

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF GMR BADRINATH HYDRO POWER GENERATION PRIVATE  
LIMITED**

**Report on the Financial Statements**

We have audited the accompanying IND AS financial statements of GMR Badrinath Hydro Power Generation Private Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity 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 and presentation of these IND AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 IND AS 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 IND AS financials 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 there under. We conducted our audit of the standalone IND AS Financials Statements in accordance with the Standards on Auditing, issued by The Institute of Chartered Accountants of India, as 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 IND AS 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 IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 IND AS 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 IND AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31<sup>st</sup> 2017, its loss including other comprehensive income, its cash flows and the changes in equity 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 sub-section (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 Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of changes in equity dealt with by this Reports are in agreement with the books of account.
  - (d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules, 2015 as amended.
  - (e) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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" to this report
  - (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 has disclosed pending litigations and the possible impact on the financial position of the company- Refer note no. 23 (II) (A).
    - 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.

**GIRISH  
MURTHY & KUMAR**  
Chartered Accountants

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- d. The company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified bank notes during the period from 08<sup>th</sup> November 2016 to 30<sup>th</sup>

December 2016 and these are in accordance with the books of accounts maintained by the company.

PLACE: Bangalore

DATE: 21<sup>st</sup> April 2017



FOR GIRISH MURTHY & KUMAR  
Chartered Accountants

A handwritten signature in black ink, appearing to read "A.V. Satish Kumar", is written over the printed name.

A V Satish Kumar  
Partner.

Membership No: 26526  
FRN No.000934S

**Annexure A as referred to in clause 1 of paragraph on report on other legal and regulatory requirements of our report of even date.**

Re: GMR BADRINATH HYDRO POWER GENERATION PRIVATE LIMITED

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- i. a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - b. The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - 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 the immovable properties are held in the name of the Company.
- ii. The Company has not commenced its operations and therefore had no stocks of finished goods, stores, spare parts and raw materials during / at the end of the year.
- iii. In our opinion and according to the information and explanation given to us, 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 the companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments, gave any guarantee or provided security in connection with a loan to any other body corporate or persons in contravention of section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanation given to us, the Company has not accepted deposits from the public during the year. Accordingly Clause 3 (V) of the order is not applicable.
- vi. As there is no operation in the company, no cost records are required to be maintained under section 148 of the Companies Act, 2013 for the activities carried out by the Company, and hence Clause 3 (VI) of the order is not applicable.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. We are informed by the Company that the provisions of Employee State Insurance, Duty of Customs and Duty of Excise are not applicable.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31<sup>st</sup> March 2017 for a period of more than six months from the date on when they became payable.

- b. According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, value added tax outstanding on account of any dispute. We are informed by the Company that the provisions of the Duty of Customs and Duty of Excise are not applicable.
- (c) Investor education and protection fund is not applicable to the Company.
- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or has taken term loans during the year. Accordingly Paragraph 3 (IX) of the order is not applicable.
- x. During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud by the Company or on the Company by its officers or employees of the Company during the year.
- xi. According to the information and explanations given to us, and based on our examination of records of the Company, the company has not paid / provided any managerial remuneration during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



**GIRISH  
MURTHY & KUMAR**  
Chartered Accountants

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xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

PLACE: Bangalore

DATE: 21<sup>st</sup> April 2017



FOR GIRISH MURTHY & KUMAR  
Chartered Accountants

*A.V. Sathish Kumar*

AV Sathish Kumar

Partner.

Membership No: 26526

FRN No.000934S

**Annexure B to Auditors' Report of even date**

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

Re: GMR BADRINATH HYDRO POWER GENERATION PRIVATE LIMITED

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We have audited the internal financial controls over financial reporting of GMR Badrinath Hydro Power Generation Private Limited ("the Company") as of 31 March 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 31 March 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: Bangalore

DATE: 21<sup>st</sup> April 2017



FOR GIRISH MURTHY & KUMAR  
Chartered Accountants

A V Satish Kumar  
Partner.  
Membership No: 26526  
FRN No.000934S



**GMR Badrinath Hydro Power Generation Private Limited**  
**Balance sheet as at 31st March, 2017**

(Amount in Rs.)

Particulars	Notes	31 March 2017	31 March 2016	1 April 2015
<b>Assets</b>				
<b>Non-current assets</b>				
Property, Plant & Equipment	3	3,639,149	6,248,407	8,293,263
Capital work-in-progress	4	4,081,105,702	4,081,105,702	4,081,105,702
Other Intangible assets		1,678,272	2,788,804	4,087,547
Financial Assets				
Others	5	11,297,085	11,294,043	11,400,993
Other non current assets	6	574,155,603	590,462,679	589,234,256
		<b>4,671,875,811</b>	<b>4,691,899,635</b>	<b>4,694,121,761</b>
<b>Current assets</b>				
Financial Assets				
Cash and cash equivalents	7	2,094,039	40,419,859	1,515,936
Current Tax Assets (Net)		504,235	-	28,079
Other current assets	8	128,550	601,472	361,278
		<b>2,726,824</b>	<b>41,021,331</b>	<b>1,905,293</b>
<b>Total Assets</b>		<b>4,674,602,635</b>	<b>4,732,920,966</b>	<b>4,696,027,054</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity Share Capital	9	50,000,000	50,000,000	50,000,000
Other Equity	10	- 1,339,262,627	- 1,111,873,954	- 660,408,024
		<b>- 1,289,262,627</b>	<b>- 1,061,873,954</b>	<b>- 610,408,024</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Provisions	11	60,457	564,797	-
Deferred tax liabilities (Net)				
		<b>60,457</b>	<b>564,797</b>	<b>-</b>
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings	12	5,788,841,256	5,612,793,748	5,270,255,571
Other financial liabilities	13	174,102,992	180,538,797	22,509,593
Other current liabilities	14	789,691	232,932	8,958,460
Provisions	11	70,866	664,646	4,711,455
		5,963,804,805	5,794,230,122	5,306,435,078
<b>Total Equity and liabilities</b>		<b>4,674,602,635</b>	<b>4,732,920,966</b>	<b>4,696,027,054</b>

Summary of significant accounting policies 2


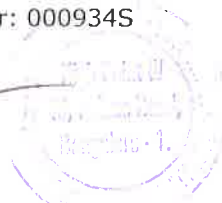
The accompanying notes form an integral part of the financial statements.

As per our report of even date

**For Girish Murthy & Kumar**

Chartered Accountants

Firm Registration Number: 000934S

*A.V. Satish Kumar*  
  


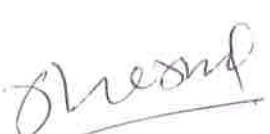
**A.V. Satish Kumar**

Partner

Membership no.: 26526

Firm Registration Number: 000934S

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

*Vinod Kumar Sharma*  
  
**Vinod Kumar Sharma**  
 Director  
 DIN: 02879206

*Harvinder Manocha*  
  
**Harvinder Manocha**  
 Director  
 DIN: 03272052

*Madhusudhan Bagepally*  
  
**Madhusudhan Bagepally**

Company Secretary

Place: New Delhi

Date: 21st April 2017

Place: Bangalore

Date: 21st April 2017

**GMR Badrinath Hydro Power Generation Private Limited**  
**Statement of profit and loss for the period ended 31st March 2017**

Particulars	Notes	(Amount in Rs.)	
		31-Mar-17	31-Mar-16
Other Income	15	11,205,352	8,374,445
<b>Total Income</b>		<b>11,205,352</b>	<b>8,374,445</b>
<b>Expenses</b>			
Employee benefits expense	16	5,830,345	6123993.4
Finance cost	17	209,039,051	437,872,214
Depreciation	3	2,982,664	3,372,835
Other expenses	18	8,690,289	12,712,356
<b>Total Expenses</b>		<b>226,542,349</b>	<b>460,081,397</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(215,336,997)</b>	<b>(451,706,952)</b>
Exceptional item			
Loss on Bridge material scraped		12,183,617.76	-
<b>Profit / (Loss) before tax</b>		<b>(227,520,615)</b>	<b>(451,706,952)</b>
<b>Tax expenses</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit/(loss) for the period from continuing operations</b>		<b>(227,520,615)</b>	<b>(451,706,952)</b>
<b>Profit/(loss) for the period</b>		<b>(227,520,615)</b>	<b>(451,706,952)</b>
Other comprehensive income			
Remeasurement of define employee benefit plans		131,941	241,023
<b>Total comprehensive income for the period</b>		<b>(227,388,674)</b>	<b>(451,465,929)</b>
<b>Earnings per equity share</b>			
Basic		<b>(45.48)</b>	<b>(90.29)</b>
Diluted		<b>(45.48)</b>	<b>(90.29)</b>

Summary of significant accounting policies

The accompanying notes are form an integral part of the financial statements.  
This Profit & Loss statement referred to our report of even date

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**For Girish Murthy & Kumar**

Chartered Accountants  
Firm Registration Number: 000934S

*A.V. Satish Kumar*

**A.V.Satish Kumar**

Partner

Membership no.: 26526

Firm Registration Number: 000934S

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

*Vinod Kumar Sharma*

**Vinod Kumar Sharma**

Director

DIN: 02879206

*Harvinder Manocha*

**Harvinder Manocha**

Director

DIN: 03272052

*Madhusudhan Bagepally*

**Madhusudhan Bagepally**

Company Secretary

Place: New Delhi

Date: 21st April 2017

Place: Bangalore

Date: 21st April 2017

**GMR Badrinath Hydro Power Generation Private Limited**  
**Cash Flow Statement for the period ended 31st March, 2017**

(Amount in Rs.)

Particulars	31-Mar-17	31-Mar-16
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	(227,388,674)	(451,465,929)
Profit before tax from discontinuing operations	-	-
Profit before tax	(227,388,674)	(451,465,929)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	2,982,664	3,372,835
Finance cost	209,039,051	437,872,214
Profit on sale of assets	(1,487,489)	-
Operating profit before working capital changes	<b>(16,854,447)</b>	<b>(10,220,881)</b>
Increase/ (decrease) in other current liabilities	-	-
(Increase)/ decrease in other current assets	-	-
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(16,854,447)</b>	<b>(10,220,881)</b>
<b>Cash flows from investing activities</b>		
Purchase/ Sale of FA, including CWIP and capital advances	2,224,615	(29,235)
Decrease / (Increase) long term loans and advances	16,304,034	(1,121,473)
Decrease / (increase) other current assets	(31,313)	(212,115)
Increase / (Decrease) in long term provisions	(504,340)	564,797
Increase / (decrease) in short-term provisions	(593,780)	(4,046,809)
Proceeds from other financial liabilities	(6,435,805)	158,029,205
Decrease / (Increase) in other Current liabilities	556,759	(8,725,528)
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>11,520,170</b>	<b>144,458,841</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	669,002,492	232,000,000
Proceeds / (Repayment) from Inter Corporate Deposits	845,050,000	110,538,177
Interest paid	(209,039,051)	(437,872,214)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(32,991,543)</b>	<b>(95,334,037)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(38,325,820)</b>	<b>38,903,923</b>
Cash and cash equivalents at the beginning of the period	40,419,859	1,515,936
<b>Cash and cash equivalents at the end of the period</b>	<b>2,094,039</b>	<b>40,419,859</b>
<b>Components of cash and cash equivalents</b>		
With banks- on current account	2,039,368	40,111,371
Cash in Hand	54,671	308,488
<b>Total cash and cash equivalents (note 5)</b>	<b>2,094,039</b>	<b>40,419,859</b>

**Notes:**

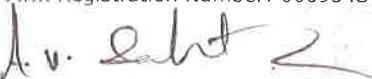
1. The above cash flow statement has been compiled from and is based on the balance sheet as at March 31, 2017 and the related profit and loss account for the year ended on that date.
2. Previous period figures have been regrouped and reclassified to confirm to those of the current period.
3. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 - Statement of cash flows.

As per our report of even date

**For Girish Murthy & Kumar**

Chartered Accountants

Firm Registration Number: 000934S



**A.V.Satish Kumar**

Partner

Membership no.: 26526

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



**Vinod Kumar Sharma**

Director

DIN: 02879206



**Harvinder Manocha**

Director

DIN: 03272052



**Madhusudhan Baqepally**

Company Secretary

Place: New Delhi


Date: 21st April 2017

Place: Bangalore

Date: 21st April 2017

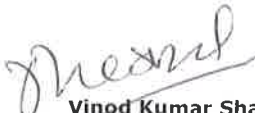
<b>GMR Badrinath Hydro Power Generation Private Limited</b>		
<b>Statement of standalone assets and liabilities</b>		
<b>Amount in Rs</b>		
<b>Particulars</b>	<b>As at March 31, 2017 (Audited)</b>	<b>As at March 31, 2016 (Audited)</b>
<b>1 ASSETS</b>		
<b>a) Non-current assets</b>		
Property, plant and equipment	3,639,149	6,248,407
Capital work in progress	4,081,105,702	4,081,105,702
Other intangible assets	1,678,272	2,788,804
Financial assets		
Others	11,297,085	11,294,043
Deferred tax assets (net)		
Other non-current assets	574,155,603	590,462,679
	<b>4,671,875,811</b>	<b>4,691,899,635</b>
<b>b) Current assets</b>		
Financial assets		
Cash and cash equivalents	2,094,039	40,419,859
Current tax assets (net)	504,235	-
Other current assets	128,550	601,472
	<b>2,726,824</b>	<b>41,021,331</b>
<b>TOTAL ASSETS (a+b)</b>	<b>4,674,602,635</b>	<b>4,732,920,966</b>
<b>2 EQUITY AND LIABILITIES</b>		
<b>a) Equity</b>		
Equity share capital	50,000,000	50,000,000
Other equity	-	1,111,873,954
<b>Total equity</b>	<b>-</b>	<b>-</b>
<b>b) Non-current liabilities</b>		
Provisions	60,457	564,797
	<b>60,457</b>	<b>564,797</b>
<b>c) Current liabilities</b>		
Financial liabilities		
Borrowings	5,788,841,256	5,612,793,748
Other financial liabilities	174,102,992	180,538,797
Other current liabilities	789,691	232,932
Provisions	70,866	664,646
Current tax liabilities (net)		
	<b>5,963,804,805</b>	<b>5,794,230,122</b>
<b>TOTAL EQUITY AND LIABILITIES (a+b+c)</b>	<b>4,674,602,635</b>	<b>4,732,920,966</b>

For Girish Murthy & Kumar  
Chartered Accountants  
Firm Registration Number: 000934S

  
A.V. Satish Kumar  
Partner  
Membership no.: 26526  
Firm Registration Number: 000934S

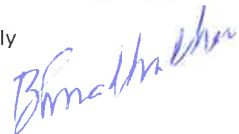
Place: Bangalore  
Date: 21st April 2017

For and on behalf of the Board of directors

  
Vinod Kumar Sharma  
Director  
DIN: 02879206

  
Harvinder Manocha  
Director  
DIN: 03272052

Madhusudhan Bagepally  
Company Secretary  
Place: New Delhi  
Date: 21st April 2017



Amount in Rs

GMR Badrinath Hydro Power Generation Private Limited			
Statement of Standalone Unaudited / Audited Financial Results for the Year Ended 31/03/2017			
	Particulars	Year ended	
		3/31/2017	3/31/2016
	(Refer Notes Below)	Audited	Audited
1	<b>Income from operations</b>		
	(a) Sales/income from operations		
	(b) Other operating income		
	<b>Total income from operations</b>		
2	<b>Expenses</b>		
	(e) Employee benefits expense	5830344.55	6123993.41
	(f) Depreciation and amortisation expense	2982664.39	3372834.62
	(g) Other expenses	8690289	12712356
	<b>Total expenses</b>	17503298	22209184
3	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	-17503298	-22209184
4	Other income	11205352	8374445
5	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)</b>	-6297946	-13834739
6	Finance costs	209039051	437872214
7	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)</b>	-215336997	-451706952
8	Exceptional items	12183618	0
9	<b>Profit / (Loss) from ordinary activities before tax (7 ± 8)</b>	-227520615	-451706952
10	Tax expense / (credit)		
11	<b>Net Profit / (Loss) from ordinary activities after tax (9 ± 10)</b>	-227520615	-451706952
12	Other Comprehensive Income/ (expenses) (net of tax)	131941	241023
13	<b>Total Comprehensive income for the period (11+12)</b>	-227388674	-451465929

For Girish Murthy & Kumar  
Chartered Accountants

A.V. Satish Kumar

Partner

Membership no.: 26526

Firm Registration Number: 000934S

Place: Bangalore

Date: 21st April 2017

For and on behalf of the Board of directors

Vinod Kumar Sharma

Director

DIN: 02879206

Harvinder Manocha

Director

DIN: 03272052

Madhusudhan Bagepally

Company Secretary

Place: New Delhi

Date: 21st April 2017

GMR Badrinath Hydro Power Generation Private Limited  
Statement of change in equity

(Rs. In IINR)

		Attributable to the equity holders of the parent			Total equity
		Reserves and surplus	OCI		
	Equity share capital	Retained earnings	Re-measurement gains on defined benefit plans	Total	
<b>As at 1 April 2015</b>	<b>50,000,000</b>	660,408,024	-	660,408,024	<b>610,408,024</b>
Profit for the period	-	451,706,952	-	451,706,952	<b>451,706,952</b>
Other comprehensive income	-	-	241,023	241,023	<b>241,023</b>
<b>At 31 March 2016</b>	<b>50,000,000</b>	<b>1,112,114,977</b>	<b>241,023</b>	<b>1,111,873,954</b>	<b>1,061,873,954</b>
Profit for the period	-	227,520,615	-	227,520,615	<b>227,520,615</b>
Other comprehensive income	-	-	131,941	131,941	<b>131,941</b>
<b>At 31 March 2017</b>	<b>50,000,000</b>	<b>1,339,635,591</b>	<b>372,964</b>	<b>1,339,262,627</b>	<b>1,289,262,627</b>

3 Property, Plant & Equipment

Particulars	(Amount in Rupees)					
	Computers	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
<b>Cost or Valuation</b>						
As at 1st April 2015	9,206,183	4,924,938	3,494,102	13,453,745	1,622,619	32,701,587
Additions	-	-	29,235	-	-	29,235
Disposals	-	-	-	-	-	-
Exchange Differences	-	-	-	-	-	-
As at 31st March 2016	9,206,183	4,924,938	3,523,337	13,453,745	1,622,619	32,730,822
Disposals	276,359	1,221,876	229,244	1,107,982	-	2,835,461
Exchange Differences	-	-	-	-	-	-
As at 31st March 2017	8,929,824	3,703,062	3,294,093	12,345,763	1,622,619	29,895,361
<b>Depreciation and impairment</b>						
As at 1st April 2015	9,080,825	1,893,135	1,800,811	10,010,936	1,622,616	24,408,324
Depreciation for the year	118,580	333,671	542,295	1,079,545	-	2,074,092
Impairment	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Exchange Differences	-	-	-	-	-	-
As at 31st March 2016	9,199,406	2,226,806	2,343,107	11,090,481	1,622,616	26,482,416
Depreciation for the year	6,605	284,673	520,806	1,060,049	-	1,872,133
Impairment	-	-	-	-	-	-
Disposals	276,351	536,807	178,188	1,106,989	-	2,098,335
Exchange Differences	-	-	-	-	-	-
As at 31st March 2017	8,929,659	1,974,671	2,685,725	11,043,542	1,622,616	26,256,213
<b>Net Book Value</b>						
As at 1st April 2015	125,358	3,031,803	1,693,291	3,442,808	3	8,293,263
As at 31st March 2016	6,778	2,698,132	1,180,230	2,363,263	-	6,248,407
As at 31st March 2017	165	1,728,391	608,367	1,302,221	3	3,639,149

Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of PPE has been carried forwarded at the amount as determined under the previous GAAP. Considering the FAQ issued by the ICAI, regarding application of Deemed cost, the company has disclosed the Cost as at 1 April 2015 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows : Disclosure of previous GAAP values considered as deemed cost in Ind AS financial statements on transition date.

Other Intangible assets

Particulars	Computer software	Total
<b>Cost or Valuation</b>		
As at 1st April 2015	33,599,724	33,599,724
Additions	-	-
Disposals	-	-
As at 31st March 2016	33,599,724	33,599,724
Disposals	-	-
Exchange Differences	-	-
As at 31st March 2017	33,599,724	33,599,724
<b>Depreciation and impairment</b>		
As at 1st April 2015	29,512,177	29,512,177
Depreciation for the year	1,298,743	1,298,743
Disposals	-	-
As at 31st March 2016	30,810,920	30,810,920
Depreciation for the year	1,110,532	1,110,532
Disposals	-	-
As at 31st March 2017	31,921,452	31,921,452
<b>Net Book Value</b>		
As at 1st April 2015	4,087,547	4,087,547
As at 31st March 2016	2,788,804	2,788,804
As at 31st March 2017	1,678,272	1,678,272



	31-Mar-17	31-Mar-16	1-Apr-15
<b>4 Capital Work in Progress</b>			(Amount in Rs.)
CWIP	364,959,629	364,959,629	384,959,629
CWIP Salaries	476,991,826	476,991,826	476,991,826
CWIP - Contribution to PF	26,602,033	26,602,033	26,602,033
CWIP Staff Welfare	8,656,516	8,656,516	8,656,516
CWIP-Travelling	270,667,778	270,667,778	270,667,778
CWIP-Advertisements	715,537	715,537	715,537
CWIP- Bank Charges	15,434,357	15,434,357	15,434,357
CWIP - Biddiq Exp	2,584,796	2,584,796	2,584,796
CWIP- books & Periodicals	217,587	217,587	217,587
CWIP - Community Development	20,395,287	20,395,287	20,395,287
CWIP - Consultancy & Professional fees	4,818,692	4,818,692	4,818,692
CWIP - Depreciation	602,499,956	602,499,956	502,499,956
CWIP Finance Charges	56,906,638	56,906,638	56,906,638
CWIP Rent & Hire Charges	70,969,256	70,969,256	70,969,256
CWIP Insurance	174,886,877	174,886,877	174,886,877
CWIP Interest	853,806	853,806	853,806
CWIP Interest Fixed period loan	321,075,388	321,075,388	321,075,388
CWIP Interest	1,410,904,364	1,410,904,364	1,410,904,364
CWIP Meeting and Seminars	5,665,666	5,665,666	5,665,666
CWIP Miscellaneous Expenses	73,481,239	73,481,239	73,481,239
CWIP Office & Guest House Maintenance	28,879,341	28,879,341	28,879,341
CWIP Electric charges	11,017,525	11,017,525	11,017,525
CWIP- Membership & Subscription	248,963	248,963	248,963
CWIP Printing and Stationery	6,014,781	6,014,781	6,014,781
CWIP Rates & Taxes	91,778,744	91,778,744	91,778,744
CWIP Recruitment exp	13,491,388	13,491,388	13,491,388
CWIP Repairs and Maintenance	19,365,235	19,365,235	19,365,235
CWIP Security Exp	1,116,580	1,116,580	1,116,580
CWIP Training Exp	3,028,968	3,028,968	3,028,968
CWIP Civil	238,247	238,247	238,247
CWIP Exchange rate gain	736,450	736,450	736,450
CWIP Other Income	2,580,057	2,580,057	2,580,057
CWIP Other Interest	42,790	42,790	42,790
	<b>4,081,105,702</b>	<b>4,081,105,702</b>	<b>4,081,105,702</b>

	31-Mar-17	Non Current	31-Mar-16	1-Apr-15
<b>5 Financial Assets</b>				
Others	41,894	36,852	35,802	
Non-current bank balances	11,255,191	11,255,191	11,365,191	
Security deposit	<b>11,297,085</b>	<b>11,294,043</b>	<b>11,400,993</b>	

	31-Mar-17	Non Current	31-Mar-16	1-Apr-15
<b>6 Other non current assets</b>				
Prepaid expenses	99,437,589	104,425,437	103,197,014	
Capital Advances	473,853,624	486,037,242	486,037,242	
Pre paid Gratuity	864,390			
	<b>574,155,603</b>	<b>590,462,679</b>	<b>589,234,256</b>	

	31-Mar-17	Current	31-Mar-16	1-Apr-15
<b>7 Cash and cash equivalents</b>				
Cash in Hand	54,671	308,488	505,502	
Balances with bank in current accounts	2,039,368	40,111,371	1,010,434	
	<b>2,094,039</b>	<b>40,419,859</b>	<b>1,515,936</b>	

	31-Mar-17	Current	31-Mar-16	1-Apr-15
<b>8 Other Current Assets</b>				
Advance recoverable	101,059	561,308	278,871	
Prepaid expenses	77,491	40,164	87,407	
	<b>128,550</b>	<b>601,472</b>	<b>361,278</b>	

*AK*



9 Share capital

	Equity Shares	
	No.s	INR
<b>Authorised Share Capital</b>		
Equity shares, face value of Rs.10 each		
As at 1st April 2015	5,000,000	50,000,000
Increase/(decrease)during the year	-	-
As at 31st March 2016	5,000,000	50,000,000
Increase/(decrease)during the year	-	-
As at 31st March 2017	5,000,000	50,000,000

	Issued Equity Capital	
	No.s	INR
Equity shares, of Rs.10 each issued, subscribed & fully paid up		
As at 1st April 2015	5,000,000	50,000,000
Increase/(decrease)during the year	-	-
As at 31st March 2016	5,000,000	50,000,000
Increase/(decrease)during the year	-	-
As at 31st March 2017	5,000,000	50,000,000

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

	31 March 2017		31 March 2016		1 April 2015	
	No.	INR	No.	INR	No.	INR
At the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000

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. Each holder of equity is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. In the event liquidation of the company, the holder of equity shares would be entitled to receive remaining assets of the Company, after distribution of old preferential amounts. The Distribution will be in proportion to be no of equity shares held by the share holders.

c. shares held by holding/ultimate holding company and/ or their subsidiaries/associates

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

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
GMR Infrastructure Limited, ultimate holding company	49,000	49,000	49,000
4900 (March 31, 2016; 4900, March 31, 2015; 4900) equity shares of Rs. 10 each			
GMR Energy Limited (Along with its nominee), the holding company	49,951,000	49,951,000	49,951,000
49,951,000 (March 31, 2016; 49,951,000, March 31, 2015; 49,951,000) equity shares of Rs. 10 each			
	50,000,000	50,000,000	50,000,000

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

Particulars	No	% holding in	No	% holding in	No	% holding in
GMR Energy Limited, Holding Company	4,995,100	99.90%	4,995,100	99.90%	4,995,100	99.90%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

f. No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date:

g. Shares reserved for issue under options

There are no shares reserved for issue under options and contract/commitments for the sale of shares/disinvestment.

Ats

10 Other Equity

Particulars	Amounts in INR crores	
	31 March 2017	31 March 2016
		1 April 2015
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	(1,111,873,954)	(660,408,024)
Add: Net profit for the year	(227,260,615)	(451,706,952)
Net surplus in the statement of profit and loss	(1,339,134,569)	(1,112,114,977)
<b>Equity component of financial instruments *</b>		
<b>Other items of Comprehensive Income</b>		
Re-measurement gains on defined benefit plans	131,841	241,023
	131,841	241,023
<b>Share application money pending allotment</b>		
<b>Total reserves and surplus</b>	<b>(1,339,262,627)</b>	<b>(1,111,873,954)</b>
		<b>(660,408,024)</b>

\*These amounts relate to initial recognition of related party transactions at fair value. These represent the amount of difference between the fair value at inception and transaction amount of such transactions.

11 Provisions

Provision for PL & Sick leave benefits  
Provision for other employee benefits

	Non Current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	60,457	564,797	35,865	183,327
	60,457	564,797	35,001	481,319
			70,866	664,646
				4,711,455

12 Financial Liabilities

**Borrowings**  
Short Term Loan from Bank\*\*  
Intercompany Deposits (unsecured)\*\*

	Non Current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	-	-	1,447,997,508	2,117,000,000
	-	-	4,340,843,748	3,495,793,748
	-	-	<b>5,788,841,256</b>	<b>5,612,793,748</b>
				<b>5,270,255,571</b>

**This above amount includes:**  
Secured Borrowings  
Unsecured Borrowings

1,447,997,508  
4,340,843,748

5,612,793,748  
5,270,255,571

\* The Company has taken a secured loan from Oriental bank of Commerce for the period of one year, interest is payable @ 8.6%. (Unsecured loan from Laxmi vilas bank in Mar. 16 @ 10.55% to 11.40%). GMR Energy Ltd has offered 7 FDs of the value of Rs 184 crs having maturity after one year from the date of FD as security against this loan.

\*\* The Company has accepted intercompany deposits from its holding company and from its fellow subsidiary companies, which is repayable within one year from date of deposit or on demand. Interest on deposit from holding company is Nil (March 31,2017: Nil) and from fellow subsidiary companies is ranging from 9.00% to 12.75% (March 31, 2016: (9% to 12.75%).

13 Other financial liabilities

Retention Money  
Non trade payables-Group Companies  
Non trade payables-Others

	Non Current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
			95,965	95,965
			171,590,068	155,433,208
			2,416,960	24,009,624
			<b>174,102,992</b>	<b>180,538,797</b>
				<b>22,509,593</b>

14 Other current liabilities

Others  
TDS Payable

	Non Current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
			5,081	63,324
			784,610	159,608
			<b>789,691</b>	<b>232,932</b>
				<b>116,457</b>
				<b>8,842,003</b>
				<b>8,958,460</b>

APL



**GMR Badrinath Hydro Power Generation Private Limited**  
**Notes to Statement of profit and loss for the period ended 31st March 2017**

(Amount in Rs.)

**15 Other Income**

Interest on Income Tax Refund  
 Miscellaneous Income  
 Profit on Sale of Fixed Assets  
 Interest Income

31-Mar-17	31-Mar-16
	513
4,675,039	8,370,882
1,487,489	-
5,042,824	3,050
<b>11,205,352</b>	<b>8,374,445</b>

**16 Employee benefit expense**

Salaries, wages and bonus  
 Contribution to provident and other fund  
 Staff welfare expenses

31-Mar-17	31-Mar-16
1,382,730	6,501,498
4,419,767	447,041
27,848	69,536
<b>5,830,345</b>	<b>6,123,993</b>

**17 Finance Cost**

Interest Bank  
 Interest Other  
 Bank Charges

31-Mar-17	31-Mar-16
190,582,806	242,967,152
15,167,959	192,437,359
3,288,286	2,467,703
<b>209,039,051</b>	<b>437,872,214</b>

**18 Other expenses**

Rates and taxes  
 Payment to auditor (Refer details below)  
 Business Promotion  
 Travelling and Conveyance  
 Rent & Hire Charges  
 Consultancy & Professional  
 Insurance  
 Office Maintenance  
 Membership & Subscription  
 Communications  
 Miscellaneous Expenses  
 Community Development Expenses

31-Mar-17	31-Mar-16
30,863	22,813
69,050	68,650
100,000	1,006,415
75,516	894,809
1,894,101	2,233,776
2,808,950	1,717,472
272,448	36,530
847,518	1,679,235
-	78,403
968,861	2,086,296
479,005	270,014
1,143,976	2,617,943
<b>8,690,289</b>	<b>12,712,356</b>

**Payment to auditor**

As auditor:

Audit fee  
 Limited review

31-Mar-17	31-Mar-16
46,000	45,800
23,050	22,850
<b>69,050</b>	<b>68,650</b>

## 1 Corporate Information

GMR (Badrinath) Hydro Power Generation Private Limited is promoted as a Special Purpose Vehicle (SPV) by GMR Energy Limited, the holding company, to develop and operate 300 MW Hydro Based power project in Alaknanda river, Chamoli District of Uttarakhand. The company is in the process of setting up of the project.

The Company's Holding Company is GMR Energy Limited while ultimate Holding Company is GMR Infrastructure Limited/GMR Holdings Private Limited.

The registered office of the company is located at House Property No 9 Ganesh Vatika, GMS- ITEP Road, Dehradun, Uttarakhand- 248001

Information on other related party relationships of the Company is provided in **Note 24**.

The financial statements were approved for issue in accordance with a resolution of the directors on **21-04-2017**.

## 2 Significant Accounting Policies

### Basis of preparation

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

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer **note 30** for information on how the Company adopted Ind AS.

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

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

### 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:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
  - Held primarily for the purpose of trading
  - Expected to be realised within twelve months after the reporting period, or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
  - It is held primarily for the purpose of trading
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities as non-current.

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

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

### 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.

Property plant and equipment are stated at acquisition cost less accumulated depreciation and cumulative impairment. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

#### Recognition:

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

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

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

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

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

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

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

Assets under installation or under construction as at the balance sheet date are shown as capital work in progress and the related advances are shown as loans and advances.

All Project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / attributable to construction of project, borrowing cost incurred prior to the date of commercial operation and trial run expenditure are shown under Capital Work-in-Progress. These expenses are net of recoveries and income from surplus funds arising out of project specific borrowings after taxes.

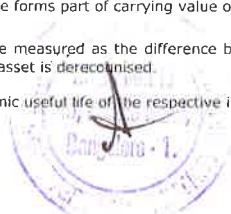
### Intangible assets

Intangible assets comprise technical know how and computer software. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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

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

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



#### Depreciation

The depreciation on the tangible fixed assets is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of Companies Act, 2013. Assets individually costing less than Rs. 5,000, which are fully depreciated in the year of acquisition.

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

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.

Leasehold land is amortised over the tenure of the lease except in case of power plants where it is amortised from the date of commercial operation. Leasehold improvements are the amortised over the primary period of the lease or estimated useful life whichever is shorter.

#### Foreign currency translation

##### i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The standalone financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

##### ii) Transaction and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. They are deferred in equity if they related to qualifying cash flow hedges and qualifying net investment in foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation difference on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation difference on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised on other comprehensive income.

#### Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after 1 April 2015:

The exchange differences pertaining to long term foreign currency working capital loans obtained or re-financed on or after 1 April 2015 is charged off or credited to profit & loss account under Ind AS.

#### Forward Exchange Contracts not intended for trading or speculations purposes

The premium or discount arising at the inception of forward exchange contracts is amortized and recognized as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the Statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the year.

#### Borrowing cost

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

#### 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 group 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

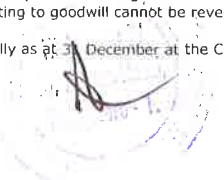
The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a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

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

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

Goodwill (if available) is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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



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#### 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.

- 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.

#### Retirement and other Employee Benefits

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

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

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### Short term employee benefits

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

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### Defined benefit plans

Gratuity is a defined benefit scheme which is funded through policy taken from Life insurance corporation of India and Liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service. The cost of providing benefits under the scheme is determined on the basis of actuarial valuation under projected unit credit (PUC) method.

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

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

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

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### Long term employee benefits

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

#### 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 Group commits to purchase or sell the asset.

##### Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- 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:

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

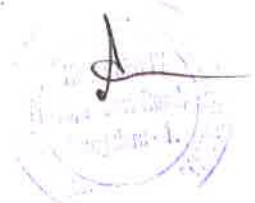
This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

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

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition 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.



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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 group 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 group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group 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.

**Derecognition**

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

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

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

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

**Impairment of financial assets**

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

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

- a) Trade receivables or contract revenue receivables; and
- b) All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

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

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

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

	Current	1-30 days past due	31-60 days past due	61-90 days past due	More than 90 days past due
Default rate	0.15%	1.6%	3.6%	6.6%	10.6%

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

- a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.



#### 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.

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 group 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/ losses 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.

##### 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 group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

##### Offsetting of financial instruments

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

##### Derivative financial instruments

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

##### Cash and Cash Equivalent

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.

##### Foreign currencies

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

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- ▶ Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- ▶ Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- ▶ Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).



#### 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:

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Company's Valuation Committee 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. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

The Valuation Committee, 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.

On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, the Group 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.

- Disclosures for valuation methods, significant estimates and assumptions
- Contingent consideration
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares (discontinued operations)

#### Revenue recognition

Revenue from sale of energy is recognized on accrual basis in accordance with the provisions of the Power Purchase Agreement (PPA), after Commercial Operation Date and includes unbilled revenue accrued up to the end of the accounting year. Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to customers based on the units of energy delivered and the rate agreed with the customers.

The Claims for delayed payment charges and any other claims, which the Company is entitled to under the PPAs, are accounted for in the year of acceptance.

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

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 other 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.

#### Taxes on income

**Current income tax** Tax expense comprises current and deferred tax.

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

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

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



**Deferred tax**

reporting purposes at the reporting date.

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

- a) 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
- b) 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:

- a) 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
- b) 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 (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.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

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

- ▶ 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
- ▶ 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.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961 issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**Earning per share**

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

**GMR Badrinath Hydro Power Generation Private Limited**  
**Notes to Accounts**  
**19. Earnings Per Share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particulars	Amounts in INR	
	31-Mar-17	31-Mar-16
Profit attributable to equity holders of the parent	(227,388,673.55)	(451,465,929.44)
<b>Profit attributable to equity holders of the parent for basic earnings</b>	(227,388,673.55)	(451,465,929.44)
Interest on convertible preference shares	-	-
<b>Profit attributable to equity holders of the parent adjusted for the effect of dilution</b>	(227,388,673.55)	(451,465,929.44)
Weighted Average number of equity shares used for computing Earning Per Share	5,000,000.00	5,000,000.00
Effect of dilution:		
Convertible preference shares	-	-
<b>Weighted average number of Equity shares adjusted for the effect of dilution *</b>	<b>5,000,000.00</b>	<b>5,000,000.00</b>
Earning Per Share (Basic) (Rs)	(45.48)	(90.29)
Earning Per Share (Diluted) (Rs)	(45.48)	(90.29)
Face value per share (Rs)	10.00	10.00

20. Gratuity and other post-employment benefit plans

a) Defined contribution plans

During the year ended **31 March 2017**, the company has recognised Rs. 1,43,049 (**31 March 2016**: Rs. 5,29,843/-) under statement of profit and loss as under the following defined contribution plans.

	Amount in INR	
	2016-17	2015-16
<b>benefits (contribution to):</b>		
Provident and other fund	97736.00	378724.00
Superannuation fund	45313.00	151119.00
<b>Total</b>	<b>143049.00</b>	<b>529843.00</b>

b) Defined benefit plans

As per Actuarial Valuation as at 31<sup>st</sup> March, 2017 {Funded}

Particulars	Amount in INR	
	As at March 31, 2017	As at March 31, 2016
Plan assets at the year end, at fair value	904948.00	5,447,692.00
Present value of benefit obligation at year end	-40558.00	459,844.00
Net (liability) recognized in the balance sheet	<b>864,390.00</b>	<b>4,987,848.00</b>

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate	7.10%	7.80%	7.80%
Rate of salary increases	6.00%	6.00%	6.00%
Withdrawal rate	5%	5%	5%
Mortality	Indian Assured Lives Mortality (2006-08) (modified)Ult	Indian Assured Lives Mortality (2006-08) (modified)Ult	Indian Assured Lives Mortality (2006-08) (modified)Ult

The following tables summarise the components of net benefit expense recognised in the Statement of profit and loss for defined benefit plans/obligations:

Net employee benefit expense (recognized in Statement of profit and loss) for the year ended 31st March, 2017

Particulars	Amt in INR	
	2016-17	2015-16
Current Service Cost	-80519.00	228,530.00
Net interest on net defined liability	203922.00	293,645.00
Actuarial (gain)/ loss on obligations	131941.00	241,023.00
<b>Defined benefit costs</b>	<b>255,344.00</b>	<b>306,138.00</b>

Particulars	Amt in INR	
	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	(40,558.00)	(459,844.00)
Fair value of plan assets	904,948.00	5,447,692.00
<b>Plan asset / (liability)</b>	<b>864,390.00</b>	<b>4,987,848.00</b>

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Amt in INR	
	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	459,844.00	1,255,899.00
Interest cost	35868.00	97,960.00
Current service cost	80519.00	228,530.00
Acquisition credit	-368123.00	(911,769.00)
Benefits paid (including transfer)	0.00	-
Actuarial losses/ (gain) on obligation-experience & financial Assumptions	-167550.00	(210,776.00)
Closing defined benefit obligation	<b>40,558.00</b>	<b>459,844.00</b>

Changes in the fair value of plan assets are as follows:

Particulars	Amt in INR	
	As at March 31, 2017	As at March 31, 2016
Opening fair value of plan assets	5,447,692.00	5,015,324.00
Acquisition Adjustment	4,750,933.00	-
Interest income on plan assets	239790.00	391,605.00
Contributions by employer	4008.00	10,516.00
Benefits paid (including transfer)	0.00	-
Return on plan assets greater/ (lesser) than discount rate	-35609.00	30,247.00
Closing fair value of plan assets	<b>904,948.00</b>	<b>5,447,692.00</b>

The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

Particulars	As at March 31, 2017	As at March 31, 2016
	(%)	(%)
Investments with insurer managed funds	100	100

Experience adjustments for the current and previous years are as follows:

	Amt in INR	
	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	(40,558.00)	(459,844.00)
Plan assets	904,948.00	5,447,692.00
Funded status	864,390.00	4,987,848.00
Experience (loss) adjustment on plan liabilities	0.00	-
Experience gain/ (loss) adjustment on plan assets	0.00	-
Actuarial gain due to change in assumptions	-	-

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Gratuity	
	31-Mar-17	31-Mar-16
Discount rate (in %)	7.10%	7.80%
Salary Escalation (in %)	6.00%	6.00%
Expected rate of return on assets	9.40%	9.40%
Attrition rate (in %)	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Gratuity Plan	31-Mar-17		31-Mar-16		31-Mar-17		31-Mar-16		31-Mar-17		31-Mar-16	
	Discount rate		Discount rate		Future salary increases		Attrition rate		1% increase		1% decrease	
Assumptions	1% increase		1% decrease		1% increase		1% decrease		1% increase		1% decrease	
Sensitivity Level	INR		INR		INR		INR		INR		INR	
Impact on defined benefit obligation	(4,532.00)		5,484.00		(31,157.00)		35,229.00		5,495.00		(31,966.00)	
									567.00		(4,067.00)	

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions. Expected contribution to post-employment benefit plans for the year ending March 2018 are INR 4008 (March 31, 2017 is INR 10,516/-)

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2016: 10years).

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 96322/- as on 31st March, 2017 (March 31, 2016 INR 748124/-, 1st April, 2015, INR 29,42,033/-)



*ALC*

## 21. Significant accounting judgements, estimates and assumptions

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

### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the company. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in **Note 25**.

### ESTIMATES AND ASSUMPTIONS

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

### Taxes

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

### Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in **Note 20**

### Contingencies

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

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. **See Note 26 to 28** for further disclosures.



**22. Deferred Tax (DTA/DTL)**

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

Particulars	As at		
	31-Mar-17	31-Mar-16	1-Apr-15
<b>Deferred income tax assets</b>			
Property, plant and equipment	14,980,748	17,703,641	16,661,435
Brought Forward Losses	1,471,657	17,081,726	1,517,406
Others	-	379,898	1,455,840
<b>Total deferred income tax assets</b>	<b>16,452,405</b>	<b>35,165,264</b>	<b>19,634,680</b>
<b>Deferred income tax liabilities</b>			
Equity Component of related party loan			
Others			
<b>Total deferred income tax liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred income tax assets after set off	16,452,405	35,165,264	19,634,680
Deferred income tax liabilities after set off	-	-	-

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the Net Deferred tax assets of Rs. 16,452,405 not been recognized because there is no probability/convincing or other evidence that sufficient taxable profits will be available against which DTA will be adjusted.

**23 Commitments and Contingencies**

**I Leases**

**Operating lease:** Compare as lessee

The company has entered into certain cancellable and non cancellable operating lease agreements mainly for office premises & forest lease land. The lease rentals rental charged during the year as per agreements are as follows :-

Particulars	31-Mar-17	31-Mar-16
Lease Rentals under cancellable leases	60,000	22,33,776
Lease Rentals under non-cancellable leases (Part)	1,447,551	1,457,551

**II Contingent Liabilities**

Particulars	31st March, 2017	31st March, 2016	1-Apr-15
<b>Contingent Liability</b>			
Pending Legal Cases	Not Quantifiable	Not Quantifiable	Not Quantifiable

**A. Claims made against the company not acknowledged as debts**

Parties	Court	Litigation Details	Financial Impact
GBHPGPL vs. Vimal Bhai	The Supreme Court	In August 2013, while considering a civil appeal filed on impact of hydroelectric power projects being developed on Alaknanda and Bhagirathi river basins, the Supreme Court issued directions to MoEF to form an expert body for assessing if the under construction or operational hydroelectric power projects have resulted in environmental degradation or the floods which occurred in the State of Uttarakhand in June 2013. The Supreme Court further directed MoEF to examine the report issued by Wildlife Institute of India on 24 on-going hydroelectric power projects on the Bhagirathi and the Alaknanda rivers (which includes Alaknanda Power Project). Given that the expert body submitted two conflicting reports, the MoEF sought permission from the Supreme Court for constituting another committee for examining the aforesaid issue. On May 7, 2014, the Supreme Court issued directions to MoEF to provide valid reasons for constituting another committee and also imposed a stay on further construction of the aforesaid 24 power projects until further orders. The Alaknanda Power Project was one of such projects. GBHPL has been impleaded as a party to the matter pursuant to the order dated November 5, 2014 passed by the Supreme Court. The matter is currently pending with Supreme Court but our project has all required approvals/clearances/licenses in accordance with the prevailing law, we are confident that MoEF would submit affidavit in line with spirit of Supreme Court directions, and in all probabilities, the stay order shall be vacated shortly which will pave way for commencing the project construction. The financial impact is not quantifiable.	Not Quantifiable
	NGT Delhi	Challenging the environmental clearances granted to the project by MoEF and the State Govt.	Not Quantifiable

**III Financial guarantees**

The Company has provided Bank Guarantees (by using the limits of holding company) amounting to INR 18,82,07,283

**IV Commitments**

Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances of INR Rs. 37,85,90,797 (March 31, 2016 : INR 16,33,97,991, 1st April, 2015 : INR 56,48,01,296)

Other Commitments: Nil



*AK*



a) 24 Related Party transactions

Names of related parties and description of relationship:

1. Holding of GBHPGPL  
GMR INFRASTRUCTURE LIMITED  
GMR ENTERPRISES PRIVATE LIMITED  
GMR Energy Lim ted
2. Subsidiary Companies of GBHPGPL NIL
3. Overseas Subsidiaries / Associates NIL
4. Associate Companies of GBHPGPL NIL
5. Joint venture of the GBHPGPL NIL

6. Fellow Subsidiaries

GMR Infrastructure Limited
GMR Sports Private Limited
GMR Leagues Games Private Limited
GMR InfraTech Private Limited
Cadence Enterprises Private Limited
PHL Infrastructure Finance Company Private Limited
Vijay Nivas Real Estates Private Limited
Fabcity Properties Private Limited
Kondampeta Properties Private Limited
Hyderabad Jabili Properties Private Limited
Leora Real Estates Private Limited
Pashupati Artex Agencies Private Limited
Ravvarma Realty Private Limited
GMR Solar Energy Private Limited
Rajam Enterprises Private Limited
Grandhi Enterprises Private Limited
Ideospace Solutions Private Limited
National SEZ Infra Services Private Limited
Kakinada Refinery and Petrochemicals Private Limited
Corporate Infrastructure Services Private Limited
GMR Bannerghatta Properties Private Limited
Kirithi Timbers Private Limited
AMG Healthcare Destination Private Limited
GMR Holding (Malta) Limited
GMR Infrastructure (Malta) Limited
GMR Holdings (Overseas) Limited
GMR Holdings (Mauritius) Limited
Crossroads Investments Limited
Interzone Capital Limited
GMR Holdings Overseas (Singapore) Pte Limited
GMR Business & Consultancy LLP
GMR Energy Limited (GEL)
GMR Power Corporation Limited (GPOCL)
GMR Vemagiri Power Generation Limited (GVPGIL)
GMR (Badrinath) Hydro Power Generation Private Limited (GBHPG)
GMR Mining & Energy Private Limited (GMEPL)
GMR Kamalanga Energy Limited (KEL)
Himtai Hydro Power Company Private Limited (HHPPPL)
GMR Energy (Mauritius) Limited (GEM/L)
GMR Lion Energy Limited (GIEL)
GMR Upper Karnat Hydro Power Limited (GUKPL)
GMR Energy Tracing Limited (GETL)
GMR Consulting Services Private Limited (GCSPL)
GMR Coastal Energy Private Limited (GCEPL)
GMR Bajji Hill Hydro Power Private Limited (GBHHPPL)
GMR Londa Hydro Power Private Limited (GLHPPL)
GMR Kakinada Energy Private Limited (GKEPL)
GMR Energy (Cyprus) Limited (GEC/L)
GMR Energy (Netherlands) B.V. (GENBV)
PT Duta Sarana Intermusa (PTDSU)
PT Sarantosa Lestari (PTSSU)
Six Powergen Limited (Six)
PT Unsooc (PT)
GMR Wandra Energy Limited (Formerly EMCO Energy Limited)
Indo Teusch Trading DMCC (ITTD)
GMR Maharashtra Energy Limited (GMAEL)
GMR Bundeikhana Energy Private Limited (GBEPL)
GMR Rajam Solar Power Private Limited (formerly known as GMR Utter Pradesh Energy Private Limited (GUPPEPL)
GMR Hosur Energy Limited (GHOLE)
GMR Gujarat Solar Power Private Limited (GGSPPPL)
Karnali Transmission Company Private Limited (KTCL)



ML

Maryanadi Transmission Company Private Limited (MTCPL)
GMR Indo-Nepal Energy Links Limited (GINELL)
GMR Indo-Nepal Power Corridors Limited (GINPCL)
GMR Generation Assets Limited (formerly known as GMR Renewable Energy Limited (GREEL))
GMR Energy Projects (Mauritius) Limited (GEPML)
GMR Infrastructure (Singapore) Pte Limited (GISPL)
GMR Coal Resources Pte Limited (GCRPL)
GMR Power Infra Limited (GPIL)
GMR Highways Limited (GMRHL)
GMR Tamararam Indivanam Expressways Limited (GITTEPL)
GMR Tuni Anakapalli Expressways Limited (GIABPL)
GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
GMR Hyderabad Expressways Limited (GHEPL)
GMR Hyderabad Vijayawada Expressways Private Limited (GHVPERL)
GMR Chennai Outer Ring Road Private Limited (GCRORPL)
GMR Kishinagar Udaipur Ahmedabad Expressways Limited (GKUAL)
GMR Highways Projects Private Limited (GHPPPL)
GMR Hyderabad International Airport Limited (GHIAL)
Gateways for India Airports Private Limited (GFIAL)
Hyderabad Airport Security Services Limited (HASSL)
GMR Hyderabad Airport Resource Management Limited (GHARML)
GMR Hyderabad Aerropolis Limited (HAPL)
GMR Hyderabad Aviation SEZ Limited (GHASL)
GMR Aerospace Engineering Limited (GAEL) (Formerly known as IAS)
IAS GMR Aerospace Engineering Company Limited
GMR Aero Technic Limited (GATL) (Formerly known as IAS GMR Aero Technic Limited (MGATL))
Hyderabad Duty Free Retail Limited (HDFRL)
GMR Airport Developers Limited (GADL)
GADL International Limited (GADLIL)
GADL (Mauritius) Limited (GADLML)
GMR Hotels and Resorts Limited (GHL)
GMR Hyderabad Airport Power Distribution Limited (GHAPDL)
Delhi International Airport Private Limited (DIAL)
Delhi Aerropolis Private Limited (DAPL)
Delhi Duty Free Services Private Limited (DDFS)
Delhi Airport Parking Services Private Limited (DAPSL)
GMR Airports Limited (GAL)
GMR Airport Global Limited (GAGL)
GMR Airports (Mauritius) Limited (GALM)
GMR Aviation Private Limited (GAPL)
Raxa Security Services Limited (Raxa)
GMR Krishnagin SEZ Limited (GKSEZ)
Advika Properties Private Limited (APPL)
Aklima Properties Private Limited (AKPPL)
Amarva Properties Private Limited (AMPPL)
Baruni Properties Private Limited (BPPL)
Bougainvillea Properties Private Limited (BOPPL)
Carnelia Properties Private Limited (CPPL)
Deepshri Properties Private Limited (DPPL)
Ella Properties Private Limited (EPLL)
Gerbera Properties Private Limited (GPL)
Lakshmi Priya Properties Private Limited (LPPPL)
Honeyuckle Properties Private Limited (HPPPL)
Idika Properties Private Limited (IPPL)
Krishnapriya Properties Private Limited (KPPL)
Lakshmi Properties Private Limited (LAPPL)
Nadira Properties Private Limited (NPPL)
Padmapriya Properties Private Limited (PAPPL)
Prakasa Properties Private Limited (PPPL)
Purnachandra Properties Private Limited (PUPPL)
Shreevaidya Properties Private Limited (SPPL)
Sreedha Properties Private Limited (SRPPL)
Radhapriya Properties Private Limited (RPPL)
Asteria Real Estates Private Limited (AREPL)
GMR Housar Industrial City Private Limited (GHICL)
Narmitha Real Estates Private Limited (NREPL)
Honey Flower Estates Private Limited (HFEPL)
GMR Housar EMC Limited (GHEMCL)
GMR SEZ and Port Holdings Limited (GSPHL)



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East Godavari Power Distribution Company Private Limited (EGDCL)
Swamee Properties Private Limited (SUPPL)
GMR Utilities Private Limited (GUPIL)
Lilliam Properties Private Limited (LPPIL)
GMR Corporate Affairs Private Limited (GCAPL)
Dhruvi Securities Private Limited (DSPIL)
Kakinada SEZ Limited (KSL)
GMR Business Process and Services Private Limited (GSPSPL)
GMR Infrastructure (Mauritius) Limited (GIML)
GMR Infrastructure (Cyprus) Limited (GICL)
GMR Infrastructure Overseas Limited (GIOL)
GMR Infrastructure (UK) Limited (GIUKL)
GMR Infrastructure (Global) Limited (GIGL)
GMR Energy (Global) Limited (GEGL)
Kakinada Gateway Port Limited (KGPL)
GMR Goa International Airport Limited (GGIAL)
GMR SEZ Infra Services Limited (GSIIL)
GMR Infrastructure (Overseas) Limited (GIOL)
GMR Infra Developers Limited (GIDL)

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7 LIST OF DIRECTORS (OTHER THAN  
INDEPENDENT DIRECTORS), KEY  
MANAGERIAL PERSONNEL OF HOLDING  
NAME OF HOLDING COMPANY

NAME OF HOLDING COMPANY	DIRECTOR/MP NAME & DESIGNATION	RELATIVES									
		MEMBERS OF HUF	SPOUSE	FATHER	MOTHER	SON	SON'S WIFE	DAUGHTER	DAUGHTER R'S	BROTHER	SISTER
GMR Enterprises Private Limited	Mr. Govindarajulu T - Director	NA	Mrs K Bharathi	Late Venkatesw Mrs. Andralamma Tatr ...	Mrs. Andralamma Tatr ...	Ms. Pragna Tatr	Ms. Ravali Tata	NA	NA	NA	NA
	Mr. M V Srinivas-Director	NA	Mrs M Vasavi	Late Sri Maddulu Smt M Bhagyalakshmi	Mr. M V Nikhil	Ms Mounic ...	Ms. Kriushika	NA	NA	NA	NA
	Mr. Chakka Srinivasa Rao-Director	NA	Mrs. Ch. Sallaja	Mr. Chakka Venk. Smt. Jayalakshmi Subot ...	...	...	Ms. K. Hima	NA	NA	NA	NA
	Mr. Steemannaarayana K- CFO	NA	Ms Tripura Sundari	Late K. Hanumanth ...	...	...	Ms. K. Lakshmi Priya	NA	NA	NA	NA
	Yogindu Khajuria- Company Secretary	NA		Mr. T Doraswami Mrs T Singaramma	Mr. T Pruthvi	...	...	...	...	...	...
	Mr. Ravi Majeti- Manager	NA	Mrs. Ramadevi Majeti	Mr. Majeti Kame. Mr. Majeti Vijalakshmi Sai Srikar	Mr. Majeti Venkata	...	...	...	...	...	...
	Mr. B V N. Rao-Director	YES	Mrs B. Vishalakshi	Mr. B. Venkatesw Mrs. B. Ratnamala	...	...	...	...	...	...	...
	Mr. Srinivas Bommidala- Director	Mrs. B. Rama Devi	Mrs Smt. B. Ramadevi	Sri. B. Kasiviswan. Smt. B. Sroja Devi	Mr. B. Mani. Santosh	...	...	...	...	...	...
	Mr. Grandhi Kiran Kumar	Mr. Grandhi Kiran Kumar	...	...	...	...	...	...	...	...	...
	Mr. Grandhi Ragini	Mrs. G. Ragini Kiran	...	...	...	...	...	...	...	...	...
GMR Infrastructure Limited	Mr. Grandhi Kiran Kumar- Managing Director	Mr. Grandhi Mallikarjuna Ruchir Riddiman	Mrs. G. Ragini Kiran	Mr. G. M. Rao	Mrs. G. Varalakshmi	Mr. G. M. Rudhir	Mr. G. M. Riddhiman	...	...	...	...
	Mr. G B S. Raju- Director	Mr. Grandhi Buchi Sanyasi Raju	Mrs. G. Smitha Raju	Mr. G. M. Rao	Mrs. G. Varalakshmi	Mr. Grandhi Mallikarjuna Ritesh	Mr. Grandhi Mallikarjuna Ritesh	Mr. Grandhi Mallikarjuna Ritesh	Mr. Grandhi Kiran	Mr. G. B. S. Raju	Mr. G. M. Rao
	Mr. G. M. Rao- Executive Chairman	Mr. Grandhi Mallikarjuna Rao	Mrs. G. Varalakshmi	Mr. G. Chinn Sany. Mrs. G. Seethamahala	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju
	Mr. Adishesavaram Cherukupalli- CS	Mr. G. Mallikarjuna Rao	Mrs. G. Varalakshmi	Mr. G. Chinn Sany. Mrs. G. Seethamahala	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju
	Mr. Madhva Bhimacharya Terdal-CFO	Mrs. B. Rama Devi	Mrs. G. Varalakshmi	Mr. G. Chinn Sany. Mrs. G. Seethamahala	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju
	Mr. G. B. S. Raju- Managing Director	Mr. G. Kiran Kumar	Mrs. G. Varalakshmi	Mr. G. Chinn Sany. Mrs. G. Seethamahala	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju
	Mr. Madhva Bhimacharya Terdal- Director	Mr. G. Kiran Kumar	Mrs. G. Varalakshmi	Mr. G. Chinn Sany. Mrs. G. Seethamahala	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju
	Mr. G. B. S. Raju- Managing Director	Mr. G. Kiran Kumar	Mrs. G. Varalakshmi	Mr. G. Chinn Sany. Mrs. G. Seethamahala	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju
	Mr. Madhva Bhimacharya Terdal- Director	Mr. G. Kiran Kumar	Mrs. G. Varalakshmi	Mr. G. Chinn Sany. Mrs. G. Seethamahala	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju
	Mr. G. B. S. Raju- Managing Director	Mr. G. Kiran Kumar	Mrs. G. Varalakshmi	Mr. G. Chinn Sany. Mrs. G. Seethamahala	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju	Mr. G. B. S. Raju

GMR Energy Limited

Mr. S. Rajagopal- Independent Director	Mrs. R. Geetha	Late P. M. Srinivas- Late S. Pushpavalli	Mrs. Anupama Mrs. Priya Mrs. Swati	Mr. R. Parthasarathy Mr. R. Srinam Mr. S. R. Seshadri	Mr. Padmanabha
Mr. R. R. Nair- Independent Director	Mrs. Vaasanta R. Nair	Late N. R. Pillai	Mrs. Sonali Ms. Nisha Nair	Mr. Rajesh Nair	Mrs. T. Sakuntala Mrs. C. R. Gopinath Mrs. R. Devi
Mr. Tavaramasi Dixit- Independent Director	Mrs. Sridevi Dixit	Sri Sheshadri Dixitar Srinivasan Dixitar	Ms. Harshini	Mr. Sumedhas	Mrs. Upanishad Mrs. Kamala Mrs. Janaki
Mrs. Meena Raghunathan- Director	Mr. V. Raghunathan	Mr. Nagarathnam	Mr. Arman Md. Moggie	Mr. Ahmad Firdaus Bin Azman	Mr. N. Prabhakar ...
Mr. Azman Bin Mohamad- Director	Noor Afifah Binti Ahmad Noor	Mr. Mohamad Bin Long Binti Awang	Mrs. Doha Mrs. Amanda Ms. May Ms. Moggie	Mr. Ahmad Syukri Bin Azman Mr. Ahmad Hafizuddin Bin Azman Mr. Ahmad Azman Bin Azman Mr. Ahmad Marzuki Bin Arman Mr. Ahmad Furqan Bin Azman	Mr. Ahmad Bin Mohamad Mr. Azimuddin Bin Mohamad Mr. Azirushdi Bin Mohamad Normah Binti Mohamad
Mr. Leo Moggie	Mrs. Ezhabeth Penn-Moggie Nee Compton	Late Mr. Johanne Late Mrs. Arnie Anggo	Mrs. Arman Md. Moggie	Mr. David Nading Moggie Mr. Michael Kalum Moggie	Mr. Darwin Late Mr. Clement Mr. Perpetua Lika
Mr. Bimal Parekh	Mrs. Sneha Parekh	Late Shri Jayant I	Mrs. Sneha Parekh	Mr. Sahaj Parekh	Ms. Manali Parekh
Mr. Parag Parikh, Chief Financial Officer	Mrs. G. Smriti Raju	Mrs. Panna Parekh	Mr. Grandhi Mallikarjuna Ritesh Kumar	Mr. Grandhi Mallikarjuna Ritesh Kumar	Mr. Kran Kumar Mrs. B. Ramadevi
Mr. G. S. Raju, Managing Director	Mr. Grandhi Mallikarjuna Ritesh Kumar	Mr. Mohamad Bin Long Binti Awang	Mr. Grandhi Mallikarjuna Ritesh Kumar	Mr. Grandhi Mallikarjuna Ritesh Kumar	Mr. Arun Kumar Lal Mrs. Arcuna Dang
Mr. Rajeiv Kumar, Company Secretary	Nil	Sh. Vijay Kumar	Smt. Ishwar Jyoti	Ms. Kashvi Kumar	

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**A Director or his Relative**

NAME & DESIGNATION	MEMBERS OF HUF			RELATIVES					
	SPOUSE	FATHER	MOTHER	SON	SON'S WIFE	DAUGHTER	DAUGHTER'S HUSBAND	BROTHER	SISTER
Mr. Tatwamasi Dixit- Independent Director	Mrs. Sridevi Dixit	Sri. Sheshadri Dixitar Srinivasa Dixitar	Mrs. Mangalar Mr. Sumechas		Ms. Harsi				Mrs. Upanishad; Mrs. Kamala Mrs. Janaki
Mr. Subbarao Gunuputi Director	Mr. G. Jayalakshmi	Late Mr. Laxminarayana Chetty Gunuputi	Late Mrs. Sub Mr. G.K.P.N Murthy	Ms. Keerthi Gunuputi	Mr. P. Raja Shiba Mr. G. Yoga Devi	Mr. Suresh Penugona Mr. Rajesh	Mr. G. Ramana dham Mr. GP Rathnam	Mr. G. Ramana dham Mr. GP Rathnam	
Mr. Mundayat Ramachandran- Independent Director	Mr. Mellika Ramachandran				Ms. Anupama Ramachandran Ms. Sarojini Ramacha		Mr. Padm Vijaylakshmi		
Ms. Vinod Kumar Sharma- Director	Mrs. Poonam Sharma	Shri. Kishori Lal Sharm Smt. Salochana Devi	Late Smt. Alan Raman	Gaurav Sharma Richa		Geetanjali Amit		Anita Sharma	
Mr. Ranganathan Venkatesheshan		Mr. Ranganathan						Mr. Swamina than	Ms. Padmini

**Key Managerial Person (KMP) or his relative**

RELATIVES	
NAME & DESIGNATION	MEMBERS OF HUF
Mr. Madhusudhan Bagespally	

**A Firm, in which a Director or manager or his relative is a partner**

DIRECTOR	FIRM	NAME OF RELATIVE	NAME OF FIRM
Mr. Tatwamasi Dixit- Independent Director	NA	NA	NA
Mr. Subbarao Gunuputi Director	NA	NA	NA
Mr. Mundayat Ramachandran- Independent Director	NA	NA	NA
Mr. Vinod Kumar Sharma- Director	NA	NA	NA
Mr. Ranganathan Venkatesheshan	NA	NA	NA

**A Private Company in which a Director or manager or his relative is a member or Director**

Name of Director	Name of Private Company	Name of Relative		Interest
		Director/Member	Interest	
Mr. Tatwamasi Dixit- Independent Director	ICA (Madras) Private Limited	NA	NA	NA
	Fabric Consultancy Services Private Limited	NA	NA	NA
	Parampara Family Business Institute	NA	NA	NA
	CLASS Holistic Healthcare Private Limited	NA	NA	NA

**A Public Company in which a Director or manager is a Director and holds more than 2% of its paid up capital**

Name of Director	Name of Company	Shareholding	Name of Relative	Name of Company	Shareholding
Mr. Tatwamasi Dixit- Independent Director	NA	NA	NA	NA	NA
Mr. Subbarao Gunuputi Director	NA	NA	NA	NA	NA
Mr. Mundayat Ramachandran- Independent Director	NA	NA	NA	NA	NA
Mr. Vinod Kumar Sharma- Director	NA	NA	NA	NA	NA
Mr. Ranganathan Venkatesheshan	NA	NA	NA	NA	NA



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Transactions During the year*	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>Immediate holding Company</b>		
Equity Share Capital Received - GMR Energy Ltd.	-	-
Equity Share Capital Received - GMR Infrastructure Ltd.	-	-
GMR Energy Limited - ICD Received(Net)- BS	444,850,000	110,538,177
GMR Energy Limited - Int. on ICD (P&L)	-	192,437,359
<b>Fellow subsidiary</b>		
GMR Power Corporation Limited- Int on ICD- P&L	7,505,384	-
GMR Renewable Energy Limited- Int on ICD- P&L	7,662,575	-
GMR HOLDINGS PRIVATE LIMITED- Logo fee- P&L	4,815,730	-
GMR Energy Trading Ltd- Int Recd on ICD- P&L	4,992,933,000	-
GMR Power Corp Ltd- ICD Received(Net)- BS	163,000,000	-
GMR Generation Assets Ltd - ICD Received(Net)- BS	237,200,000	-
<b>Ultimate holding company</b>		
GMR Holdings - Logo Fees	1,050	1,055.00
<b>Managerial Remuneration to Key Management Personnel</b>		

Summary of balances with the above related parties is as follows:

Balances at the year ended *	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
<b>Immediate holding Company</b>			
Equity Share Capital Received - GMR Energy Ltd.	49,951,000.00	49,951,000.00	49,951,000.00
Equity Share Capital Received - GMR Infrastructure Ltd.	49,000.00	49,000.00	49,000.00
<b>Share Application Money paid pending allotment</b>			
<b>Other loans and advances</b>			
<b>Non-Current</b>			
<b>Ultimate Holding Company</b>			
GMR Holdings - Logo Fees Payable	1,050.00	1,055.00	1055
GMR Holdings - Employee Loans and Advances Receivable	12,520	12,520	12,520
<b>Immediate holding Company</b>			
GMR Energy Limited - ICD Payable	3,940,643,748	3,49,57,93,748	3,385,255,571.00
GMR Energy Limited - Unsecured Loan			
GMR Energy Limited - Interest on ICD	15,22,20,430	15,22,20,430	
<b>Fellow subsidiary- Payable</b>			
GMR Power Corporation Limited (GPCL) - ICD Payable	163,000,000.00	-	-
GMR Generation Assets Ltd - ICD Payable	237,200,000		
GMR Generation Assets Ltd - Int ICD Payable	6,896,317		
GMR Bajoli Holi - Employee Loan Transfer and Leave Encashment Liability Transfer	6,31,251	6,31,251	669,627.00
SIK PowerGen - Employee Loan Transfer	22,500	22,500	22,500
GMR Power Corporation - Interest on ICD	7,116,571	-	-
GMR Bannerghatta Properties Private Limited - Rental Deposit Receivable	1,11,34,041	1,11,34,041	1,11,34,041
GMR Consulting Services Limited - Payable agst Consultancy			4,064,225
DIAL - Rent of the Office Building			12,483,753.00



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Transactions with key management personnel  
b) Details relating to Key Managerial Personnel

Details of Key Managerial Personnel	March 31, 2017			March 31, 2016		
	Short-term employee benefits	Remuneration Post employment benefits	Other long-term employee benefits	Short-term employee benefits	Remuneration Post employment benefits	Other long-term employee benefits
G. Subba Rao	-	-	-	-	-	-
R.V. Sheshan	-	-	-	-	-	-
Vinod Kumar Sharma	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Related party disclosures:

These amounts represent the contractual amounts payable to/ receivable from the related parties. These amounts are interest free/ carry interest rate below the market rate of interest. Under Ind AS, such balances are recorded at fair value at inception and the amount of difference between such fair value and total transaction amounts (as given above), if any, are recorded as "equity component of liability instruments" or "additional investment in equity" as the case may be. Refer Note no. 10 for further details.

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**25 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 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 Group. 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. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as at 31 March 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 and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2016.

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 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. The Company's policy is to keep between 40% and 60% of its borrowings at fixed rates of interest, excluding borrowings that relate to discontinued operations. 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. At 31 March 2017, after taking into account the effect of interest rate swaps, approximately 129% of the Company's borrowings are at a fixed rate of interest (31 March 2017: 129%, 31 March 2016: 124%, 1 April 2015: 113%).

The exposure of the Company's borrowing to interest rate changes at the end of reporting period

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Rupee term loan borrowings	5,788,841,256.00	5,612,793,748.00	5,270,255,571.00
	5,788,841,256.00	5,612,793,748.00	5,270,255,571.00

**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
		Amt in Rs.
<b>31-Mar-17</b>		
INR Term loan	+50	28,504,087.51
<b>31-Mar-16</b>		
INR Term loan	-50	27,207,623.30

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.

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.

#### 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. The Company's policy is that not more than 0% of borrowings should mature in the next 12-month period.

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	INR	INR	INR	INR	INR	INR
<b>Year ended</b>						
<b>31-Mar-17</b>						
Borrowings		4,340,843,748	1,447,997,508			5,788,841,256
Other financial liabilities		174,102,992				174,102,992
		<b>4,514,946,740</b>	<b>1,447,997,508</b>	-	-	<b>5,962,944,248</b>
<b>Year ended</b>						
<b>31-Mar-16</b>						
(i) Borrowings		3,495,793,748	2,117,000,000			5,612,793,748
(ii) Other financial liabilities		180,538,797				180,538,797
		<b>3,676,332,545</b>	<b>2,117,000,000</b>		-	<b>5,793,332,545</b>
<b>As at</b>						
<b>1-Apr-15</b>						
(i) Borrowings		3,385,255,571	1,885,000,000			5,270,255,571
(ii) Other financial liabilities		22,509,593				22,509,593
		<b>3,407,765,164</b>	<b>1,885,000,000</b>	-	-	<b>5,292,765,164</b>

#### Excessive risk concentration

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

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels

26. Interest rate sensitivity

	31-Mar-17		31-Mar-16	
	Amount in INR		Amount in INR	
<b>Borrowings</b>	<b>Non current</b>	<b>Current</b>	<b>Total</b>	<b>Total</b>
Opening Balance		5612793748	5,612,793,748	5270255571
Closing Balance	-	5788841256	5,788,841,256	5612793748
<b>Sum Total</b>		<b>11,401,635,004</b>	<b>10,883,049,319</b>	
Average		5,700,817,502	5,441,524,660	
Sensitivity		28,504,088	27,207,623	

## 27. Other Disclosures

### a. Foreseeable losses

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

b. 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.

### c. Segment Information

The company is engaged primarily in the business of setting and running of Power plant. As the basic nature of the activities is governed by the same set of risk and returns these have been grouped as a single business segment. Accordingly separate primary and secondary segment reporting disclosures as envisaged in on Segmental Reporting Ind AS 108 issued by the ICAI are not applicable to the present activities of the company.

## 28. Fair values

	Carrying value			Fair value		
	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-16	As at 1-Apr-15	
<b>The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the financial statements is reasonable approximation of fair values.</b>						
<b>Financial assets at FVTPL</b>						
<b>Loans</b>						
Security deposit	-	-	-	-	-	-
Investment in mutual fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-



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29 Capital management

	Amounts in INR		
	At 31 March 2017	At 31 March 2016	At 1 April 2015
Borrowings	5,788,841,256.00	5,612,793,748.00	5,270,255,571.00
Trade payables	-	-	-
Less: Cash and cash equivalents	2,094,038.94	40,419,858.74	1,515,936.30
<b>Total debts</b>	<b>5,786,747,217.06</b>	<b>5,572,373,889.26</b>	<b>5,268,739,634.70</b>
<b>Capital Components</b>			
share Capital	50,000,000.00	50,000,000.00	50,000,000.00
Equity	1,339,262,627.14	1,111,873,953.59	660,408,024.15
<b>Total Capital</b>	<b>1,289,262,627.14</b>	<b>1,061,873,953.59</b>	<b>610,408,024.15</b>
<b>Capital and net debt</b>	<b>4,497,484,589.92</b>	<b>4,510,499,935.67</b>	<b>4,658,331,610.55</b>
<b>Gearing ratio ( % )</b>	<b>129%</b>	<b>124%</b>	<b>113%</b>

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

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

### 30. First Time Adoption of Ind AS

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

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

#### Exemptions applied:

##### I Mandatory exemptions:

###### Estimates

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

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

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

###### De-recognition of financial assets and liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

###### Classification and measurement of Financial assets

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

##### II Optional exemptions:

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

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

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

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

GMR Badrinath Hydro Power Generation Private Limited  
Equity reconciliation as at April 1, 2015

	Notes	IGAAP April 1, 2015 Rs. In INR	Ind AS adjustments April 1, 2015 Rs. In INR	Ind AS April 1, 2015 Rs. In INR
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	8,293,263	-	8,293,263
Capital work in progress	4	4,081,105,702	-	4,081,105,702
Other Intangible assets		4,087,547	-	4,087,547
Financial assets				-
loan	5	600,635,249	589,234,256	11,400,993
Other non-current assets	6	-	589,234,256	589,234,256
		<b>4,694,121,761</b>	-	<b>4,694,121,761</b>
<b>Current assets</b>				
Financial assets				
Cash and cash equivalents	7	1,515,936	-	1,515,936
Loans & Other loan and Advances		361,278	82,407	278,871
Assets for current tax (Net)		28,079	-	28,079
Other current assets	8	-	82,407	82,407
		<b>1,905,293</b>	-	<b>1,905,293</b>
<b>TOTAL ASSETS</b>		<b>4,696,027,054</b>	-	<b>4,696,027,054</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	9	50,000,000	-	50,000,000
Other equity	10	660,408,024	-	660,408,024
<b>Total equity</b>		<b>610,408,024</b>	-	<b>610,408,024</b>
<b>Non-current liabilities</b>				
Financial Liabilities				
Long-term provisions	11	4,711,455	-	4,711,455
Deferred tax liability (net)		-	-	-
		<b>4,711,455</b>	-	<b>4,711,455</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	12	5,270,255,571	-	5,270,255,571
Other current financial liabilities	13	-	22,509,593	22,509,593
Other current liabilities	14	31,468,052	22,509,593	8,958,460
Provisions				
		<b>5,301,723,623</b>	-	<b>5,301,723,623</b>
<b>Total liabilities</b>		<b>5,306,435,078</b>	-	<b>5,306,435,078</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,696,027,054</b>	-	<b>4,696,027,054</b>

GMR Badrinath Hydro Power Generation Private Limited  
Equity reconciliation as at March 31, 2016

		IGAAP	Ind AS adjustments	Ind AS adjustments	Ind AS
	Notes	March 31, 2016 Rs. In INR	Carried forward Rs. In INR	March 31, 2016 Rs. In INR	March 31, 2016 Rs. in Crore
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	6,248,407	-	-	6,248,407
Capital work in progress	4	4,081,105,702	-	-	4,081,105,702
Other Intangible assets		2,788,804	-	-	2,788,804
<b>Financial assets</b>					
Other Financial assets	5	601,756,722	589,234,256	1,228,423	11,294,043
Other non-current assets	6	-	589,234,256	1,228,423	590,462,679
		<b>4,691,899,635</b>	-	-	<b>4,691,899,635</b>
<b>Current assets</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7	40,419,859	-	-	40,419,859
Loans & Other loan and Advances	8	601,472	-	40,164	561,308
Other current assets		-	-	40,164	40,164
		<b>41,021,331</b>	-	-	<b>41,021,331</b>
<b>TOTAL ASSETS</b>		<b>4,732,920,966</b>	-	-	<b>4,732,920,966</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	9	50,000,000	-	-	50,000,000
Other equity		(1,111,873,954)	-	-	(1,111,873,954)
Equity component of other financial instruments		-	-	-	-
<b>Total equity</b>		<b>(1,061,873,953.52)</b>	-	-	<b>(1,061,873,953.52)</b>
<b>Non-current liabilities</b>					
<b>Financial Liabilities</b>					
Long-term provisions	11	564,797	-	-	564,797.00
Deferred tax liability (net)		-	-	-	-
		<b>564,797.00</b>	-	-	<b>564,797.00</b>
<b>Current liabilities</b>					
<b>Financial Liabilities</b>					
Borrowings	12	5,612,793,748	-	-	5,612,793,748
Other current financial liabilities	13	-	-	180,538,797	180,538,797
Other current liabilities	14	180,771,729	-	180,538,797	232,932
Provisions	11	664,646	-	-	664,646
		<b>5,794,230,122</b>	-	-	<b>5,794,230,122</b>
<b>Total liabilities</b>		<b>5,794,794,919</b>	-	-	<b>5,794,794,919</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,732,920,966</b>	-	-	<b>4,732,920,966</b>

**GMR Badrinath Hydro Power Generation Private Limited**  
**Profit and loss for the year ended March 31, 2016**

	Notes	March 31, 2016 IN Rs. (IGAAP)	Ind AS adjustments In Rs.	March 31, 2016 In Rs. (Ind AS)
<b>CONTINUING OPERATIONS</b>				
Revenue from operations		-	-	-
Other income	15	8,374,445	-	8,374,445
<b>Total Revenue</b>		<b>8,374,445</b>	-	<b>8,374,445</b>
Finance Cost	17	437,872,213	-	437,872,213
Employee benefit expenses	16	5,882,970	241,023	6,123,993
Depreciation and amortisation expenses	3	3,372,835	-	3,372,835
Other expenses	18	12,712,356	-	12,712,356
<b>Total Expenses</b>		<b>459,840,374</b>	<b>241,023</b>	<b>460,081,397</b>
<b>Profit/(loss) before and tax from continuing operations</b>		<b>451,465,929</b>	<b>241,023</b>	<b>451,706,952</b>
(1) Current tax		-	-	-
(2) Adjustment of tax relating to earlier periods		-	-	-
(3) Deferred tax		-	-	-
<b>Income tax expense</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) for the year from continuing operations</b>		<b>451,465,929</b>	<b>241,023</b>	<b>451,706,952</b>
<b>Profit for the year</b>		<b>451,465,929</b>	<b>241,023</b>	<b>451,706,952</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>				
Re-measurement gains (losses) on defined benefit plans		-	241,023	241,023
Income tax effect		-	-	-
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>-</b>	<b>241,023</b>	<b>241,023</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>451,465,929</b>	<b>-</b>	<b>451,465,929</b>



**Disclosure on Specified Bank Notes (SBN'S)\***

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBN'S	Other denomination notes	Total
<b>Closing cash in hand as on November 8, 2016</b>	64,000	3,555	67,555
(+) Permitted receipts	-	50,000	50,000
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	-64,000	-	-64,000
<b>Closing cash in hand as on December 30, 2016</b>	-	53,555	53,555



*ASL*

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

**For Girish Murthy & Kumar**  
**Chartered Accountants**



**A.V.Satish Kumar**  
Partner  
Membership no.: 26526  
Firm Registration Number: 000934S

For and on behalf of the Board of directors



**Harvinder Manocha**  
Director  
DIN:03272052



**VK Sharma**  
Director  
DIN:02879206



**Madhusudhan Bagepally**  
Company Secretary

Place: Bangalore  
Date: 21<sup>st</sup> April 2017

Place: New Delhi  
Date: 21<sup>st</sup> April 2017