

**Independent Auditor's Report**

To,  
The Members of  
**EAST GODAVARI POWER DISTRIBUTION COMPANY PVT LTD.**

**Report on the Financial Statements :**

We have audited the accompanying financial statements of **EAST GODAVARI POWER DISTRIBUTION COMPANY PVT LTD.** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2017, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial Statements :**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

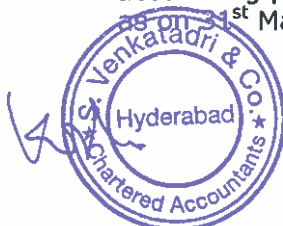
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as on 31<sup>st</sup> March 2017, and its Loss and its Cash Flow for the year ended on that date.



**Report on Other legal and Regulatory requirements :**

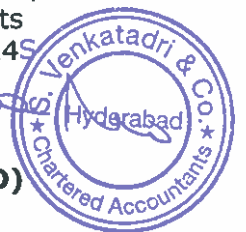
1. As required by the Companies (Auditor's Report) Order, 2016, ("the order"), issued by the Central Government of India, in terms of subsection (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. Further to our comments in the annexure, 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 and Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) the Company does not have any pending litigations which would impact its financial position.
    - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses .
    - iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv) The Financial Statements contain all the requisite disclosures as to holdings as well as dealings in specified Bank Notes during the period November 8<sup>th</sup> 2016 to December 30<sup>th</sup> 2016. Based on the audit procedures and relying on the management representation we report that the disclosures are in accordance with the Books of accounts maintained by the Company and as produced to us by the Management.

Place : Hyderabad

Date : 25.04.2017

For **S.Venkatadri & Co.,**  
Chartered Accountants  
Firm's Regn No.004614S

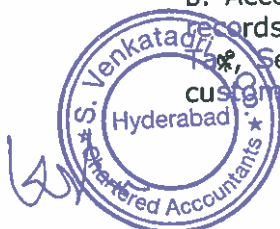
  
**(K.SRINIVASA RAO)**  
P A R T N E R  
M.No.201470



**Annexure "A" to the Independent Auditor's Report**

With reference to the Annexure referred to in paragraph 1 under the heading "Report on other legal & regulatory requirements" of our Report of even date to the members of **EAST GODAVARI POWER DISTRIBUTION COMPANY PVT LTD.** on the financial statements for the year ended 31<sup>st</sup> March 2017. We report that

- I. The company does not hold any fixed assets as at the end of the year and hence provisions of clause 3(i) (a),(b)&(c) of the order are not applicable to the company.
- II. The company did not hold any physical inventories during the year and therefore had no stocks of finished goods, stores, spare parts and raw materials during / at the end of the year. Accordingly Clause 3(ii) of the order is not applicable.
- III. The company has not granted any loans, secured or unsecured to the companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies act 2013. Accordingly Clause 3(iii) (a) to (c) of the order are not applicable.
- IV. According to the information and explanations given to us Company has not given any Loans, guarantees, security and not made any investments hence the provisions of clause 3(iv) of the order are not applicable to the company.
- V. The Company has not accepted any deposits from the public covered by the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder. hence clause 3(v) of the order is not applicable to the company
- VI. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- VII. a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable. Duty of Customs, Duty of Excise are not applicable to the company,  
b. According to the information and explanations given to us and the records of the company examined by us there are no dues of Income Tax, Service Tax, Value Added Tax, Sales Tax, Duty of Excise, Duty of customs which have not been deposited on account of any dispute




- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Govt. or dues to debenture holders.
- IX. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- X. According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- XI. Based upon the audit procedures performed and the information and explanations given by the management, Company has not paid Managerial Remuneration during the year Accordingly, provisions of clause 3(xii) of the order are not applicable.
- XII. In Our Opinion and according to the explanations given to us, the company is not a Nidhi company. Accordingly, provisions of clause 3(xii) of the order are not applicable.
- XIII. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- XIV. According to the information and explanations given to us, the company has not made any preferential allotment or Private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3(xiv) of the order are not applicable.
- XV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- XVI. In our opinion, The company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

Place : Hyderabad

Date : 25.04.2017

For **S.Venkatadri & Co.,**  
Chartered Accountants  
Firm's Regn No.0046148

  
**(K.SRINIVASA RAO)**  
P A R T N E R  
M.No.201470





**Annexure "B" to the Independent Auditors' Report of even date on the Financial Statements of EAST GODAVARI POWER DISTRIBUTION COMPANY PVT LTD**

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

We have audited the internal financial controls over financial reporting of **EAST GODAVARI POWER DISTRIBUTION COMPANY PVT LTD** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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



### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Place : Hyderabad

Date : 25.04.2017

For **S.Venkatadri & Co.,**  
Chartered Accountants  
Firm's Regn No.0046145

  
**(K.SRINIVASA RAO)**  
P A R T N E R  
M.No.201470



**EAST GODAVARI POWER DISTRIBUTION COMPANY PRIVATE LIMITED**  
**AUDITED BALANCE SHEET AS AT 31ST MARCH 2017**

Amt in Rs.

Particulars	Notes	Ind AS	Ind AS	Ind AS
		31st March, 2017	31st March, 2016	1st April '15
<b>Assets:</b>				
<b>Current Assets</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	3	2,374	42,713	68,906
		2,374	42,713	68,906
<b>Total Assets</b>		<b>2,374</b>	<b>42,713</b>	<b>68,906</b>
<b>Equity &amp; Liabilities:</b>				
<b>Equity</b>				
Equity Share Capital	4	1,00,000	1,00,000	1,00,000
Other equity	5	(1,17,751)	(62,287)	(36,094)
Current Liabilities	6	20,125	5,000	5,000
<b>Total Equity &amp; Liabilities</b>		<b>2,374</b>	<b>42,713</b>	<b>68,906</b>
Significant Accounting policies	1 & 2			

As per our report of even date

**For M/s S.Venkatadri & Co**

Chartered Accountants

Firm Reg. No. 004614S



**K.Srinivas Rao**

**Partner**

Membership No: 201470



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



**Chandramouleswara Rao L**

**Director**

DIN No.07550811



**Nagarjuna T**

**Director**

DIN No.06796211

Place: Hyderabad

Date: 25th April, 2017

Place: Hyderabad

Date: 25th April, 2017



**EAST GODAVARI POWER DISTRIBUTION COMPANY PRIVATE LIMITED**  
**Statement of profit and loss for the period ended 31-March-2017**

Amt in Rs.

Particulars	Notes	01-Apr-16 to 31-Mar-2017	01-Apr-15 to 31-Mar-2016
		Ind AS	Ind AS
<b>CONTINUING OPERATIONS</b>			
<b>Expenses</b>			
Other Expenses	7	49,599	26,170
Finance Costs	8	5,865	23
<b>Total Expenses</b>		<b>55,464</b>	<b>26,193</b>
<b>Profit/(loss) before tax from continuing operations</b>		(55,464)	(26,193)
(1) Current tax			
(2) Deferred tax			
<b>Income tax expense</b>		-	-
<b>Profit/(loss) for the period</b>		<b>(55,464)</b>	<b>(26,193)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		-	-
Income tax effect			
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(55,464)</b>	<b>(26,193)</b>

As per our report of even date

For M/s S.Venkatadri & Co  
Chartered Accountants  
Firm Reg. No. 004614S



**K.Srinivas Rao**  
Partner  
Membership No: 201470



For and on behalf of the Board of Directors



**Chandramouleswara Rao L**  
Director  
DIN No.07550811



**Nagarjuna**  
Director  
DIN No.06796211

Place: Hyderabad  
Date: 25th April, 2017

Place: Hyderabad  
Date: 25th April, 2017





**EAST GODAVARI POWER DISTRIBUTION COMPANY PRIVATE LIMITED**  
**Consolidated statement of Cash Flow for the year ended 31-March-2017**

Amt in Rs.

Particulars	Notes	31-March-2017	31-March-2016
		Ind AS	Ind AS
<b>Operating Activities</b>			
Profit Before Tax from continuing operations		(55,464)	(26,193)
Profit/(Loss) Before Tax from discontinued operations			
<b>Profit Before Tax</b>		<b>(55,464)</b>	<b>(26,193)</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
<i>Working capital adjustments:</i>			
Movements in Provision, gratuity and govt. grants		750	-
Increase in trade and other payables		14,375	-
			-
<b>Net cash flows from operating activities</b>		<b>15,125</b>	<b>-</b>
<b>Investing activities</b>			
Interest received ( finance income)			-
<b>Net cash flows from Investing activities</b>		<b>-</b>	<b>-</b>
<b>Financing Activities</b>			
			-
<b>Net cash flows from /(used in) financing activities</b>		<b>-</b>	<b>-</b>
Net Increase in cash and cash equivalents		(40,339)	(26,193)
Cash and cash equivalents at beginning of the year		42,713	68,906
<b>Cash and cash equivalents at year end</b>		<b>2,374</b>	<b>42,713</b>

As per our report of even date

For M/s S.Venkatadri & Co  
Chartered Accountants  
Firm Reg. No. 004614S



**K.Srinivas Rao**  
Partner  
Membership No: 201470



For and on behalf of the Board of Directors



**Chandramouleswara Rao L**  
Director  
DIN No.07550811



**Nagarjuna T**  
Director  
DIN No.06796211

Place: Hyderabad  
Date: 25th April, 2017

Place: Hyderabad  
Date: 25th April, 2017



## Note No.1

### Significant accounting judgements, estimates and assumptions

#### A Corporate information

East Godavari Power distribution Company Pvt Ltd is a private limited Company domiciled in India. It is a subsidiary to GMR SEZ & Port Holdings Limited. The Company distribute, purchase, sell, trade, import, export or accumulate or otherwise deal in all forms of electrical power, its attributes and its products and services in all aspects and to establish, build, construct, own, operate and maintain power distribution network or system, to undertake supply or distribution of power in the areas of Special Economic Zones, Industrial estates / parks, industrial zones, clusters, industries etc., within the district of East Godavari, Andhra Pradesh.

The financial statements were approved for issue in accordance with a resolution of the directors on 25 April 2017.

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

Name of the Company	Nature of Relationship
GMR SEZ & Port Holdings Ltd	Holding Company

#### B

##### 1 Basis of preparation

- 1.1 The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2015, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS.

The stand-alone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The stand-alone financial statements are presented in INR and all values are rounded to the nearest Crore (INR 00,00,000), except when otherwise indicated.

##### 2 Fixed Assets

On transition to Ind AS, the Company elected the option to recognise previous GAAP (Indian GAAP) carrying value as the deemed cost at the transition date, viz., 1 April 2015.

- 2.1.1
- 2.1.2 Fixed Assets are stated at acquisition cost less accumulated depreciation and cumulative impairment. Such cost includes the expenditure that is directly attributable to the acquisition of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Recognition:

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

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

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

- 2.1.4 The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

- 2.1.5 (a) Exchange differences arising on the settlement of monetary items or on reporting's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise

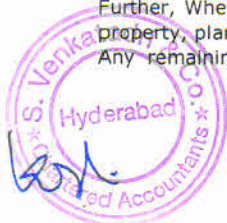
Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after 1 April 2016:

The exchange differences pertaining to long term foreign currency working capital loans obtained or re-financed on or after 1 April 2016 is charged off or credited to profit & loss account under Ind AS.

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

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

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





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

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

2.2 Depreciation on fixed assets is provided on straight line method, up to the cost of the asset (net of residual value, in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013 which are as below:

- Plant and equipments	4-15 years
- Office equipments	5 years
- Furniture and fixtures & Electrical Installations	10 years
- Vehicles	8-10 years
- Computers & Networks	3-6 years
- Factory Buildings	30 Years
- Buildings Other than RCC	30 Years

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

### 2.3 Annual Review

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.

## 3

3.1.1 Intangible assets comprise technical know how and computer software. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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

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

Computer software is being amortized over a period of 6 years on a straight line basis.

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

## 4 4.1

### 4.1.1 Finance Leases:

#### Where the Company is the lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the 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 recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized on an accrual basis as per the terms of agreements entered into with lessees.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

### 4.1.2 Operating Leases:

#### Where the Company is the lessee

Lease rentals are recognized as an expenses on a straight line basis with reference to lease terms and other considerations except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate

### 4.1.3

## 5.1

### 5.1





- 5.1.1 The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cashgenerating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
- 5.1.1 The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash—generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.
- 5.1.1 Impairment losses of continuing operations are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.
- 5.1.1 After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- 5.1.1 An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the statement of profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

## 6 6.1

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

6.1.1 Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions between the functional currency and the foreign currency.

6.1.2 Monetary foreign currency assets and liabilities remaining unsettled at the Balance Sheet date are translated at the rates of exchange prevailing on that date. Gains / losses arising on account of realisation / settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Statement of Profit and Loss.

Exchange differences arising on the settlement of monetary items or on reporting's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Non- monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss,

6.1.3 Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost as the case may be

## 7 Inventories

7.1.1 Stores and spares are valued at lower of cost and net realizable value. Cost of stores and spares is determined on a weighted average basis.

## 8 Provisions, Contingent Liabilities, Contingent Assets And Capital Commitments

### 8.1 Contingent Liabilities

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

### 8.2 Provisions





- 8.2.1** 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, 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.

## 9 Revenue

- 9.1.1** Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. **The Company has concluded that it is the principal in all of its revenue arrangements.**
- 9.1.2** Other interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

## 10 10.1

- 10.1.1** Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

## 11 Taxes on income

### 11.1 Current income tax

Tax expense comprises current and deferred tax.

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

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

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

### 11.2 Deferred tax

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

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

- 11.2.2** Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
- 11.2.3** The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

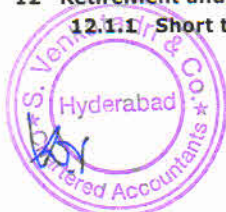
Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

- 11.2.4** Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

- 11.2.5** 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

## 12 Retirement and other Employee Benefits

- 12.1.1 Short term employee benefits and defined contribution plans.**





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 is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund.

The Company recognizes contribution payable to the provident fund scheme 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

#### 12.1.2

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

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### 12.1.3 Gratuity

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

The company recognizes termination benefit as a liability and an expense when the company has a present obligation as a result of 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. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

#### 12.1.4 Remeasurements

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

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

### 13 Current versus non-current classification

**13.1.1** Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if

- (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- (b) it is held primarily for the purpose of being traded; or
- (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

**13.1.2** A liability has been classified as current when

- (a) it is expected to be settled in the Company's normal operating cycle; or
- (b) it is held primarily for the purpose of being traded; or
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

**13.1.3** An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

### 14 Financial Instruments

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

#### 14.1 Financial assets

##### 14.1.1 Initial recognition and measurement

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### 14.1.2 Subsequent measurement





For purposes of subsequent measurement, financial assets are only classified as Debt instruments at amortised cost

#### **Debt instruments at amortised cost**

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This

#### **14.1.3 Derecognition**

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

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

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

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

#### **14.1.4 Impairment of financial assets**

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial guarantee contracts which are not measured as at FVTPL

**14.1.6** The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

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

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

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

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

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





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

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

## **15.1 Financial liabilities**

### **15.1.1 Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings etc.

### **15.1.2 Subsequent measurement**

#### **Loans and borrowings**

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.

#### **Derecognition**

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## **16 Cash and cash equivalents**

16.1.1 Cash and cash equivalents in the cash flow statement comprises cash at bank and in hand and short term investments with an original maturity periods of three months or less.

## **17 Earning per share**

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





**Note : 2****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.

**Impairment of non-financial assets**

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

**Taxes**

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

**Defined benefit plans (gratuity benefits)**

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

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

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

**Contingencies**

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

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of 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.

**Related Party Transactions**

	Nature of Transaction	As at March 31, 2017	As at March 31, 2016
	Share Capital		
1	GMR SEZ & Port Holdings Limited	1,00,000/-	1,00,000/-

**Contingent liabilities, Capital Commitments and other commitments**

- There are no contingent liabilities as on March 31, 2017
- There are no Capital Commitments as on March 31, 2017
- Other Commitments: NIL

**The Company does not have any pending litigations which would impact its financial position**

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



Statement of Changes in Equity

Particulars	Equity share capital	Reserve and surplus	Items of OCI	Total equity
		Retained earnings		
As at 1 April 2015	1,00,000	(36,094)	-	63,906
Profit for the period/movement	-	(26,193)	-	(26,193)
Other comprehensive income	-	-	-	-
<b>At 31 March 2016</b>	<b>1,00,000</b>	<b>(62,287)</b>	<b>-</b>	<b>37,713</b>
Profit for the period	-	(55,464)	-	(55,464)
Other comprehensive income	-	-	-	-
<b>At 31 March 2017</b>	<b>1,00,000</b>	<b>(1,17,751)</b>	<b>-</b>	<b>(17,751)</b>

Consolidated Statement of Changes in Equity for the year ended 31-March-2017

Particulars	Amount in Rs.
Surplus in the statement of profit and loss	
At 1 April 2015	(36,094)
Add: Net profit for the year	(26,193)
Other items of Comprehensive Income	-
<b>At 31 March 2016</b>	<b>(62,287)</b>
Add: Net profit for the year	(55,464)
Other items of Comprehensive Income	-
<b>At 31 March 2017</b>	<b>(1,17,751)</b>





## First Time Adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first, the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2015, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016 and 31 March 2017.

### Exemptions applied:-

#### **I Mandatory exemptions:**

##### **Estimates**

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- ▶ Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS, as of 31 March 2016.

##### **Derecognition of financial assets and financial liabilities**

The company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

##### **Classification and measurement of financial assets**

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

#### **II Optional exemptions:**

##### **Deemed cost-Previous GAAP carrying amount: (PPE)**

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its PPE as recognised in its Indian GAAP financial as deemed cost at the transition date after making necessary adjustments for de-commissioning liabilities.

##### **Deemed cost-Previous GAAP carrying amount: (Investment property) (Ind AS 101.D7AA)**

Since there is no change in the functional currency, the Company has elected to continue with the carrying value of land which has been classified under PPE in its Indian GAAP financial as deemed cost for investment property at the transition date

##### **Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)**

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

##### **Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows



## Capital management

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

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

	At 31 March 2017	At 31 March 2016
Borrowings	-	-
<b>Total debt</b>	-	-
<b>Capital Components</b>		
share Capital	1,00,000	1,00,000
Other equity	(1,17,751)	(62,287)
<b>Total Capital</b>	<b>(17,751)</b>	<b>37,713</b>
<b>Capital and net debt</b>	<b>(17,751)</b>	<b>37,713</b>
<b>Gearing ratio (%)</b>	<b>0%</b>	<b>0%</b>

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


No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

For M/s S.Venkatadri & Co  
Chartered Accountants  
Firm Reg. No. 004614S

  
K.Srinivas Rao  
Partner  
Membership No: 201470



For and on behalf of the Board of Directors

  
Chandramouleswara Rao L  
Director  
DIN No.07550811

  
Nagarjuna T  
Director  
DIN No.06796211

Place: Hyderabad  
Date: 25th April, 2017

Place: Hyderabad  
Date: 25th April, 2017





**EAST GODAVARI POWER DISTRIBUTION COMPANY PRIVATE LIMITED**

**Notes to the financial statements as at March 31,2017**

**Note.3**

**Cash and Cash Equivalents**

Particulars	Ind AS as at March 31,2017	Ind AS as at March 31,2016	Ind AS as at April 1, 2015
Cash on hand	-	6,476	-
Balances with banks - in current accounts	2,374	36,237	-
<b>Total</b>	<b>2,374</b>	<b>42,713</b>	<b>-</b>

**Note.4**

**Share Capital**

Particulars	Ind AS as at March 31,2017	Ind AS as at March 31,2017	Ind AS as at March 31,2016	Ind AS as at March 31,2016	Ind AS as at April 1, 2015	Ind AS as at April 1, 2015
	Number of shares	Rs.	Number of shares	Rs.	Number of shares	Rs.
<b>Authorised share as at March 31,2017</b>						
- Equity Shares of Rs. 10 each	10,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
<b>Total</b>						
<b>Issued equity capital as at March 31,2017</b>						
- Equity Shares of Rs. 10 each fully paid up						
beginning of the period	10,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
issued during the period						
end of the period	10,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
- Equity Shares of Rs. 10 each - Rs.1 Paid up						
beginning of the period	10,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
issued during the period						
end of the period	10,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
<b>Total</b>	<b>10,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>

a) **Terms and rights attached with the Shares:**The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.  
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

b) **Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates:**

Particulars	as at March 31,2017	as at March 31,2017	as at March 31,2016	as at March 31,2016	as at April 1, 2015	as at April 1, 2015
	Number of shares	Rs.	Number of shares	Rs.	Number of shares	Rs.



10,000 Equity Shares of Rs. 10 each - GMR SEZ & Port Holdings Ltd, the immediate holding	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
<b>Total</b>	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>

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

Particulars	as at March 31,2017	as at March 31,2017	as at March 31,2016	as at March 31,2016	as at April 1, 2015	as at April 1, 2015
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
<b>Equity Shares - Face Value Rs. 10 each paid up Rs. 10:</b>						
GMR SEZ & Port Holdings Ltd	9,900	99%	9,900	99.00%	9,900	99.00%
Mr.IV Srinivas Rao ( Nominee of GSHL)	100	1%	100	1.00%	100	1.00%

**Note.5**

**Other Equity**

Amt in Rs.

Particulars	Ind AS	Ind AS	Ind AS
	as at March 31,2017	as at March 31,2016	as at April 1, 2015
<b>Surplus in the statement of profit and loss</b>			
Opening	(62,287)	(36,094)	-
During the period	(55,464)	(26,193)	(36,094)
<b>Total</b>	<b>(1,17,751)</b>	<b>(62,287)</b>	<b>(36,094)</b>

**Note.6**

**Current Liabilities**

Particulars	Ind AS	Ind AS	Ind AS
	as at March 31,2017	as at March 31,2016	as at April 1, 2015
Other Payables	14,375	-	-
Provision for Expense	5,750	5,000	-
<b>Total</b>	<b>20,125</b>	<b>5,000</b>	<b>-</b>

**Note.7**

**Other Expenses**

Particulars	Ind AS	Ind AS
	as at March 31,2017	as at March 31,2016
<b>Expenses</b>		
Statutory Auditor's Remuneration		
Auditors fees	25,440	7,908
Certification Charges	6,588	7,932
Rates & Taxes	3,600	2,200
Consultancy	6,095	8,130
Printing and Stationery & Other Expenses	7,876	-
<b>Total</b>	<b>49,599</b>	<b>26,170</b>





**Note.8**

**Finane Cost**

Particulars	Ind AS	Ind AS
	as at March 31,2017	as at March 31,2016
<b>Finane Cost</b>		
Interest & Finance Charges	5,865	23
	5,865	23

As per our report of even date

**For M/s S.Venkatadri & Co**

Chartered Accountants

Firm Reg. No. 004614S

  
**K.Srinivas Rao**  
Partner  
Membership No: 201470



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

  
**Chandramouleswara Rao L**  
Director  
DIN No.07550811

  
**Nagarjuna T**  
Director  
DIN No.06796211

Place: Hyderabad  
Date: 25th April, 2017

Place: Hyderabad  
Date: 25th April, 2017



Related Party Transaction Details  
For the year ended March 31, 2017

Balance Sheet

East Godavari Power Distribution Company Private Limited /  
Code: C5532

For M/S.S.Venkatadri & Co.  
Firm registration number: No. 0046145  
Chartered Accountants



*S. Venkatadri*  
K. Srinivas Rao  
Partner  
Membership no.: No. 201470  
Place: Hyderabad  
Date: 25-Apr-2017

For and on behalf of the Board of Directors

*[Signature]*  
Nagaraj T.  
Director  
D.K. No.06796211

Company Secretary





Related Party Transaction Details  
For the year ended March 31, 2017

Profit & Loss

East Godavari Power Distribution Company Private Limited  
Code : C5532

For M/s S.Venkatadri & Co  
Firm registration number: No. 0046145  
Chartered Accountants

*S. Venkatadri*

K.Srinivas Rao  
Partner  
Membership no: No. 201470

Place: Hyderabad  
Date: 25-Apr-2017



For and on behalf of the Board of Directors

Nagarajana T  
Director  
DIN: No.06796211

Company Secretary

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