GADL International Limited

Balance sheet as at March 31, 2017- Ind AS

	Notes	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs	Ind AS 01-Apr-15 Amount in Rs
ASSETS				
Current assets				
Financial assets				
Cash and cash equivalents	1	260,563	38,104,571	58,562,939
Current investments	2	331,797,388	338,517,356	320,384,843
Trade receivables	3	14,891	11,787,375	912,290
Loans	4	2,481,770,082	2,556,502,847	2,415,473,571
Other current assets	5	-	-	11,980
		2,813,842,924	**2,944,912,149**	**2,795,345,623**
TOTAL ASSETS		**2,813,842,924**	**2,944,912,149**	**2,795,345,623**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	6	1,640,000	1,669,250	1,576,500
Other Equity	7	(222,866,356)	(256,446,211)	(242,864,933)
Total equity		**(221,226,356)**	**(254,776,961)**	**(241,288,433)**
Liabilities				
Current liabilities				
Financial Liabilities				
Trade payables	8	2,454,424	21,059,592	201,743,381
Other financial liabilities	9	-	65,096,811	67,992,932
Other current liabilities	10	3,032,614,856	3,113,532,707	2,766,897,743
		3,035,069,280	**3,199,689,110**	**3,036,634,056**
		3,035,069,280	**3,199,689,110**	**3,036,634,056**
TOTAL EQUITY AND LIABILITIES		**2,813,842,924**	**2,944,912,149**	**2,795,345,623**
Summary of significant accounting policies	19			

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

For and on behalf of the Board of Directors of
GADL International Limited

Director

GADL International Limited
Statement of profit and loss for the year ended March 31, 2017

	Notes	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Other income	11	51,112,829	15,596,304
Total Income		**51,112,829**	**15,596,304**
Finance costs	12	1,151,754	1,454,438
Other expenses	13	20,287,565	13,445,031
Total Expenses		**21,439,319**	**14,899,469**
Profit/(loss) before exceptional items and tax from continuing operations		**29,673,510**	**696,835**
Exceptional items	14	-	-
Profit/(loss) before and tax from continuing operations		**29,673,510**	**696,835**
(1) Current tax		-	-
(2) Adjustment of tax relating to earlier periods		-	-
(3) Deferred tax		-	-
Less: Minimum Alternate Tax ('MAT') credit entitlement		-	-
Reversal of current tax of earlier years		-	-
MAT credit written off		-	-
Income tax expense		-	-
Profit/(loss) for the year from continuing operations		**29,673,510**	**696,835**
Profit for the year		**29,673,510**	**696,835**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**29,673,510**	**696,835**
Earnings per share for continuing operations			
Basic, profit from continuing operations attributable to equity holders of the parent		1,186.94	27.87
Diluted, profit from continuing operations attributable to equity holders of the parent		1,186.94	27.87

Summary of significant accounting policies 19

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

As per our report of even date

For CGR and Co
ICAI firm registration number: 15078s
Chartered Accountants

Chetan Gotlur Ravi
Proprietor
Membership number: 234729
Place: Bengaluru

For and on behalf of the Board of Directors of
GADL International Limited

Director Director

Place: Bengaluru

GADL International Limited
Notes to the financial statements as at March 31, 2017 - Ind AS

1 Cash and short-term deposits

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Cash and cash equivalents		
Balances with banks:		
– On current accounts	260,563	38,104,571
	260,563	**38,104,571**

2 Current investments

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Investment in units of Mirabaud (Middle East) Limited		
Hedge Funds	4,438,890	5,320,300
Shares	327,358,498	333,197,056
	331,797,388	**338,517,356**

3 Trade receivables

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Trade receivables	14,891	11,787,375
	14,891	**11,787,375**

4 Loans

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Current		
Loans to Related parties	2,481,770,082	2,556,502,847
Advance to Employees	-	-
Deposit to others	-	-
	2,481,770,082	**2,556,502,847**

5 Other assets

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Current		
Balances with statutory / government authorities	-	-
	-	-

7 Other equity

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
	443,433.00	**443,433.00**
Foreign Currency Translation Gain/(Loss)		-
Balance as per the last financial statements	(63,561,186.00)	(49,283,073.00)
Add: during the year	(3,829,601.00)	(14,278,113.00)
Closing Balance	(67,390,787.00)	(63,561,186.00)
Other comprehensive income- Fair value reserve		-
Surplus in the statement of profit and loss		
At 1 April 2016	(192,885,024.60)	(193,581,859.65)
Incremental Fair value reserve	7,735,946.00	
(Loss)/Profit for the year	29,673,510.00	696,835.05
Net surplus in the statement of profit and loss as at March 31, 2017	(155,475,568.60)	(192,885,024.60)
	(222,866,355.60)	**(256,446,210.60)**

Notes to the financial statements as at March 31, 2017 - Ind AS

8 Trade payables

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Trade/Non Trade payable	2,454,424	21,059,592
	2,454,424	**21,059,592**

9 Other financial liabilities

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Current		
Retention Money	-	65,081,654
GST payable	-	15,157
	-	65,096,811
	-	**65,096,811.00**

10 Other current liabilities

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Advance from customers	3,032,614,856	3,113,483,364
Stale Cheque	-	49,343
	3,032,614,856	**3,113,532,707**

11 Other income

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Interest income from bank deposits(gross)		8,024.00
Interest income from inter corporate deposits	15,180,211.00	15,573,613.00
Profit on sale of current investments (other than trade)		-
Gain on account of foreign exchange fluctuations (net)		6,248.00
Provisions no longer required, written back		-
Other non-operating income	35,932,618.00	8,419.00
	51,112,829.00	**15,596,304.00**

12 Finance costs

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Interest expenses	-	-
Bank and other finance charges	1,151,754.00	1,454,438.00
	1,151,754.00	**1,454,438.00**

13 Other expenses**

	Ind AS 31-Mar-17 Amount in Rs	Ind AS 31-Mar-16 Amount in Rs
Loss on fair valuation of investments	-	706,040.95
Insurance	-	-
Repairs and maintenance-Vehicles	-	-
Repairs and maintenance-Others	-	-
Brokerage and discounts	-	-
Travelling and conveyance	-	21,901.00
Printing and stationery	-	-
Consultancy and professional fees	2,341,719.00	1,868,328.00
Management fee	-	-
Lease rentals	-	-
Directors' sitting fees	-	-
Payment to auditor (Refer details below)	343,422.00	466,967.00
Equipment Hire Charges	-	-
Loading & Unloading Charges	-	-
Expenses-Claims	5,768,882.00	10,380,742.00
Miscellaneous expenses	68.00	1,052.00
Forex Gain/Loss	-	-
Write-off of Receivables	11,833,474.00	
Customs Duty	-	-
Provision for diminution in value of investment	-	-
Loss on sale of Assets	-	-
	20,287,565.00	**13,445,030.95**

6 Share capital

	31-Mar-17		31-Mar-16		01-Apr-15	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Issued, Subscribed and paid-up shares						
(i) 25,000 (March 31, 2014: 25,000) equity shares of $ 1 each fully paid up	25,000	1,640,000	25,000	1,669,250	25,000	1,576,500
Total issued, subscribed and fully paid-up share capital	**25,000**	**1,640,000**	**25,000**	**1,669,250**	**25,000**	**1,576,500**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31-Mar-17		31-Mar-16		1-Apr-15	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR
At the beginning of the period	25,000	1,669,250	25,000	1,576,500	25,000	1,556,500
Outstanding at the end of the period	25,000	1,640,000	25,000	1,669,250	25,000	1,576,500

(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:

	31-Mar-17		31-Mar-16		01-Apr-15	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR
GADL(Mauritius)Limited						
25,000 (March 31, 2014: 25,000) equity shares of $ 1 each fully paid up	25,000	1,640,000	25,000	1,669,250	25,000	1,576,500

1. Corporate Information

GADL International Limited (the "Company") is a limited liability Company incorporated in Isle of Man with its registered office at 33-37 Athol Street, Douglas, Isle of Man" and the company is engaged in the construction of airport infrastructure on contract basis.

2. Significant Accounting Policies

A. Basis of preparation

These are the first financial statements prepared complying in all material respects with the notified Accounting Standards under the Companies (Indian Accounting Standards) Rules, 2015 as amended the by Companies (Indian Accounting Standards) (Amendments) Rules, 2016 and the relevant provisions of the Companies Act, 2013 and in accordance with the generally accepted accounting principles in India. The financial statements comply with all the Ind AS notified by MCA till reporting date. i.e., March 31, 2017.

The Company has consistently applied the accounting policies used in the preparation of opening balance sheet as at April 01, 2015 throughout all periods presented in these financial statements, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Previous GAAP"), as defined in Ind AS 101. The reconciliation of effects of the transition as required by Ind AS 101 is disclosed in Note no 40 to these financial statements.

(a) Basis of Measurement

The financial statements have been prepared on accrual basis and historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

(b) Functional and Presentation Currency

The company's functional currency is United States Dollar (USD). All financial information presented in USD has been rounded to the nearest dollar. For presentation purposes, the financials are being converted to Indian Rupees (INR) using average exchange rate for Profit & Loss account and closing exchange rate for Balance sheet items.

(c) Foreign Currency Transactions

The decision has been taken by management of the Company to maintain the reporting currency as USD in the financial statements since most of the business transactions are dealt in USD.

Transactions in currencies other than USD are translated to USD at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in currencies other than USD are translated to USD at the exchange rate ruling at the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities, which are measured at historical cost, denominated in currencies other than USD, are translated to USD at the exchange rates ruling at the dates of transactions. Non-monetary assets and liabilities, which are stated at fair value, denominated in currencies other than USD, are translated to USD at the exchange rates ruling at the dates the values were determined.

Summary of significant accounting policies

a. Use of estimates

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

b. Current versus non-current classification

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

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

ii) Held primarily for the purpose of trading

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

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

All other assets are classified as non-current.

A liability is current when:

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

ii) It is held primarily for the purpose of trading

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

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets or inventory for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c. Investments in Subsidiaries, Associates and Joint ventures

On transition to Ind AS, the company has elected to continue with the carrying value of all of its investments in subsidiaries, associates and joint ventures as at 31 March 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of the investments as on 1 April 2015.

d. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in nature in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

e. Property, plant and equipment

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

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

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

Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress, intangible assets under development as at balance sheet date are shown as intangible assets under development and the related advances are shown as loans and advances.

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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.

f. Depreciation on Property, plant and equipment

For overseas subsidiaries, joint ventures and associates, the Group provides depreciation based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, joint ventures and associates. In view of different sets of environment in which such foreign subsidiaries, joint ventures and associates operate in their respective countries, depreciation is provided based on local laws and management estimates. These entities follow straight line method of depreciation spread over the useful life of each individual asset. It is practically not possible to align rates of depreciation of such subsidiaries, joint ventures and associates with those of the domestic subsidiaries, joint ventures and associates.

The estimated useful lives of the assets considered by such overseas entities are as follows:

Asset category	Depreciation rate
Lease hold improvements	6.25%
Furniture and fixtures	25%
Computer equipment, office equipment	25%
Motor vehicles	25%

g. 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.

Cost relating to software licences, which are acquired, are capitalized and amortised over the useful life of 6 years as estimated by the management.

h. Borrowing cost

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

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

i. 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.

For arrangements entered prior to April 01 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition

(a) Company as a lessee:

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

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

(i) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

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

(b) 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 period. 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.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease, unless either:

(i) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

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

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.

j. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre—tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators."

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

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

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

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

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

Contingent liability is disclosed in the case of:

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

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

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

Contingent assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

j. Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

i) Debt instruments at amortised cost

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

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

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

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

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

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

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

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

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

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

i) The asset's contractual cash flows represent SPPI

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss :

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

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

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

Loans and borrowings:

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information, refer Note 14.

Financial guarantee contracts:

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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.

Reclassification of financial assets

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

k. 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.

I. Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions (note XX)

b) Quantitative disclosures of fair value measurement hierarchy (note XX)

c) Investment in unquoted equity shares (discontinued operations) (note XX)

d) Property, plant and equipment under revaluation model (note XX)

e) Financial instruments (including those carried at amortised cost) (note XX)

m. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

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

Interest income

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

Dividends

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

n. Taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act and other tax laws prevailing in respective tax jurisdictions where the entities in group operates.

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.

Deferred tax

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

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

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

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

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

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

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

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

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

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

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

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

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

I. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
II. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

O) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

20) Details of transactions with related parties

A. Names of related parties and related party relationship

S.No.	Relationship	Name of the Parties
(i)	Ultimate Holding Company	GMR Infrastructure Limited (GIL)
(ii)	Immediate Holding company	GADL Mauritius Limited (GADLML)
(iii)	Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture enterprises exercising significant influence over the subsidiary companies	GMR Holding (Overseas) Limited (GHOL)
(iv)	Enterprises where key management personnel and their relatives exercise significant influence	None
(v)	Fellow subsidiary (where transactions have taken place)	GMR Infrastructure (Mauritius) Ltd GMR Energy (Mauritius) Ltd GMR Energy Project (Mauritius) Ltd GMR Male' International Airport Private Limited (GMIAL)
(vi)	Key management personnel and their relatives	

B. Summary of Transaction with related parties is as follows

	As at the end of the year		Transactions During the year	
Name of the company	**March 31, 2017**	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Loan / advance given				
GIML	2,199,965,344	2,273,218,708	(73,253,364)	294,182,082
GEPML	281,804,765	283,284,126	(1,479,361)	(135,309,146)
Interest				
GIML	11,575,025	10,662,583	912,442	3,126,880
GEPML	2,429,746	4,911,046	(2,481,300)	(351,829)
Equity Share Capital				
GIL	1,640,000	1,669,250	(29,250)	92,750
Advance from Customers				
GMIAL	3,032,614,856	2,929,632,880	102,981,976	162,781,758

21. Fair values

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

22. Financial risk management objectives and policies

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 and to provide guarantees to support its 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 also holds FVTPL investments.

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

Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives, if any, and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 36.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
31-Mar-17		Amt in INR
INR	+50	12,764,745
31-Mar-16		
INR	-50	(12,764,745)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Credit risk

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

Trade receivables- Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are Companied into homogenous Companies and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9.

Financial instruments and cash deposits- Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 42 and the liquidity table below

Liquidity risk

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Amount in INR

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	INR	INR	INR	INR	INR	INR
Year ended						
31-Mar-17						
Borrowings						-
Trade and other payables	3,032,614,856	2,454,424				3,035,069,280
	3,032,614,856	**2,454,424**	-	-	-	**3,035,069,280**
Year ended						
31-Mar-16						
Borrowings						-
Trade and other payables	3,113,483,364	86,205,746				3,199,689,110
	3,113,483,364	**86,205,746**	-	-	-	**3,199,689,110**
As at						
1-Apr-15						
Borrowings						-
Trade and other payables	2,834,890,675	201,743,381				3,036,634,056
	2,834,890,675	**201,743,381**	-	-	-	**3,036,634,056**

23) **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 net debt divided by total capital plus net debt.

Amount in INR

	At 31 March 2017	At 31 March 2016	At 1 April 2015
Borrowings	-	-	-
Trade payables	3,035,069,280	3,199,689,110	3,036,634,056
Less: Cash and cash equivalents	260,563	38,104,571	58,562,939
Net debts	**3,034,808,717**	**3,161,584,539**	**2,978,071,117**
Capital Components			
share Capital	1,640,000	1,669,250	1,576,500
Reserves & Surplus	(222,866,356)	(256,446,211)	(250,589,089)
Total Capital	(221,226,356)	(254,776,961)	(249,012,589)
Capital and net debt	**2,813,582,361**	**2,906,807,578**	**2,729,058,528**
Gearing ratio (%)	**108%**	**109%**	**109%**

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.

24) 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: -

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

Mandatory exceptions:

(i) De-recognition of financial assets and financial liabilities:

The company has chosen to apply the de-recognition requirements for financial assets and liabilities as per Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(ii) **Classification and measurement of financial assets:**

The company has classified financial assets in accordance with conditions that existed at the date of transition to Ind AS.

Optional exemptions:

(i) **Deemed cost- Previous GAAP carrying amount: (PPE and Intangible Assets):**

The Company has elected to continue with the carrying value for all of its PPE and intangible assets as recognised in its Indian GAAP financial as deemed cost at transition date.

(ii) **Fair value measurement of financial assets or financial liabilities:**

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.

For and behalf of Board of Directors
GADL International Limited

Director