

**Independent Auditor's Report**

To,

The Members of

**GMR BANNERGHATTA PROPERTIES PRIVATE LIMITED****Report on the Financial Statements :**

We have audited the accompanying financial statements of **GMR BANNERGHATTA PROPERTIES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, 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 Profit 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. 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:
    - a. The Company does not have any pending litigations which would impact its financial position.
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses .
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - d. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of Accounts maintained by the company. Refer Item No.27 of Notes to Accounts of the financial statements.

Place : Hyderabad

Date : 19.05.2017

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

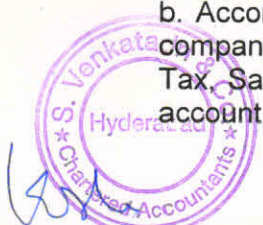
  


**(K.SRINIVASA RAO)**  
P A R T N E R  
M.No.201470

**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 **GMR BANNERGHATTA PROPERTIES PRIVATE LIMITED** on the financial statements for the year ended 31<sup>st</sup> March 2017. We report that

- I. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regards to the company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of 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 Partnership or other parties listed in the register maintained under section 189 of companies Act 2013. Accordingly Clause 3(iii) (a) to (c) of the order is not applicable.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- 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 Income-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. Employees State Insurance, Service Tax, Sales tax, Provident Fund, Value added Tax, 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, but raised term Loans which have been used for the purpose for which it is raised.
- 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. During the year company has not paid managerial remuneration hence the provisions of clause (xi) of the order is not applicable to the company.
- 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. According to the explanations and information given to us, the company has not done any transactions with the related parties.
- 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 : 19.05.2017

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 "B" to the Independent Auditors' Report of even date on the Financial Statements of GMR BANNERGHATTA PROPERTIES PRIVATE LIMITED**

**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 **GMR BANNERGHATTA PROPERTIES PRIVATE LIMITED** ("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**

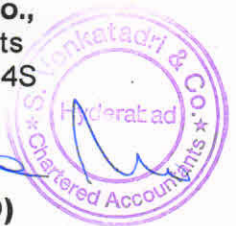
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria 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 : 19.05.2017

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

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



**GMR BANNERGHATTA PROPERTIES PRIVATE LIMITED**  
 Regd. Office: No. 6-2-953, 1st Floor, Krishna Plaza, Khairatbad, Hyderabad- 500 004  
 CIN NO.U70102AP2005PTC046465  
 Balance Sheet as on 31st March 2017

Particulars		Note No.	31st March 2017	31st March 2016
			Amount in Rs.	Amount in Rs.
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital		3	250,000,000	250,000,000
(b) Reserves and surplus		4	195,280,195	194,067,006
<b>2 Non-current liabilities</b>				
(a) Long-term borrowings		5	27,600,000	12,400,000
(b) Other Long term liabilities			-	-
<b>3 Current liabilities</b>				
(a) Short-term borrowings		6	1,264,400,000	
(b) Trade payables		7	11,596,305	19,832,017
(c) Other current liabilities		8	2,085,107	339,872
(d) Short-term provisions		9	30,613	1,298,717
<b>TOTAL</b>			<b>1,750,992,220</b>	<b>477,937,612</b>
<b>II. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Fixed assets				
(i) Tangible assets		10	26,354,158	25,823,830
(ii) Intangible assets				
(ii) Capital work-in-progress				-
(iv) Intangible assets under development				
(b) Non-current investments		11	190,995,000	190,995,000
(c) Deferred tax assets (net)				
(c) Long-term loans and advances		12	1,437,370,019	10,000
(d) Other non-current assets				-
<b>2 Current assets</b>				
(a) Trade receivables		13	16,933,544	307,718
(b) Cash and cash equivalents		14	1,742,805	220,839,203
(c) Short-term loans and advances		15	20,235,443	26,302,711
(d) Other current assets		16	57,361,250	13,659,151
<b>TOTAL</b>			<b>1,750,992,220</b>	<b>477,937,612</b>

Corporate Information about the company 1  
 Summary of Significant Accounting Policies 2  
 The accompanying notes are an integral part of the Financial statements 3-29

As per my Report of even date attached

**For S Venkatadri & Co.**

Chartered Accountants

**For S VENKATADRI & CO.**  
**CHARTERED ACCOUNTANTS**

*K. Srinivasa Rao*  
**K. Srinivasa Rao**  
**PARTNER**

Partner

M.No.201470

Station : Bangalore

Date : 19.05.2017

Director

for and on behalf of the Board

*G. Purnachandrarao*

**G Purnachandrarao**  
 Director



**Statement of Profit and loss for the year ended March 31, 2017**

Particulars	Refer Note No.	Year Ended 31st March 2017	Year Ended 31st March 2016
		Amount in Rs.	Amount in Rs.
I. Revenue from operations		-	-
II. Other income	17	70,747,949	19,911,894
III. Total Revenue (I + II)		70,747,949	19,911,894
IV. Expenses:			
Employee benefits expense	18	3,242,429	14,890,214
Other expenses	19	6,112,956	15,418,882
Finance costs	20	59,263,189	556,067
Depreciation and amortization expense	10	165,932	174,800
Total expenses		68,784,506	31,039,963
V Profit before tax (III- IV)		1,963,443	(11,128,070)
VI Tax expense:			
(1) Current tax		620,755	-
(2) Previous years IT Provision		129,500	-
VII Profit (Loss) for the period (V -VI)		1,213,188	(11,128,070)
VIII Earnings per equity share:			
(1) Basic and diluted		0.05	(0.45)

Corporate Information about the company	1
Summary of Significant Accounting Policies	2
The accompanying notes are an integral part of the Financial statements	3-29

As per my Report of even date attached

for and on behalf of the Board

**For S Venkatadri & Co.**

Chartered Accountants

**For S. VENKATADRI & CO.**  
**CHARTERED ACCOUNTANTS**

*(Signature)*

**K. Srinivasa Rao**

**PARTNER**

**Partner**

Director

M.No.201470

Station : Bangalore

Date : 19.05.2017

*(Signature)*

**G Purnachandrarao**

**Director**





**GMR BANNERGHATTA PROPERTIES PRIVATE LIMITED**  
 Regd. Office: No. 6-2-953, 1st Floor, Krishna Plaza, Khairatbad, Hyderabad- 500 004  
 Cash flow statement for the year ended 31st March 2017

	31st March 2017	31st March 2016
	Amount in Rs.	Amount in Rs.
Cash flow from operating activities		
Profit before tax from continuing operations	1,993,443	(11,128,070)
Profit before tax from discontinuing operations		
Profit before tax	1,993,443	(11,128,070)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Share of profit from investment in partnership firm	-	-
Depreciation/ amortization on continuing operation	165,932	174,800
Interest Income	(65,153,542)	(1,280,000)
Loss/ (profit) on sale of fixed assets	-	-
Finance costs	57,280,160	-
Interest expense	-	-
Net gain on sale of current investments		
Operating profit before working capital changes	(5,744,007)	(12,233,269)
Movements in working capital :		
Increase/ (Decrease) in trade payables	(8,235,712)	(5,526,438)
Increase/ (decrease) in other long term liabilities	1,745,235	7,772
Increase/ (decrease) in other current liabilities	(16,025,820)	(1)
Decrease / (increase) in trade receivables	-	-
Decrease / (increase) in inventories	-	-
Decrease / (increase) in other non current assets	(43,702,099)	(911,972)
Decrease / (increase) in other current assets	(1,437,360,019)	-
Decrease / (increase) long term loans and advances	6,067,268	4,953,228
Decrease / (increase) short term loans and advances	-	-
Increase / (Decrease) in long term provisions	(1,268,104)	363,020
Increase / (decrease) in short-term provisions	(1,503,123,264)	(13,349,660)
Cash generated from / (used in) operations	(750,255)	(1,184,326)
Direct taxes paid (net of refunds)	(1,505,873,519)	(14,533,985)
Net cash flow from/ (used in) operating activities (A)		
Cash flows from investing activities		
Purchase of fixed assets, including CWP and capital advances	(696,260)	(63,523)
sale/(Purchase) of current investments	-	-
Proceeds from sale/maturity of current investments	65,153,542	1,280,000
Interest received	-	-
Profit on sale of current investments (other than trade)	-	-
Dividends received	64,457,282	1,216,477
Net cash flow from/ (used in) investing activities (B)		
Cash flows from financing activities		
Proceeds from long-term borrowings	15,200,000	12,400,000
Net cash flow from/ (used in) in financing activities (C)	(42,080,160)	12,400,000
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,483,496,397)	(917,508)
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	220,839,203	221,756,712
Cash and cash equivalents at the end of the year	(1,262,657,195)	220,839,203
Components of cash and cash equivalents		
Cash on hand	766	1,956
With banks- on current account	1,742,039	837,247
- on deposit account	-	220,000,000
Total cash and cash equivalents (note 18)	1,742,805	220,839,203

Corporate Information about the company 1  
 Summary of Significant Accounting Policies 2  
 The accompanying notes are an integral part of the Financial statements 3-29

As Per our Report of even date attached  
**F O Y S VENKATADRI & CO.**  
 Chartered **CHARTERED ACCOUNTANTS**  
 Firm's Regn No.0046145  
  
**K. Srinivasa Rao**  
**Partner**  
**M.No.201470**  
**PARTNER**

for and on behalf of the Board

Director



G Purnachandrarao  
 Director



Place : Bangalore  
 Date : 19.05.2017

**Note 3****Share capital**

	31st March 2017		31st March 2016	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b> 2,50,00,000 Equity Shares of Rs.10/- each	25,00,000	250,00,000	25,00,000	250,00,000
<b>Issued</b> 2,50,00,000 Equity Shares of Rs.10/- each	25,00,000	250,00,000	25,00,000	250,00,000
<b>Subscribed &amp; Paid up</b> 2,50,00,000 Equity Shares of Rs.10/- each (Out of the above 2,49,90,000 Equity Shares fully paid-up are held by the holding company Grandhi Enterprises Private Limited)	25,00,000	250,00,000	25,00,000	250,00,000
<b>Total</b>	25,00,000	250,00,000	25,00,000	250,00,000

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

Particulars	31st March 2017		31st March 2016	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	25,00,000	250,00,000	25,00,000	250,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	25,00,000	250,00,000	25,00,000	250,00,000

**b) Terms/rights attached to Equity shares**

The company has only one class of equity shares having a par value of Rs.10 per share. Every member holding equity shares shall have voting rights in proportion to his shares to the paid up equity capital.

In event of liquidation of the company, the holders of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

**c) Share 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 a/associates are as below

	Amount in Rs.	
	31st March 2017	31st March 2016
Grandhi Enterprises Private Limited	249,900,000	249,900,000

**d) Shares in the company held by each shareholder holding more than 5 percent shares**

Name of Shareholder	31st March 2017		31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Grandhi Enterprises Private Limited	24990000	99.96%	24990000	99.96%

**Note 4****Reserves and surplus****Amount in Rs.**

	Amount in Rs.	
	31st March 2017	31st March 2016
Opening balance	194,067,006	206,379,401
(+) Net Profit/(Net Loss) For the current year	1,213,188	(12,312,395)
Closing Balance	195,280,195	194,067,006
<b>Total</b>	195,280,195	194,067,006



**Note 5****Long Term Borrowings**

Amount in Rs.

	31st March 2017	31st March 2016
Unsecured loans and advances from related parties	27,600,000	12,400,000
<b>Total</b>	<b>27,600,000</b>	<b>12,400,000</b>

**Note 6****Short Term Borrowings**

Amount in Rs.

	31st March 2017	31st March 2016
Loan from Bank against Group company deposits	1,264,400,000	-
<b>Total</b>	<b>1,264,400,000</b>	<b>-</b>

**Note 7****Trade Payables**

Amount in Rs.

	31st March 2017	31st March 2016
Trade payables	11,596,305	19,832,017
<b>Total</b>	<b>11,596,305</b>	<b>19,832,017</b>

**Note 8****Other Current Liabilities**

Amount in Rs.

	31st March 2017	31st March 2016
Other payables	2,085,107	339,872
<b>Total</b>	<b>2,085,107</b>	<b>339,872</b>

**Note 9****Short Term Provisions**

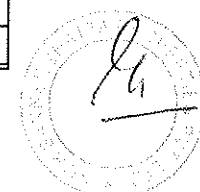
Amount in Rs.

	31st March 2017	31st March 2016
Provision for expenses	30,613	1,298,717
Provision for taxation	-	-
<b>Total</b>	<b>30,613</b>	<b>1,298,717</b>

**Note 12****Long Term Loans and Advances**

Amount in Rs.

	31st March 2017	31st March 2016
VAT Deposit	10,000	10,000
Loans and advances to related parties	1,437,360,019	-
<b>Total</b>	<b>1,437,370,019</b>	<b>10,000</b>



**Note 13****Trade Receivables****Amount in Rs.**

	31st March 2017	31st March 2016
Trade receivables - less than 6 months	16,933,544	307,718
<b>Total</b>	<b>16,933,544</b>	<b>307,718</b>

**Note 14****Cash and cash equivalents****Amount in Rs.**

	31st March 2017	31st March 2016
a. Balances with scheduled banks in current a/c	1,742,039	837,247
b. Cash on hand	766	1,956
c. Deposits with Bank	-	220,000,000
<b>Total</b>	<b>1,742,805</b>	<b>220,839,203</b>

**Note 15****Short-term loans and advances****Amount in Rs.**

	31st March 2017	31st March 2016
Unsecured, considered good Loans & advances given	20,235,443	26,302,711
<b>Total</b>	<b>20,235,443</b>	<b>26,302,711</b>

**Note 16****Other Current Assets****Amount in Rs.**

Particulars	31st March 2017	31st March 2016
Prepaid expenses	-	27,793
Interest accrued on deposits	-	158,500
Interest receivable on Loans	50,326,063	9,096,298
Advance income-tax (net of provision for taxation)	7,035,187	3,992,042
TDS Receivable	-	-
Service tax receivable	-	169,281
ST receivable realised	-	215,236
	<b>57,361,250</b>	<b>13,659,151</b>



GMR BANNERGHATTA PROPERTIES PRIVATE LIMITED  
 Regd. Office: No. 6-2-953, 1st Floor, Krishna Plaza, Khairatbad, Hyderabad- 500 004

Fixed Assets as on 31st March 2017

Note 10

		Gross Block				Accumulated Depreciation			Net Block	
		Balance as at 1st April 2016	Additions/ (Disposals)	Balance as at 31st March 2017	Balance as at 1st April 2016	Depreciation charge for the year	Balance as at 31st March 2017	Balance as at 1st April 2016		
a	Tangible Assets									
	Land	25,325,895	617,760	25,943,655	-	-	25,943,655	25,325,895		
	Vehicles	977,988	-	977,988	523,964	132,903	321,121	454,024		
	Office equipment	80,373	-	80,373	36,462	21,200	22,710	43,911		
	Computers	70,500	78,500	149,000	70,500	11,829	66,671	(0)		
	<b>Total</b>	<b>26,454,756</b>	<b>696,260</b>	<b>27,151,016</b>	<b>630,926</b>	<b>165,932</b>	<b>26,354,158</b>	<b>25,823,830</b>		



**Note 11****Non-current investments****Amount in Rs.**

	<b>Particulars</b>	<b>31st March 2017</b>	<b>31st March 2016</b>
A	<b>Trade Investments</b>		
	(a) Investment Properties	-	-
	(b) 90,000 Equity shares of Rs. 10 each in Corporate Infrastructure Services Private Limited	1,395,000	1,395,000
B	Investment in Equity instruments of GMR Enterprises Pvt Ltd., 18,96,000 preference shares with face value Rs.10 /- per share purchased at @100 per share	189,600,000	189,600,000
	<b>Total</b>	<b>190,995,000</b>	<b>190,995,000</b>



**Note 17****Other income**

Amount in Rs.

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Interest on bank deposit	5,300,035	18,542,187
Net gain/loss on sale of investments	-	-
Int Recd-IT Refund	294,368	82,530
Interest Received- Loans	65,153,542	1,280,000
Miscellaneous	4	7,177
<b>Total</b>	<b>70,747,949</b>	<b>19,911,894</b>

**Note 18****Employee Benefits Expense**

Amount in Rs.

	Year Ended 31st March 2017	Year Ended 31st March 2016
(a) Salaries and incentives	2,949,086	14,832,000
(b) Contributions to - Provident fund & Superannuation scheme	18,077	48
(c) Staff welfar expenses	275,266	58,166
<b>Total</b>	<b>3,242,429</b>	<b>14,890,214</b>

**Note 19****Other expenses**

Amount in Rs.

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Power & Water charges	3,724	-
Repairs and Maintenance-others	1,154,641	916,670
Interest on delayed VAT TDS Payment	-	-
Travel & Conveyance expenses	4,144,526	12,538,021
Communication expenses	251,957	674,727
Consultancy & Professional charges	190,066	16,115
Rates and taxes	213,209	492,246
Donations	-	-
Statutory Audit fees	29,625	31,715
Land Development Charges	9,060	645,000
Printing & Stationery	2,063	670
Miscellaneous expenses	114,084	103,717
<b>Total</b>	<b>6,112,956</b>	<b>15,418,882</b>

**Note 20****Finance costs**

Amount in Rs.

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Interest on OD Loan	57,280,160	-
Interest on loan from others	1,982,689	554,611
Bank charges	340	1,456
<b>Total</b>	<b>59,263,189</b>	<b>556,067</b>



**GMR Bannerghatta Properties Private Limited**  
**(Formerly known as GMR Properties Private Limited)**  
**Regd. Office: No. 6-2-953, 1st Floor, Krishna Plaza,**  
**Khairatbad, Hyderabad- 500 004.**  
**CIN U70102AP2005PTC046465**

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**Note-1 Corporate Information about the company**

GMR Bannerghatta Properties Private Limited domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is in the business of dealing in real estate, property development, estate agency to acquire by purchase, exchange, net or otherwise deal in lands, buildings or any estate or interest therein and any rights over or connected with lands so situated and laying out, developing land for industrial purpose, building and preparing sites by planting, paving, drawing and by constructing offices, flats, service flats, hotels, warehouses, shopping and commercial complexes, by leasing, letting or renting, selling( by installments, ownership, hire purchase basis or otherwise or disposing of the same). . GMR Bannerghatta Properties Private Limited is a subsidiary company of Grandhi Enterprises Private Limited.

**Note-2 Basis of preparation**

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting standards) rules,2006, (as amended) and the relevant provisions of the Companies Act, 2013 ('the act').The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the company.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2.1 significant accounting policies**

**i. Use of estimates:**

The preparation of financial statements in conformity with Indian GAAP 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.

**ii. Revenue recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- a. Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.
- b. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- c. Profit/ loss on sale of mutual funds are recognized when the title to mutual funds ceases to exist.





iii. Fixed assets

Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and freight, duties levies and borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. Assets under installation or under construction as at balance sheet are shown as Capital work in progress.

iv. Depreciation

Tangible assets

For domestic subsidiaries, joint ventures and associates, the Group provides depreciation on fixed assets, other than those specifically stated below, using straight line method at the rates specified under Schedule II to the Companies Act, 2013 which is estimated by the management to be the estimated useful lives of the assets, except for assets individually costing less than Rs. 5,000, which are fully depreciated in the year of acquisition.

v. Impairment of tangible and intangible 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 (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's 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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vi. Investments

Investments, which are readily realizable 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 Non-Current 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.



## GMR Bannerghatta Properties Private Limited

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary 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.

### vii. 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 of bonus issue; bonus element in a rights issue to existing shareholders.

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.

### viii. Taxes on Income

Tax expense comprises both Current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of Income tax payable in respect of the taxable income for the reporting period. Deferred tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

### ix. Provisions

A provision is recognized 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

### x. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### xi. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.



xii. Contingent liabilities

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.

21. **Capital commitments:**

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances is Rs. Nil ( 31<sup>st</sup> March 2016 – Rs. Nil).

22 **Related Party transactions**

a) Name of Related Parties and description of Relationship.

<b>GMR Bannerghatta Properties Private Limited - Related parties</b>		
(i)	Enterprises that control the Company	Grandhi Enterprises Pvt Ltd.,
(ii)	Fellow Subsidiary Companies	GMR Enterprise Private Limited Hyderabad Jabilli Properties Private Limited Kondampeta Properties Private Limited Pashupathi Artrex Agencies Private Limited Vijay Nivas Real Estates Private Limited (VNREPL) Ravivarma Realty Private Limited Leora Real Estates Private Limited Fabcity Properties Private Limited
(iii)	Key Management Personnel	Mr.Purnachandra Rao.G. Ms.G.Varalakshmi Ms.Ramadevi Bommidala Ms.G.Smitha Raju Ms.G.Ragini
	Relatives of Key Management Personnel	Mr.G.M.Rao Mr.G.B.S.Raju Mr.Srinivas Bommidala Mr.Kiran Kumar Grandhi
	Enterprises where Key Management Personnel and their relatives exercise significant influence	Delhi International Airport (P) Ltd GMR Hyderabad International Airport Limited Delhi Aerotropolis (P) Ltd GMR Hyderabad Aerotropolis Limited GMR Krishnagiri SEZ Limited Sri Varalakshmi Jute Twine Mills (P) Limited



## GMR Bannerghatta Properties Private Limited

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

(Amount in Rupees)

Particulars	Year Ended 31 <sup>st</sup> Mar'17	Year Ended 31 <sup>st</sup> Mar'16
i) Loan given to - Fellow Subsidiaries – Vijay Nivas - Ultimate holding company – GMR Enterprise Pvt Ltd	217,729,719 1,219,630,300	-
ii) Debtors - Fellow Subsidiary- Fabcity Properties - Fellow Subsidiary- Pashupati Artex	1,644 -	17,750 1,570
iii) Interest on Loan Received - Fellow Subsidiaries – Vijay Nivas - Ultimate holding company – GMR Enterprise Pvt Ltd	92,05,953 55,917,848	-
iv) Creditors - Enterprise where Key Management Personnel and their relatives exercise significant influence- GMR Krishnagiri SEZ	24,751	-
v) Creditors - Ultimate Holding Company- GMR Enterprise Pvt Ltd - Fellow Subsidiary- Leora Real Estates -Key Management Personnel – G P Rao	1,113 53,501 4,830	- 3,350 -

c) Balance as on 31<sup>st</sup> Mar'17 is as under for following related parties.

(Amount in Rupees)

Name of the company	Year Ended 31 <sup>st</sup> Mar'17	Year Ended 31 <sup>st</sup> Mar'16
i) Equity Share Capital -Enterprises that Control the Company– Grandhi Enterprises Pvt Ltd.,	24,99,00,000	24,99,00,000
ii) Loan Given to -Fellow Subsidiary- Vijay Nivas -Ultimate holding company – GMR Entps	217,729,719 1,219,630,300	-
iii) Balance Receivable from -Fellow Subsidiary- Fabcity Properties -Fellow Subsidiary- Leora Real Estates -Fellow Subsidiary- Vijay Nivas - Fellow Subsidiary- Pashupati Artex -Ultimate holding company – GMR Enterprise Pvt Ltd	1,644 117,532 1,319,980 21,672 477,750	- 63,683 - 21,672 -
iv) Interest on Loan Receivable from -Fellow Subsidiary- Vijay Nivas -Ultimate holding company – GMR Enterprise Pvt Ltd	8,340,682 50,326,063	
v) Balance Payable to -Fellow Subsidiary- GMR Enterprise Pvt Ltd – Logo fees -Key Management Personnel – G P Rao	1,113 4,830	- -
vi) Loan Received from Holding Company Grandhi Enterprises	2,76,00,000	1,31,00,000
vii) Balance Payable to - Enterprise where Key Management Personnel and their relatives exercise significant influence- GMR Krishnagiri SEZ	24,751	-

Note: Transactions and Outstanding balances in the nature of Reimbursement of Expenses incurred by one company on behalf of the other have not been considered above.

### 23 Earnings per Share (EPS)

Particulars	Year Ended 31 <sup>st</sup> Mar'17	Year Ended 31 <sup>st</sup> Mar'16
Nominal value of Equity Shares(Rs. Per share)	10	10
Total No. of Equity Shares outstanding at the beginning of the Period/Year	2,50,00,000	2,50,00,000
Total No. of Equity Shares outstanding at the end of the Period/Year	2,50,00,000	2,50,00,000



**GMR Bannerghatta Properties Private Limited**

Weighted average No. of Equity shares for Basic earnings per Share	2,50,00,000	2,50,00,000
Profit / (loss) as per Profit and loss Account (Rs.)	1,213,188	(11,128,070)
Less: Dividend on Preference shares (including tax thereon)	-	-
Profit/ (Loss) for Earning per share (Rs.)	1,213,188	(11,128,070)
Earnings per Share (EPS) (Rs.)	0.05	(0.45)

24. There are no micro and small enterprises to which the company owes dues which are outstanding for more than 45 days as at March 31, 2017. This information, as required to be disclosed under the Micro Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the company.

25. The Company does not have any pending litigations which would impact its financial position as on 31<sup>st</sup> March, 2017.

26. Segment Reporting

The company is engaged primarily in the business of procurement of land and renting of property. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Accounting Standard (AS-17) on Segmental Reporting issued by the ICAI are not applicable to the present activities of the company.

27. Following are the Cash and Cash equivalents schedule for demonetization period

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount Deposited in Bank	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

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

29. Previous year's figures have been re-grouped and reclassified, wherever necessary, to confirm to those of current year.

For S. Venkatadri & Co  
Chartered Accountants

for and on Behalf of Board

**For S. VENKATADRI & CO.**  
**CHARTERED ACCOUNTANTS**

*K. Srinivasa Rao*

K Srinivasa Rao  
Partner

PARTNER

Director

M.No.: 201470  
Place: Bangalore  
Date: 19.05.2017

*Purnachandrarao Gollapudi*

Purnachandrarao Gollapudi  
Director

