrastructure Limited [GIL]	113.00	86.71
GMR Bundelkhand Energy Limited [GBEL]	36.38	3.35
GMR Energy Limited [GEL]	23.95	-
r. *Interest receivables written off*		
GMR Kamalanga Energy Limited [GKEL]	412.97	240.28
s. *Interest payable on Inter Corporate deposit / loans*		
GMR Consulting Services Private Limited [GCSPL]	-	1.79
GMR Generations Assets Limited [GGAL]	2.12	20.42

Details of the transactions are as follows : *

Rupees in Millions

	Particulars	March 31, 2019	March 31, 2018
t.	*Equity Share Capital held by:*		
	GMR Generations Assets Limited [GGAL]		
	Opening Balance	1,262.25	1,262.25
	Add: Acquired during the year	-	-
	Closing Balance	1,262.25	1,262.25
u.	*Other amount due from:*		
	GMR Kamalanga Energy Limited [GKEL]	2.11	2.11
	GMR Vemagiri Power Generation Limited [GVPGL]	0.23	0.18
	GMR Warora Energy Limited [GWEL]	0.64	0.64
	GMR Chhattisgarh Energy Limited [GMRCEL]	0.57	0.57
v.	*Other amount due to:*		
	GMR Enterprises Private Limited [GEPL]	3.22	2.07
	RAXA Security Services Limited [RSSL]	1.82	1.82
	GMR Corporate Affairs Private Limited [GCAPL]	18.30	18.24
	GMR Rajahmundry Energy Limited(GREL)	-	-
	GMR Chhattisgarh Energy Limited [GMRCEL]	-	-
	GMR Infrastructure Limited [GIL]	0.97	0.77
	GMR Badrinath Hydro Generation Private Limited[GBHPL]	-	-

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

35 Details of foreign currency exposure which have not been hedged by any derivative instrument or otherwise as on balance sheet date:

Particulars	Type of Currency	Amount in Foreign Currency	Rupees in Millions
March 31, 2019			
Payables towards goods and services	USD	-	-
	EUR	-	-
March 31, 2018			
Payables towards goods and services	USD	232,609.14	15.20
	EUR	34,620.46	2.82

36 The principal business of the Company was Generation and sale of power which was governed by the same set of risk and returns these have been grouped as a single business segment. The income from financial assets are not a separate business and forms part of deployment of surplus funds of the power generation business. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Indian Accounting Standard (Ind AS) - 108 on Operating Segments are not applicable to the present activities of the company.

GMR Power Corporation Limited
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Notes to the financial statements for the year ended March 31, 2019

37 Figures of the previous year wherever necessary, have been regrouped and rearranged to conform with those of the current year.

As per our report of even date attached.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number : 101720W/W100355

Chandan Lala
Partner
Membership No.: 035671

Place: Mumbai
Date: April 24, 2019

For and on behalf of the Board of Directors
GMR Power Corporation Limited

Meena Lochani Raghunathan
Director
DIN: 07145001

Arunendu Saha

Arunendu Saha
Director
DIN: 06776423

Atul Aggarwal
Chief Financial Officer
Membership No.: 500466

Place: New Delhi
Date: April 24, 2019