

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF [GMR Bajoli Holi Hydropower Private Limited]**

**Report on the Financial Statements**

We have audited the accompanying IND AS financial statements of **[GMR Bajoli Holi Hydropower 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**

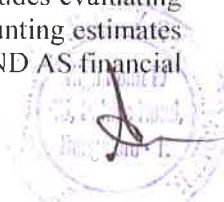
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these IND AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or 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 financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone IND AS Financial 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.



**GIRISH  
MURTHY & KUMAR**  
Chartered Accountants

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**

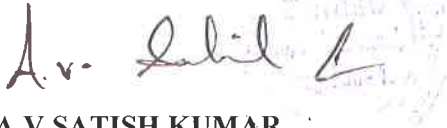
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent 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 the details and impact of pending litigations on the financial position of the company in its financial statements. – **Refer Note 23** to the financial statements.
    - 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.

For **GIRISH MURTHY & KUMAR**  
Chartered Accountants  
Firm's Registration Number: 000934S



**A.V.SATISH KUMAR**  
Partner  
Membership Number: 26526  
Bangalore

21<sup>st</sup> April, 2017

**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 Bajoli Holi Hydropower 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 Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As the company has capitalized most of its assets during the year, no physical verification is carried out during the year.  
  
c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of 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. Hence it does not have any stocks of finished goods, raw materials, store and spare parts. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The company has not granted any loans, secured or unsecured to the companies, firms 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 complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The company has not accepted deposits from the public during the year and as such this clause is not applicable.
- vi. The Company is yet to Commence commercial operations and hence, maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 does not apply to the company. Hence reporting under this clause does not arise.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion the Company is generally regular in payment of undisputed statutory dues including Provident Fund, income tax, sales tax, Customs Duty, Wealth tax and service tax Value added tax and cess as applicable with appropriate authorities. We are informed by the company that the provisions of Employee state insurance scheme, Investor education and protection fund, and excise duty are not applicable.

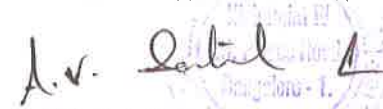
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, customs duty, wealth tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.

**GIRISH  
MURTHY & KUMAR**  
Chartered Accountants

- (b). According to the information and explanations given to us, there are no material disputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, value added tax, cess and other statutory dues were in arrears as at 31<sup>st</sup> March 2017.
- (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 dues to financial institutions or banks.
- ix. The Company did not raise any money by way of initial public offer or further offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, and based on our examination of records of the Company, the company has paid / provided managerial remuneration during the year, as per the provisions of the companies Act,2013.
- 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.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

PLACE: Bangalore  
DATE: 21st April 2017

FOR GIRISH MURTHY & KUMAR  
Chartered Accountants

  
A V Satish 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 Bajoli Holi Hydropower Private Limited]

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We have audited the internal financial controls over financial reporting of [GMR Bajoli Holi Hydropower 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**

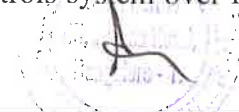
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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**

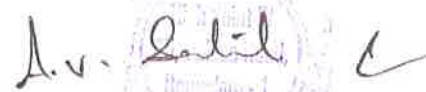
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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: 21st April 2017

FOR GIRISH MURTHY & KUMAR  
Chartered Accountants



A V Satish Kumar  
Partner.

Membership No: 26526  
FRN No.000934S

**GMR Bajoli Holi Hydropower Private Limited**  
**Balance Sheet as at 31 March 2017**  
(All amounts in Rupees Crores, except otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
<b>I ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	11.07	9.50	8.51
Capital work in progress	4	866.75	592.98	405.21
Other Intangible assets	6	0.03	0.04	0.04
Intangible assets under development	5	164.48	164.48	164.48
<b>Financial Assets</b>				
(i) Investments		-	-	-
(ii) Loans	7	1.50	1.34	1.36
(iii) Trade receivable	7	-	-	-
(iv) Others	8	-	-	-
Other financials assets	8	0.01	0.01	0.01
Other non current assets	10	122.83	127.81	113.72
<b>Current assets</b>				
Financial Assets				
Current investments	9	-	0.00	-
Cash and cash equivalents	11	11.08	0.33	18.91
Other financial assets	8	0.37	0.22	4.15
Other current assets	10	98.30	37.92	9.78
Current tax assets (net)		0.01	0.02	0.01
<b>Total Assets</b>		<b>1,276.43</b>	<b>934.66</b>	<b>726.19</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital		364.10	182.54	182.54
Other Equity	13	101.83	162.98	148.71
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings		685.51	449.46	267.80
Other financial liabilities	16	1.48	-	-
Long term provisions	15	1.92	0.93	0.13
Deferred tax liabilities (net)	18	53.30	74.70	73.86
<b>Current liabilities</b>				
Financial Liabilities				
(i) Borrowings		-	-	-
Other financial liabilities	16	63.33	59.61	48.46
Other current liabilities	17	2.28	2.00	0.97
Provisions	15	2.68	2.43	3.68
<b>Total Equity and Liabilities</b>		<b>1,276.43</b>	<b>934.66</b>	<b>726.19</b>

Summary of significant accounting policies 2  
The accompanying notes form an integral part of financial statements.

As per our report attached

For Girish Murthy & Kumar  
Chartered Accountants

  
A V Satish Kumar  
Partner  
Membership Number : 26526  
Firm Registration Number: 000934S  
Place: Bangalore  
Date: 21st April, 2017

For and on behalf of the Board of directors

  
Harvinder Manocha  
Director  
DIN: 03272052  
Place: New Delhi  
Date: 21st April, 2017

Vinod Kumar Sharma  
Director  
DIN: 02879206  
Place: New Delhi  
Date: 21st April, 2017



**GMR Bajoli Holi Hydropower Private Limited**  
**Statement of Profit and Loss for the period ended 31 March 2017**  
**(All amounts in Rupees Crores, except otherwise stated)**

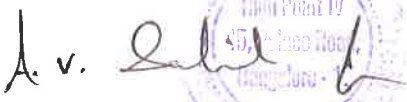
Particulars	Notes	For the period ended 31 March 2017	For the period ended 31 March 2016
<b>I REVENUE</b>			
Revenue From Operations			-
Other Income		-	
<b>Total Revenue (I)</b>		<b>-</b>	<b>-</b>
<b>II EXPENSES</b>			
Other Expenses	19	0.81	1.34
<b>Total expenses (II)</b>		<b>0.81</b>	<b>1.34</b>
<b>III Profit before exceptional items and tax (I-II)</b>		<b>-0.81</b>	<b>-1.34</b>
<b>IV Exceptional Items</b>		-	-
<b>V Profit/(loss) before tax (III-IV)</b>		<b>-0.81</b>	<b>-1.34</b>
<b>VI Tax expense:</b>			
(1) Current Tax		-	
(2) Deferred Tax		0.38	0.84
<b>VII Profit/(loss) for the period (V-VI)</b>		<b>-1.20</b>	<b>-2.18</b>
<b>VIII Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains (losses) on defined benefit plans		-	
Income tax effect		-	
<b>IX Total Comprehensive Income for the period (VII + VIII)</b>		<b>-1.20</b>	<b>-2.18</b>
(Comprising Profit (Loss) and Other Comprehensive Income for the period)			
<b>X Earnings per equity share:</b>			
(1) Basic		-0.04	-0.12
(2) Diluted		-0.04	-0.12

Summary of significant accounting policies 2  
The accompanying notes form an integral part of financial statements.

This profit & loss statement referred to our report of even date

As per our report attached

For Girish Murthy & Kumar  
Chartered Accountants

  
A V Satish Kumar  
Partner

Membership Number : 26526  
Firm Registration Number: 000934S  
Place: Bangalore  
Date: 21st April, 2017

For and on behalf of the Board of directors

  
Harvinder Manocha  
Director  
DIN: 03272052  
Place: New Delhi  
Date: 21st April, 2017

  
Vinod Kumar Sharma  
Director  
DIN: 02879206  
Place: New Delhi  
Date: 21st April, 2017

**GMR Bajoli Holi Hydropower Private Limited**  
**Cash Flow Statement for the period ended 31 March 2017**  
**(All amounts in Rupees Crores, except otherwise stated)**

Particulars	31-Mar-17	31-Mar-16
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	-0.81	-1.34
Profit before tax	<b>-0.81</b>	<b>-1.34</b>
Non-cash adjustment to reconcile PBT to net cash flows		
Depreciation/ amortization on continuing operation	-	-
Finance costs	-	-
Net gain on sale of current investments	-	-
Operating profit before working capital changes	-0.81	-1.34
Cash generated from / (used in) operations	-0.81	-1.34
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	<b>-0.81</b>	<b>-1.34</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and Capital Advances	-276.09	-184.59
Depreciation in the CWIP, which is not routed through the P&L	0.77	-0.40
Increase/ (Decrease) in other current financial liabilities	4.00	12.18
Increase/ (Decrease) in other non current financial liabilities	1.48	-
Increase/ (Decrease) in long term provisions	-20.80	0.80
Increase/ (Decrease) in short-term provisions	0.24	-1.25
Decrease/ (Increase) in other current assets	-60.54	3.94
Decrease/ (Increase) in other non current assets	0.01	0.00
Decrease/ (Increase) current financial assets	-0.15	-28.17
Decrease/ (Increase) non current financial assets	4.98	-16.18
Decrease/ (Increase) in current investments	0.00	-0.00
Net cash flow from/ (used in) investing activities (B)	<b>-346.09</b>	<b>-213.66</b>
<b>Cash flows from financing activities</b>		
Proceed from issuance of share application money	0.60	16.45
Proceed from issuance of equity share capital	121.00	-
Proceeds from long-term borrowings	236.04	179.98
Net cash flow from/ (used in) in financing activities (C)	<b>357.65</b>	<b>196.43</b>
Net Increase/(Decrease) in cash and cash equivalents (A + B + C)	10.75	-18.57
Cash and cash equivalents at the beginning of the year	0.33	18.91
Cash and cash equivalents at the end of the year	<b>11.08</b>	<b>0.33</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.01	0.02
Cheques/ drafts on hand	-	-
With banks- on current account	-	-
- Current account	11.07	0.32
- Margin Money Deposit	-	-
Total cash and cash equivalents -Note 11	<b>11.08</b>	<b>0.33</b>

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 conform to those of the current period.

For Girish Murthy & Kumar  
Chartered Accountants

*A.v. Satish Kumar*

A V Satish Kumar  
Partner  
Membership Number : 26526  
Firm Registration Number: 000934S  
Place: Bangalore  
Date: 21st April, 2017



For and on behalf of the Board of directors

Harvinder Manocha  
Director  
DIN: 03272052  
Place: New Delhi  
Date: 21st April, 2017

*Vinod Kumar Sharma*

Vinod Kumar Sharma  
Director  
DIN: 02879206  
Place: New Delhi  
Date: 21st April, 2017

Nagesh Aggarwal  
Chief Financial Officer  
Place: New Delhi  
Date: 21st April, 2017

Sahil Ahuja  
Company Secretary  
M No. ACS43357  
Place: New Delhi  
Date: 21st April, 2017

**GMR Bajoli Holi Hydropower Private Limited**

**Statement of standalone assets and liabilities**

**(Amount in Crores)**

Particulars	As at March 31, 2017 (Audited)	As at March 31, 2016 (Audited)
<b>1 ASSETS</b>		
<b>a) Non-current assets</b>		
Property, plant and equipment	11.07	9.50
Capital work in progress	866.75	592.98
Other intangible assets	0.03	0.04
Intangible assets under development	164.48	164.48
Financial assets	-	-
Investments	1.50	1.34
Trade receivables	-	-
Loans and advances	-	-
Others	0.01	0.01
Other non-current assets	122.83	127.81
	<b>1,166.66</b>	<b>896.16</b>
<b>b) Current assets</b>		
Investments		
Loans and advances	11.08	0.33
Trade receivables	0.37	0.22
Cash and cash equivalents	-	-
Other bank balances	98.30	37.92
Other financial assets	-	-
Current tax assets (net)	0.01	0.02
<b>TOTAL ASSETS (a+b)</b>	<b>1,276.43</b>	<b>934.66</b>
<b>2 EQUITY AND LIABILITIES</b>		
<b>a) Equity</b>		
Equity share capital	364.10	182.54
Other equity	101.83	162.98
<b>Total equity</b>	<b>465.93</b>	<b>345.52</b>
<b>b) Non-current liabilities</b>		
Financial liabilities		
Borrowings	685.51	449.46
Other financial liabilities	1.48	-
Provisions	1.92	0.93
Deferred tax liabilities (net)	53.30	74.70
Other non-current liabilities		
	<b>742.21</b>	<b>525.10</b>
<b>c) Current liabilities</b>		
Financial liabilities		
Borrowings	-	-
Other financial liabilities	63.33	59.61
Other current liabilities	2.28	2.00
Provisions	2.68	2.43
	<b>68.29</b>	<b>64.04</b>
<b>TOTAL EQUITY AND LIABILITIES (a+b+c)</b>	<b>1,276.43</b>	<b>934.66</b>

For Girish Murthy & Kumar  
Chartered Accountants

For and on behalf of the Board of directors

*A.V. Satish*

A V Satish Kumar  
Partner  
Membership Number : 26526  
Firm Registration Number: 0009345  
Place: Bangalore  
Date: 21st April, 2017



*Harvinder Manocha*


Harvinder Manocha  
Director  
DIN: 03272052  
Place: New Delhi  
Date: 21st April, 2017

*Vinod Kumar Sharma*  
Vinod Kumar Sharma  
Director  
DIN: 02879206  
Place: New Delhi  
Date: 21st April, 2017

(Amount in Crores)

<b>GMR Bajoli Holi Hydropower Private Limited</b>			
<b>Statement of Standalone Unaudited / Audited Financial Results for the Year Ended 31/03/2017</b>			
	Particulars  (Refer Notes Below)	Year ended	
		3/31/2017  Audited	3/31/2016  Audited
<b>1</b>	<b>Income from operations</b>		
	(a) Sales/income from operations	-	-
	(b) Other operating income	-	-
	<b>Total income from operations</b>	-	-
<b>2</b>	<b>Expenses</b>		
	Other expenses	0.81	1.34
	<b>Total expenses</b>		
<b>3</b>	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	-0.81	-1.34
<b>4</b>	Other income	-	-
<b>5</b>	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)</b>	-0.81	-1.34
<b>6</b>	Finance costs	0	0
<b>7</b>	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)</b>	(0.81)	(1.34)
<b>8</b>	Exceptional items	0	0
<b>9</b>	<b>Profit / (Loss) from ordinary activities before tax (7 ± 8)</b>	(0.81)	(1.34)
<b>10</b>	Tax expense / (credit)	0.38	0.84
<b>11</b>	<b>Net Profit / (Loss) from ordinary activities after tax (9 ± 10)</b>	(1.20)	(2.18)
<b>14</b>	<b>Net Profit / (Loss) after taxes minority interest and share of profit of associates (11 ± 12 ± 13)</b>	(1.20)	(2.18)
<b>15</b>	Other Comprehensive Income/ (expenses) (net of tax)	-	-
<b>16</b>	<b>Total Comprehensive income for the period (14 + 15)</b>	(1.20)	(2.18)

For Girish Murthy & Kumar  
Chartered Accountants

  
A V Satish Kumar  
Partner  
Membership Number : 26526  
Firm Registration Number: 0009345  
Place: Bangalore  
Date: 21st April, 2017



For and on behalf of the Board of directors

  
Harvinder Manocha  
Director  
DIN: 03272052  
Place: New Delhi  
Date: 21st April, 2017

Vinod Kumar Sharma  
Director  
DIN: 02879206  
Place: New Delhi  
Date: 21st April, 2017

**GMR Bajoli Holi Hydropower Private Limited**  
**Statement of Change in Equity for the period ended 31 March 2017**  
**(All amounts in Rupees Crores, except otherwise stated)**

	Attributable to the equity holders of the parent						Total equity
	Equity share capital	Share application money	Equity component of related party loan	Reserves and surplus		Items of OCI	
				Retained earnings	Total		
<b>As at 1 April 2015</b>	<b>182.54</b>	-	<b>156.69</b>	(7.98)	<b>148.71</b>	<b>331.25</b>	
Profit for the period	-	-	-	(2.18)	(2.18)	(2.18)	
Other comprehensive income	-	-	-	-	-	-	
Exercise of share options	-	-	-	-	-	-	
Share-based payments	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	
Dividend distribution tax	-	-	-	-	-	-	
Amount Received	-	16.45	-	-	16.45	16.45	
Non-controlling interests arising on a business combination	-	-	-	-	-	-	
<b>At 31 March 2016</b>	<b>182.54</b>	<b>16.45</b>	<b>156.69</b>	<b>(10.16)</b>	<b>162.98</b>	<b>345.52</b>	
Profit for the period	-	-	-	(1.20)	(1.20)	-	
Other comprehensive income	-	-	-	-	-	-	
Total comprehensive income	-	-	-	-	-	-	
Depreciation transfer for land and buildings	-	-	-	-	-	-	
Discontinued operations	-	-	-	-	-	-	
Issue of share capital	181.56	(16.45)	(65.89)	-	(82.34)	99.22	
Exercise of share options	-	-	-	-	-	-	
Share-based payments	-	-	-	-	-	-	
Transaction costs	-	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	
Dividend distribution tax on cash dividend	-	-	-	-	-	-	
Amount Received	-	0.60	-	-	0.60	0.60	
DTL/DTA on equity portion	-	-	21.78	-	21.78	21.78	
Non-cash distributions to owners	-	-	-	-	-	-	
Acquisition of a subsidiary	-	-	-	-	-	-	
Acquisition of non-controlling interests	-	-	-	-	-	-	
<b>At 31 March 2017</b>	<b>364.10</b>	<b>0.60</b>	<b>112.59</b>	<b>(11.35)</b>	<b>101.83</b>	<b>465.93</b>	



3 Property Plant and Equipment

Amount in INR Crores

	Freehold Land	Computer Equipments	Office Equipments	Plant & Machinery	Furniture and Fixtures	Vehicles	Electric Fittings	Capital Work in Progress	Total
Gross block (at cost)									
Deemed cost as at 01.04.2015	6.93	0.15	0.22	0.49	0.18	0.46	0.08	405.21	8.51
Additions	-	0.20	0.37	0.83	0.15	-	-0.02	187.77	1.53
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2016	6.93	0.35	0.59	1.32	0.33	0.46	0.06	592.98	10.04
Additions	-	0.20	0.66	0.82	0.75	0.58	-	273.77	3.02
Disposals	-	0.12	0.23	-	0.33	-	-	-	0.69
As at March 31, 2017	6.93	0.43	1.02	2.14	0.75	1.05	0.06	866.75	12.37
Depreciation									
As at April 1, 2015	-	-	-	-	-	-	-	-	-
Charge for the year	0.16	0.10	0.11	0.06	0.04	0.07	-0.00	-	0.54
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2016	0.16	0.10	0.11	0.06	0.04	0.07	0.00	-	0.54
Charge for the year *	0.16	0.14	0.17	0.11	0.06	0.11	0.01	-	0.77
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2017	0.32	0.24	0.28	0.17	0.11	0.18	0.00	-	1.30
Net block									
As at April 1, 2015	6.93	0.15	0.22	0.49	0.18	0.46	0.08	405.21	8.51
As at March 31, 2016	6.78	0.25	0.48	1.25	0.29	0.39	0.06	592.98	9.50
As at March 31, 2017	6.62	0.19	0.74	1.96	0.64	0.86	0.06	866.75	11.07

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.

\* As per the provision of implementation agreement with Govt of H.P., after the Project period entire project assets shall revert to Govt of H.P. hence, the cost of freehold land is amortised over the project period.

Amount in INR Crores

Block of assets	Gross Block	Accumulated Depreciation	Net Previous GAAP Value as on 1.4.2015	Dep FY March 2016	Accumulated Depreciation Till March 2016	Accumulated Depreciation Till March 2017	Charge for FY 2016-17
Freehold Land	7.59	0.66	6.93	0.16	0.82	0.98	0.16
Computer Equipments	0.22	0.07	0.15	0.10	0.16	0.31	0.14
Office Equipments	0.26	0.04	0.22	0.11	0.15	0.32	0.17
Plant & Machinery	0.59	0.11	0.49	0.06	0.17	0.28	0.11
Furniture and Fixtures	0.25	0.06	0.18	0.04	0.11	0.17	0.06
Vehicles	0.55	0.09	0.46	0.07	0.16	0.27	0.11
Electric Fittings	0.08	0.01	0.08	-0.00	0.00	0.01	0.01
Capital Work in Progress	405.21	-	405.21	-	-	-	-
<b>Total</b>	<b>414.76</b>	<b>1.03</b>	<b>413.73</b>	<b>0.54</b>	<b>1.57</b>	<b>2.34</b>	<b>0.77</b>



GMR Bajoli Holi Hydropower Private Limited  
Notes to the Financial Statements as at March 31, 2017

4 Capital Work in Progress Amount in INR Crores

Particulars	Amount in INR Crores		
	31-Mar-17	31-Mar-16	1-Apr-15
Salaries, Allowances and Benefits to Employees	80.72	57.93	42.96
Contribution to Provident Fund and Others	5.62	4.07	2.96
Staff Welfare Expenses	2.94	2.43	1.95
Rent	11.07	9.86	8.58
Hire Charges	0.08	0.07	0.05
Community Development Charges	15.25	15.08	8.02
Civil	274.66	142.63	57.65
Plant & Machinery	4.72	0.84	0.06
Project Premium	79.18	79.18	79.18
Land Development	2.16	2.16	-
Bridge	-	2.44	2.16
Rates and Taxes	3.30	3.91	2.05
Repairs & Maintenance	4.50	10.69	2.38
Insurance	14.40	42.46	7.56
Consultancy & Professional Charges	60.42	17.29	28.23
Travelling and Conveyance	19.56	1.85	16.03
Communication Expenses	2.88	0.98	1.26
Depreciation	1.75	-	0.42
Office Maintenance	8.13	5.81	3.92
Guest House Maintenance	9.87	4.80	2.11
Printing & Stationery	0.47	0.40	0.31
Business Promotion Expenses	0.02	0.38	0.35
Finance Cost	252.90	176.98	122.44
Membership and Subscription	0.07	0.07	0.02
Bank/Other Finance Charges	12.22	11.08	10.28
Amortisation of Ancillary Borrowing Costs	0.08	0.08	3.82
Meetings & Seminars	0.32	0.25	0.16
Miscellaneous Expenses	5.08	4.43	3.88
Loss Foreign Exchange	0.02	0.02	0.02
Less: Other Income:	-	-	-
Other Income	5.66	5.21	3.59
<b>Total</b>	<b>866.75</b>	<b>592.98</b>	<b>405.21</b>

5 Intangible Assets under Development Amount in INR Crores

Particulars	Amount in INR Crores		
	March 31, 2017	March 31, 2016	April 1, 2015
Project Premium	164.48	164.48	164.48
<b>Total</b>	<b>164.48</b>	<b>164.48</b>	<b>164.48</b>



GMR Bajoli Holi Hydropower Private Limited  
Notes to the Financial Statements as at March 31, 2017

6 Intangible Assets

Amount in INR Crores	
	Computer Software
Gross block (at cost)	
Deemed cost as at April 1, 2015	0.04
Additions	0.02
Disposals	-
As at March 31, 2016	0.06
Additions	
Disposals	
As at March 31, 2017	0.06
Depreciation	
As at April 1, 2015	-
Charge for the year	0.02
Disposals	-
As at March 31, 2016	0.02
Charge for the year	0.01
Disposals	
As at March 31, 2017	0.03
Net block	
As at April 1, 2015	0.04
As at March 31, 2016	0.04
As at March 31, 2017	0.03

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.

Block of assets	Amount in INR Crores						
	Gross Block	Accumulated Depreciation	Net Previous GAAP Value as on 1.4.2015	Dep FY March 2016	Accumulated Depreciation Till March 2016	Accumulated Depreciation Till March 2017	Charge for FY 2016-17
Computer Software	0.08	0.04	0.04	0.02	0.06	0.08	0.01





	Amount in INR Crores					
	Non-current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
<b>7 Loans</b>						
<b>Carried at amortised cost</b>						
<b>Security deposits</b>						
Unsecured, considered good	1.50	1.34	1.36	-	-	-
	1.50	1.34	1.36	-	-	-

	Amount in INR Crores					
	Non current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
<b>8 Other Financial Assets</b>						
<b>Carried at amortised cost</b>						
Interest accrued on fixed deposits	0.00	0.00	-	-	-	0.02
Margin Money Deposit	0.01	0.01	0.01	-	-	3.62
Non-trade receivable	-	-	-	0.36	0.20	0.51
Loans to employees	-	-	-	0.01	0.01	-
<b>Total other financial assets</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.37</b>	<b>0.22</b>	<b>4.15</b>

	Amount in INR Crores					
	Non current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
<b>9 Current Investments</b>						
Investment in Mutual Funds*	-	-	-	0	0.00	-
	-	-	-	-	<b>0.00</b>	-

\* Current cost of investment in IDBI Mutual Fund: Number of Units: Nil ; NAV: 1734.0113  
Note: A lien in favour of IDBI (the Lenders) has been given on the above mentioned Investments.



**10 Other Assets**

	Amount in INR Crores					
	31-Mar-17	Non current 31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	Current 1-Apr-15
Capital advances	113.66	115.91	99.74	-	-	-
<b>Advances other than capital advance</b> other advances	<b>113.66</b>	<b>115.91</b>	<b>99.74</b>	-	-	-
<b>Others</b>	-	-	-	98.30	37.92	9.78
Prepaid expenses	9.16	11.90	13.98	<b>98.30</b>	<b>37.92</b>	<b>9.78</b>
<b>Total other assets</b>	<b>122.83</b>	<b>127.81</b>	<b>113.72</b>	<b>98.30</b>	<b>37.92</b>	<b>9.78</b>

**11 Cash and Cash Equivalent**

Particulars	Amount in INR Crores			
	At 31 March 2017	At 31 March 2016	At 31 March 2015	At 1 April 2015
<b>Cash and cash equivalents</b>				
-Cash on hand		0.01	0.02	0.05
-Deposits with original maturity of less than three months		-	-	12.00
-Balances with Banks		11.07	0.32	6.86
-In current accounts#				
<b>Total</b>	<b>11.08</b>	<b>0.33</b>	<b>0.33</b>	<b>18.91</b>

**Break up of financial assets carried at amortised cost and at fair value through profit and loss**

Particulars	Amount in INR Crores					
	31-Mar-17	Non current 31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	Current 1-Apr-15
<b>A) at amortised cost</b>						
Loans	1.50	1.34	1.36	-	-	-
other financial assets	0.01	0.01	0.01	0.37	0.22	4.15
<b>B) at Fair value through profit or loss</b>						
Investment in mutual fund	-	-	-	-	0.00	-
<b>Total financial assets</b>	<b>1.51</b>	<b>1.35</b>	<b>1.37</b>	<b>0.37</b>	<b>0.22</b>	<b>4.15</b>



**12. Share Capital**

Particulars	Amounts in INR crores		
	31 March 2017	31 March 2016	1 April 2015
<b>Authorised : (No. in crores)</b>			
82.5 (March 31, 2016: 82.5, 1st April 2015: 20) equity shares of Rs. 10 each	825.00	825.00	200.00
	825.00	825.00	200.00
<b>Issued : (No. in crores)</b>			
36.41 (March 31, 2016: 18.25, 1st April 2015: 18.25) equity shares of Rs. 10 each	364.10	182.54	182.54
	364.10	182.54	182.54
<b>Subscribed and Paid-up</b>			
36.41 (March 31, 2016: 18.25, 1st April 2015: 18.25) equity shares of Rs. 10 each	364.10	182.54	182.54
<b>Total</b>	364.10	182.54	182.54

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

Equity Shares	31 March 2017		31 March 2016		1 April 2015	
	No. Crores	Amounts in INR crores	No. Crores	Amounts in INR crores	No. Crores	Amounts in INR crores
At the beginning of the year	18.25	182.54	18.25	182.54	18.25	182.54
Issued during the year	18.16	181.56	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>36.41</b>	<b>364.10</b>	<b>18.25</b>	<b>182.54</b>	<b>18.25</b>	<b>182.54</b>

**b. Terms/Rights Attached to equity Shares**

The company has only one class of shares having a par value of Rs.10 per share. Each holder of equity is entitled to one vote per share. In the event of liquidation of the company the holder of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts.

**c. Shares held by holding /ultimate holding company /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

Name of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares held (crores)	Amount in crores	No. of Shares held (crores)	Amount in crores	No. of Shares held (crores)	Amount in crores
<b>GMR Energy Ltd, The Holding Company (along with its nominees)</b>						
36.41 (March 31, 2016: 18.25 crores, April 1, 2015: 18.25 crores) equity shares of Rs.10 each fully paid up	36.41	364.10	18.25	182.54	18.25	182.54
		<b>364</b>		<b>182.54</b>		<b>182.54</b>

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

Name of Shareholder	31 March 2017			31 March 2016			1 April 2015		
	No. of Shares held	% Holding in Class	No. of Shares held in crores	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Equity shares of Rs. 10 each fully paid									
GMR Energy Ltd, the holding company (along with its nominees)	36.41	100%	18.25	18.25	100%	18.25	100%	18.25	100%
	36.41	100%	18.25	18.25	100%	18.25	100%	18.25	100%

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

**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: Nil**

**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.



**13. 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	(10.16)	(7.98)	-
Add: Net profit for the year	(1.20)	-2.18	-
Net surplus in the statement of profit and loss	(11.35)	(10.16)	(7.98)
<b>Equity component of financial instruments *</b>	112.59	156.69	156.69
<b>Other items of Comprehensive Income</b>	112.59	156.69	156.69
Re-measurement gains on defined benefit plans	-	-	-
<b>Share application money pending allotment</b>	0.60	16.45	-
	0.60	16.45	-
<b>Total reserves and surplus</b>	<b>101.83</b>	<b>162.98</b>	<b>148.71</b>



14. Financial Liabilities - Borrowings

Particulars	Amounts in INR Crores					
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
<b>Secured loan</b>						
<b>Rupee term loan from*:</b>						
Banks	356.63	235.32	120.70	-	-	-
Financial Institution:	305.38	184.75	121.28	-	-	-
<b>Unsecured loan</b>						
Loan from a group company (unsecured) 17**	23.50	29.39	25.82	-	-	-
Amount disclosed under the head "other current financial liabilities"	<b>685.51</b>	<b>449.46</b>	<b>267.80</b>	-	-	-
<b>Net amount</b>	<b>685.51</b>	<b>449.46</b>	<b>267.80</b>	-	-	-

a. \*(Secured by first charge on all movable, immovable properties and including stock of raw material and consumables, all book debts, cash flows receivables, Trust and Retention Account, Debt Service Reserve Account and other reserves and any other bank accounts of the company both present and future. Further secured by way of assignments/hypothecation of security interest of all the rights, title, interest, benefits, claims and demands of the Company in the Project Documents. Further secured by way of pledge of 51% of shares held by the holding company) and Letter of Comfort from GMR Infrastructure Ltd. The loan is repayable in 54 unequal quarterly installments starting from 31st March, 2020 as per the Common Loan Agreement dated 25th April, 2013 . Rupee Term loan availed from IDBI carries interest rate at Base Rate of IDBI Bank plus 300 bps p.a., Rupee Term Loan availed from L&T carries interest rate of PLR at L&T minus 225 bps p.a. and Rupee Term Loan availed from Canara Bank carries interest rate at Base Rate at Canara Bank plus 330 bps p.a.. The Rupee Term loan availed from IREDA follow IDBI's lead lender's interest rate, however the interest rate shall not be lower than the applicable IREDA interest rate for Grade-IV borrower.

Secured by second charge on all movable, immovable properties and including stock of raw material and consumables, all book debts, cash flows receivables, Trust and Retention Account, Debt Service Reserve Account and other reserves and any other bank accounts of the company both present and future. Further secured by way of assignments/hypothecation of security interest of all the rights, title, interest, benefits, claims and demands of the Company in the Project Documents. Further secured by way of pledge of 51% of shares held by the holding company and Letter of Comfort from GMR Infrastructure Ltd. The loan is repayable in 50 unequal quarterly installments starting from 31st March, 2021 as per the Subordinate Rupee Facility Agreement dated 19th August, 2016. Subordinate Rupee Term loan availed from IIFCL carries interest rate at IDBI's applicable rate 200 bps per annum .

b. \*\*The company has accepted intercorporate deposits and unsecured loan from its holding company which will be repaid in November 2032. Interest rate upto 24th April, 2013 is 12% and thereafter it is Nil (March 17 and March 16 - Nil).



**15. Provisions (Current and Non-Current)**

Particulars	Amounts in INR Crores					
	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
<b>Provision for employee benefits</b>						
Provision for Compensated Absences	0.39	0.93	-	0.75	0.72	2.03
Provision for Gratuity	1.54		0.13	-	0.13	
<b>Provision for other employee benefits</b>				1.93	1.59	1.65
<b>Total</b>	<b>1.92</b>	<b>0.93</b>	<b>0.13</b>	<b>2.68</b>	<b>2.43</b>	<b>3.68</b>

**16. Other Financial Liabilities**

Particulars	Amounts in INR Crores					
	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
<b>Other financial liabilities at amortised cost</b>						
Retention money	-			5.12	4.05	2.13
Interest accrued and due on borrowings				5.78	4.70	0
Interest accrued and but not due on borrowings	1.48					
Non trade payable- Group Company	-			1.86	1.37	0.31
Non trade payable- Others				9.53	8.46	4.99
Project premium payable	-			41.03	41.03	41.03
<b>Total other financial liabilities at amortised cost</b>	<b>1.48</b>	<b>-</b>	<b>-</b>	<b>63.33</b>	<b>59.61</b>	<b>48.46</b>
<b>Total other financial liabilities</b>	<b>1.48</b>	<b>-</b>	<b>-</b>	<b>63.33</b>	<b>59.61</b>	<b>48.46</b>

**Break up of financial liabilities**

Particulars	Amounts in INR Crores					
	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
<b>Financial liability at amortised cost</b>						
Borrowings ( Note 14)	2,056.52	1,348.39	-	-	-	-
Other financial liabilities	1.48	-	-	63.33	59.61	48.46
<b>Total financial liabilities carried at amortised cost</b>	<b>2,058.00</b>	<b>1,348.39</b>	<b>-</b>	<b>63.33</b>	<b>59.61</b>	<b>48.46</b>



**17. Other Liabilities**

Particulars	Amounts in INR Crores					
	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
<b>Others</b>						
TDS payable				1.13	0.97	0.54
Other statutory dues				1.15	1.03	0.43
<b>Total</b>	-	-	-	<b>2.28</b>	<b>2.00</b>	<b>0.97</b>



<b>18. Income Tax Expenses</b>		<b>Balance sheet</b>		<b>Statement of profit or loss</b>	
<b>Deferred tax:</b>		<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
		<b>INR Crores</b>	<b>INR Crores</b>	<b>INR Crores</b>	<b>INR Crores</b>
<b>Deferred tax liability</b>					
Project premium provision adjustment		-0.00	(13.57)	-12.12	0.38
Prepaid expense created for upfront cost on undrawn loan balance.		-	-	-0.17	0.84
Banks and related party loans		-53.43	(75.32)	-74.46	-
on account of capital work in progress (other than Intangible reclass and tax expenses )		-1.28	-0.09	-	-
Relating to origination and reversal of temporary differences		-	-	-0.42	-
<b>Gross deferred tax liability</b>		<b>(54.71)</b>	<b>(88.98)</b>	<b>(87.18)</b>	<b>0.84</b>
<b>Deferred tax asset</b>					
On account of land depreciation under Ind AS		-	-	-	-
Relating to origination and reversal of temporary differences		-	0.20	-	-
On account of discounting of security deposit		0.00	13.57	13.31	-
On account of provision for project premium		1.42	0.51	-	-
On account of prepaid expense created for upfront cost on undrawn loan balance		-	-	13.31	-
on account of capital work in progress (other than Intangible reclass and tax expenses )		1.42	14.27	-	-
<b>Net deferred tax liability</b>		<b>53.30</b>	<b>74.70</b>	<b>73.86</b>	<b>(0.84)</b>
<b>Amount recognised directly in equity</b>					
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to equity:		31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-16
		21.78	-	75.26	-
<b>Reconciliations of deferred tax liabilities(net)</b>					
<b>Opening balance as at 1st April</b>		<b>3/31/2017</b>	<b>3/31/2016</b>		
		<b>INR Crores</b>	<b>INR Crores</b>		
Tax income/(expense) during the period recognised in profit or loss		74.70	73.86		
Tax income/(expense) during the period recognised in OCI		0.38	0.84		
Amount recognised directly in CWIP		-21.78	-		
<b>Closing balance as at 31st March</b>		<b>53.30</b>	<b>74.70</b>		
The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.					



**19. Other Expenses**

Particulars	Amounts in INR	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Rates and taxes		1.02
Payment to auditors	0.01	0.01
Business Promotion	0.67	0.24
Professional & Consultancy		0.00
Donations	0.14	0.07
Misc. Expense	-0.00	-
<b>Total</b>	<b>0.81</b>	<b>1.34</b>

\*

	Amounts in INR	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16
<b>* Payment to Auditors (Included in other expenses above)</b>		
<b>As Auditor</b>		
Audit fee	0.00	0.00
Limited Review Fee	0.00	
<b>Other services</b>		
- Other services (including certification fees)		0.00
	<b>0.01</b>	<b>0.01</b>



## 20. 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 Crores	
	31-Mar-17	31-Mar-16
Profit attributable to equity holders of the parent	-1.20	-2.18
<b>Profit attributable to equity holders of the parent for basic earnings</b>	-1.20	-2.18
Interest on convertible preference shares	-	-
<b>Profit attributable to equity holders of the parent adjusted for the effect of dilution</b>	-1.20	-2.18
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	29.41	18.25
Effect of dilution:	-	-
Convertible preference shares	-	-
<b>Weighted average number of Equity shares adjusted for the effect of dilution *</b>	29.41	18.25
Earning Per Share (Basic) (Rs)	-0.04	-0.12
Earning Per Share (Diluted) (Rs)	-0.04	-0.12
Face value per share (Rs)	10	10

31-Mar-17

365

Date of allotment	Days covered	Share Outstanding	Period covered	Weighted Average
		182538000	1.00	182538000
28-May-16	307	50000000	0.84	42054794.5
27-Jul-16	247	75000000	0.68	50753424.7
19-Oct-16	163	26557600	0.45	11859969.3
1-Dec-16	120	20000000	0.33	6575342.47
1-Mar-17	30	3442400	0.08	282936.986
29-Mar-17	2	6557600	0.01	35932.0548
		364,095,600		294,100,400

**GMR Bajoli Holi Hydropower Private Limited**  
**Significant Accounting Policies**

**1 Corporate Information**

GMR Bajoli Holi Hydro Power Private Limited is promoted as a Special Purpose Vehicle (SPV) by GMR Energy Limited, the holding company and incorporated under the provisions of the Companies Act 1956 to develop and operate 180 MW hydro based power project in Chamba, District of Himachal Pradesh. The company is in the process of setting up of the project.

The registered office of the company is located at Rattan Chand Building, VPO Kuleth Sub-Tehsil Holi Tehsil Bharmour, Chamba Himachal Pradesh- 176236.

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 31 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.



**GMR Bajoli Holi Hydropower Private Limited**  
**Significant Accounting Policies**

**Current versus non-current classification**

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

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

**All other assets are classified as non-current.**

A liability is current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

**All other liabilities 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.

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



## **GMR Bajoli Holi Hydropower Private Limited**

### **Significant Accounting Policies**

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

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.

### **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 except in case of plant and machinery where the life of the asset is considered as 25 years as prescribed by Central Electricity Regulatory Commission ('CERC') being the regulatory authority in the energy sector. Assets individually costing less than Rs. 5,000, which are fully depreciated in the year of acquisition.

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 of each of the company 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**



## **GMR Bajoli Holi Hydropower Private Limited Significant Accounting Policies**

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:

a) 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.

b) 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 of the 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.



## **GMR Bajoli Holi Hydropower Private Limited Significant Accounting Policies**

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.

### **(i) 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 capitalized 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 GMR Bajoli Holi Hydropower Private Limited 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.





## **GMR Bajoli Holi Hydropower Private Limited**

### **Significant Accounting Policies**

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

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 GMR



## **GMR Bajoli Holi Hydropower Private Limited Significant Accounting Policies**

Bajoli Holi Hydropower Private Limited 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.

### **Provisions, Contingent liabilities, Contingent assets and Commitments**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost."

Contingent liability is disclosed in the case of:

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

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

### **Retirement and Other employee benefits**

Retirement benefits in the form of provident fund, pension fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contributions payable to the provident fund, pension fund and superannuation fund. The Company recognises contribution payable to the provident fund, pension fund and superannuation fund schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service



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received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognised each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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:

- i) The date of the plan amendment or curtailment, and
- ii) 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:

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



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**d) 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.

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:

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

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

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



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**b. Net interest expense or income**

Entities are required to state their policy for termination benefits, employee benefit reimbursements and benefit risk sharing

**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 GMR Bajoli Holi Hydropower Private Limited commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories: a. Debt instruments at amortised cost b. Debt instruments at fair value through other comprehensive income (FVTOCI)c. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)d. 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:

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



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

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:

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

b) 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 GMR Bajoli Holi Hydropower Private Limited 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.

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 GMR Bajoli Holi Hydropower Private Limited 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 GMR Bajoli Holi Hydropower Private Limited may make an irrevocable election to present



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in other comprehensive income subsequent changes in the fair value. The GMR Bajoli Holi Hydropower Private Limited 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 GMR Bajoli Holi Hydropower Private Limited 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**



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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.





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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.



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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.

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### **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 GMR Bajoli Holi Hydropower Private Limited that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 11.

#### **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



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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 GMR Bajoli Holi Hydropower Private Limited 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 equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **Cash dividend and non-cash distribution to equity holders of the parent**



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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 GMR Bajoli Holi Hydropower Private Limited'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



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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:

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

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

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

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, maximizing the use of relevant observable inputs and minimizing 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



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the hierarchy by re-assessing categorization (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 GMR Bajoli Holi Hydropower Private Limited'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 GMR Bajoli Holi Hydropower Private Limited's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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

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

- a) Disclosures for valuation methods, significant estimates and assumptions (note 26)
- b) Contingent consideration (note 28)
- c) Quantitative disclosures of fair value measurement hierarchy (note 27)

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d) Investment in unquoted equity shares (discontinued operations) (note 5 and note 13)

**Revenue recognition**

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

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

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

In case of power generating and trading companies, revenue from energy units sold as per the terms of the PPA and Letter of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis 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.

**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.

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**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 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**

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

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

- 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 utilized, except:



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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 utilized

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

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

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

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

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

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:



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- ▶ 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.

**Earnings 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.



## 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 28.

### 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 22**

#### 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.

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## 22. Gratuity and Other Post-Employment Benefit Plans

### a) Defined contribution plans

During the year ended 31 March 2017, the company has recognised Rs. 2.28 crore (31 March 2016: Rs. 0.92 crore) under capital work in progress as under the following defined contribution plans.

benefits (contribution to):	Amount in INR Crores	
	2016-17	2015-16
Provident and other fund	1.84	0.63
Superannuation fund	0.44	0.28
<b>Total</b>	<b>2.28</b>	<b>0.92</b>

### b) Defined benefit plans

#### As per Actuarial Valuation as at 31<sup>st</sup> March, 2016 {Funded}

Particulars	Amount in INR Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Plan assets at the year end, at fair value	0.90	0.89	0.87
Present value of benefit obligation at year end	-1.28	-1.01	-1.00
Net (liability) recognized in the balance sheet	<b>-0.39</b>	<b>-0.13</b>	<b>-0.13</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 capital work in progress and amounts recognised in the balance sheet for defined benefit plans/obligations:

#### Net employee benefit expense (recognized in capital work in progress) for the year ended 31st March, 2017

Particulars	Amt in INR Crores	
	2016-17	2015-16
Current Service Cost	0.19	0.18
Net interest on net defined liability	0.01	0.00
Actuarial (gain)/ loss on obligations	0.13	-0.02
<b>Defined benefit costs</b>	<b>0.33</b>	<b>0.16</b>

#### Balance sheet

Particulars	Amt in INR Crores	
	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	(1.28)	(1.01)
Fair value of plan assets	0.90	0.89
<b>Plan asset / (liability)</b>	<b>(0.39)</b>	<b>(0.13)</b>

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

Particulars	Amt. in INR Crores	
	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	1.01	1.00
Interest cost	0.06	0.08
Current service cost	0.19	0.18
Acquisition credit	0.33	(0.20)
Benefits paid (including transfer)	-0.43	(0.02)
Actuarial losses/ (gain) on obligation-experience	0.11	(0.03)
Closing defined benefit obligation	<b>1.28</b>	<b>1.01</b>

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

Particulars	Amt. in INR Crores	
	As at March 31, 2017	As at March 31, 2016
Opening fair value of plan assets	0.89	0.87
Acquisition Adjustment	-	(0.27)
Interest income on plan assets	0.07	0.08
Contributions by employer	0.39	0.24
Benefits paid (including transfer)	-0.43	(0.02)
Return on plan assets greater/ (lesser) than discount rate	-0.02	(0.01)
Closing fair value of plan assets	<b>0.90</b>	<b>0.89</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:

Particulars	Amt. in INR Crores	
	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	(1.28)	(10.66)
Plan assets	0.90	11.02
Funded status	(0.39)	0.36
Experience (loss) adjustment on plan liabilities		0.08
Experience gain/ (loss) adjustment on plan assets		(0.10)
Actuarial gain due to change in assumptions		-

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

Particulars	31-Mar-17	Gratuity 31-Mar-16	1-Apr-15
	(in %)	(in %)	(in %)
Discount rate	7.10%	7.80%	7.80%
Salary Escalation	6.00%	6.00%	6.00%
Expected rate of return on assets	9.40%	9.40%	9.40%
Attrition rate	5.00%	5.00%	5.00%

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

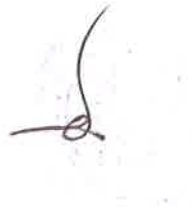
Assumptions	31-Mar-17		31-Mar-16		31-Mar-17		31-Mar-16		31-Mar-17		31-Mar-16	
	1% increase INR Lacs	1% decrease INR Lacs	1% increase INR Lacs	1% decrease INR Lacs	1% increase INR Lacs	1% decrease INR Lacs	1% increase INR Lacs	1% decrease INR Lacs	1% increase INR Lacs	1% decrease INR Lacs	1% increase INR Lacs	1% decrease INR Lacs
Sensitivity Level												
Impact on defined benefit obligation	-11.14	12.90	-6.91	8.00	10.37	-6.17	1.17	-1.19				

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 occurring at the end of the reporting period.

Expected contribution to post employment benefit plans for the year ending March 2018 are INR 0.36 Cr ( March 31, 2017 is INR 0.24 crore)

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. 2.28 crores as on 31st March, 2017 (March 31, 2016 INR 1.65 crore, 1st April, 2015, INR 2.03 crores)



**23 Commitments and Contingencies**

**Operating lease: Company as lessee**

The company has entered into certain cancelable operating lease agreements mainly for office premises. The lease rentals rental charged during the year as per agreement are as follows :-

Particulars	31-Mar-17	31-Mar-16
Lease Rentals under cancelable leases	2.37	0.40

**II Contingent Liabilities**

Particulars	31st March, 2017	31st March, 2016	1-Apr-15
Contingent Liability			
Interest against Entry Tax under Litigation		0.02	-
Pending Legal Cases	6.14	6.14	6.14

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

Parties	Court	Litigation Details	Financial Impact
GBHHPL vs. Rajinder Kumar and GBHHPL vs. Pritam Chand	District Court, Chamba	This matter related to the recovery of advance amount given at the time of private sale by way of agreement to sell. Since the respondents have got full price for their land through land acquisition compensation, we have filed recovery suit to recover that advance amount.	Not Quantifiable
State of Himachal Pradesh vs. GBHHPL	District Court of Himachal Pradesh	Case has been filed against GBHHPL challenging the order dated June 19, 2012, wherein it was held that the notification dated November 30, 2009 (namely the New Hydro Power Policy, 2008) imposing 1% additional free power, would apply prospectively and not retrospectively.	Project IRR Decreases from 13.72% to 13.60% Total Revenue (FY 19) Decrease by 4 Cr PAT(FY19) Decreased by 3.2 Cr
Mr. Mangani Ram and Vinod Kumar Vs Uoi	Supreme Court	Petitioners have challenged the grant of environmental clearance, approval for diversion of Forest Land, shifting of project site from right to the left bank of river Ravi. Petitioners have challenged order in W.P. No. 2083/2012, W.P. 9980/2012 as public interest litigation. Review petition No. 4009-10/2013 was filed by the petitioners which were dismissed.	Not Quantifiable
Kehar Singh and 13 Others Vs. State of Himachal Pradesh Collector, Land Acquisition Officer.		Regarding increase in compensation to be paid for the land acquired	Rs. 7.14 Cr (1 Cr already Paid)

**B. Guarantees other than financial guarantee**

The Company has provided bank guarantee amounting to INR 8.91 crores.

**III Financial guarantees**

None

**IV Commitments**

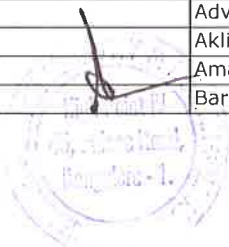
a. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances of INR 1033.22 crores (March 31, 2016 : INR 1145.42 crores, 1st April, 2015 : INR 1112.68 crores)	Amount in INR Crores		
	31 March, 2017	31 March, 2016	1 April, 2015
	1,033.22	1,145.42	77.29

Other Commitments: Nil



24	Related Party Transactions	
a)	Names of related parties and description of relationship:	
1	Holding of GBHHPL	GMR INFRASTRUTURE LIMITED GMR ENTERPRISES PRIVATE LIMITED GMR Energy Limited
2	Subsidiary Companies of GBHHPL	NIL
3	Overseas Subsidiaries / Associates	Nil
4	Associate Companies of GBHHPL	Nil
5	Joint venture of the GBHHPL	Nil
6	Fellow Subsidiaries	GMR Infrastructure Limited GMR Sports Private Limited GMR League 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 Jabilli Properties Private Limited Leora Real Estates Private Limited Pashupati Artex Agencies Private Limited Ravivarma Realty Private Limited GMR Solar Energy Private Limited Rajam Enterprises Private Limited Grandhi Enterprises Private Limited Ideaspace 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 Kirthi Timbers Private Limited AMG Healthcare Destination Private Limited GMR Holding (Malta) Limited GMR Infrastructure (Malta) Limited GMR Holdings (Overseas) Limited GMR Holdings (Mauritius) Limited Crossridge Investments Limited Interzone Capital Limited GMR Holdings Overseas (Singapore) Pte Limited GMR Business & Consultancy LLP GMR Energy Limited (GEL) GMR Power Corporation Limited (GPCL) GMR Vemagiri Power Generation Limited (GVPGL) GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) GMR Mining & Energy Private Limited (GMEL) GMR Kamalanga Energy Limited (GKEL)  Himtal Hydro Power Company Private Limited (HHPPL) GMR Energy (Mauritius) Limited (GEML) GMR Lion Energy Limited (GLEL) GMR Upper Karnali Hydropower Limited (GUKPL) GMR Energy Trading Limited (GETL) GMR Consulting Services Private Limited (GCSPL) GMR Coastal Energy Private Limited (GCEPL) GMR Londa Hydropower Private Limited (GLHPPL) GMR Kakinada Energy Private Limited (GKEPL) GMR Energy (Cyprus) Limited (GECL) GMR Energy (Netherlands) B.V. (GENBV) PT Dwikarya Sejati Utama (PTDSU) PT Duta Sarana Internusa (PTDSI) PT Barasentosa Lestari (PTBSL) SJK Powergen Limited (SJK) PT Unsoco (PT)

	GMR Warora Energy Limited ( Formerly EMCO Energy Limited)
	Indo Tausch Trading DMCC (ITTD)
	GMR Maharashtra Energy Limited (GMAEL)
	GMR Bundelkhand Energy Private Limited (GBEPL)
	GMR Rajam Solar Power Private Limited (formerly known as GMR Uttar Pradesh Energy Private Limited (GUPEPL)
	GMR Genco Energy Limited (GHOEL)
	GMR Gujarat Solar Power Private Limited (GGSPPL)
	Karnali Transmission Company Private Limited (KTCPL)
	Marsyangdi 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 Tambaram Tindivanam Expressways Limited (GTTEPL)
	GMR Tuni Anakapalli Expressways Limited (GTAEPL)
	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
	GMR Pochanpalli Expressways Limited (GPEPL)
	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
	GMR Chennai Outer Ring Road Private Limited (GCRORPL)
	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)
	GMR Highways Projects Private Limited (GHPPL)
	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 Aerotropolis Limited (HAPL)
	GMR Hyderabad Aviation SEZ Limited (GHASL)
	GMR Aerospace Engineering Limited (GAEL) (formerly known as MAS GMR Aerospace Engineering Company Limited)
	GMR Aero Technic Limited (GATL) (formerly known as MAS 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 (GHRL)
	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)
	Delhi International Airport Private Limited (DIAL)
	Delhi Aerotropolis 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 Krishnagiri SEZ Limited (GKSEZ)
	Advika Properties Private Limited (APPL)
	Aklima Properties Private Limited (AKPPL)
	Amartya Properties Private Limited (AMPPL)
	Baruni Properties Private Limited (BPPL)



	Baruni Properties Private Limited (BPPL)
	Bougainvillea Properties Private Limited (BOPPL)
	Camelia Properties Private Limited (CPPL)
	Deepesh Properties Private Limited (DPPL)
	Eila Properties Private Limited (EPPL)
	Gerbera Properties Private Limited (GPL)
	Lakshmi Priya Properties Private Limited (LPPPL)
	Honeysuckle Properties Private Limited (HPPL)
	Idika Properties Private Limited (IPPL)
	Krishnapriya Properties Private Limited (KPPL)
	Larkspur Properties Private Limited (LAPPL)
	Nadira Properties Private Limited (NPPL)
	Padmapriya Properties Private Limited (PAPPL)
	Prakalpa Properties Private Limited (PPPL)
	Purnachandra Properties Private Limited (PUPPL)
	Shreyadita Properties Private Limited (SPPL)
	Pranesh Properties Private Limited (PRPPL)
	Sreepa Properties Private Limited (SRPPL)
	Radhapriya Properties Private Limited (RPPL)
	Asteria Real Estates Private Limited (AREPL)
	GMR Hosur Industrial City Private Limited (GHICL)
	Namitha Real Estates Private Limited (NREPL)
	Honey Flower Estates Private Limited (HFEPL)
	GMR Hosur EMC Limited (GHEMCL)
	GMR SEZ and Port Holdings Limited (GSPHL)
	East Godavari Power Distribution Company Private Limited (EGPDCPL)
	Suzone Properties Private Limited (SUPPL)
	GMR Utilities Private Limited (GUPL)
	Lilliam Properties Private Limited (LPPL)
	GMR Corporate Affairs Private Limited (GCAPL)
	Dhruvi Securities Private Limited (DSPL)
	Kakinada SEZ Limited (KSL)
	GMR Business Process and Services Private Limited (GBPSPL)
	GMR Infrastructure (Mauritius) Limited (GIML)
	GMR Infrastructure (Cyprus) Limited (GICL)
	GMR Infrastructure Overseas Limited (GIOL)
	GMR Infrastructure (UK) Limited (GIUL)
	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 (GSISL)
	GMR Infrastructure (Overseas) Limited (GIOL)
	GMR Infra Developers Limited (GIDL)

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NAME OF HOLDING COMPANY	DIRECTOR/KMP		RELATIVES										
	NAME & DESIGNATION		MEMBERS OF HUF	SPOUSE	FATHER	MOTHER	SON	SON'S WIFE	DAUGHTER	DAUGHTER'S HUSBAND	BROTHER	SISTER	
GMR Enterprises Private Limited	Mr. Govindarajulu T.-Director		NA	Mrs. K. Bharathi	Late Venkateswarlu Tata	Mrs. Andralamma Tata	Ms. Pragna Tata		Ms. Ravali Tata			Ms. B. Sridevi	
	Mr. M. V. Srinivas-Director		NA	Mrs. M. Vasavi	Late Sri. Maddula Venkata Raju	Smt. M. Bhagyalakshmi	Mr. M.V. Nikhil	Ms. Mounica			Mr. M. Sridhar		
	Mr. Chakka Srinivasa Rao-Director		NA	Mrs. Ch. Sailaja	Mr. Chakka Venkata Kanna Rao	Jayalakshmi Sulochana							
	Mr. Sreenannarayana K- CFO		NA	Ms. Tripura Sundari	Late K Hanumantha Rao					Mr. P. Krishna Chaitanya	NA	NA	
	Yoqindu Khajuria- Company Secretary		NA	Need to check	Mr. T. Doraswamy Naidu	Mrs. T. Singaramma	Mr. T. Jayaditya				Mr. T. manohar Naidu	Ms. T. Pushpalatha	
	Mr. Ravi Majeti- Manager		NA	Mrs. Ramadevi Majeti	Mr. Majeti Kameswara Rao	Mr. Majeti Vijalakshmi	Venkata Sai Srikar		Mr. Majeti Bhavana				
	Mr. B.V. N. Rao-Director		YES	Mrs. B. Vishalakshi	Mr. B. Venkateswara Rao	Mrs. B. Ratnamala			Mrs. B. A. Phanimala	Mr. B. K. Anand			
	Mr. Srinivas Bommidala- Director		Bommidala Mrs. B. Rama Devi Susrani	Mrs. Smt. B. Ramadevi	Sri. B Kasiviswanatham	Smt. B. Saroja Devi	Mr. B. Mani Santosh		Ms. B. Lakshmi Susrani		Sri. B. Ramakrishna	Smt. Beena Devi	
	Mr. Grandhi Kiran Kumar		Mr. Grandhi Kiran Kumar	Mrs. G. Ragini Kiran	Mr. G.M. Rao	Mrs. G. Varalakshmi	Mr. G.M. Rudhir Riddhiman				Mr. GBS. Raju	Mrs. B. Ramadevi	
	Mr. G.B.S. Raju- Director		Mr. Grandhi Mallikarjuna Riddiman	Mrs. G. Smitha Raju	Mr. G.M. Rao	Mrs. G. Varalakshmi	Mr. Grandhi Malikarjuna Ritesh				Mr. Grandhi Kiran Kumar	Mrs. B. Ramadevi	
Mr. G.M. Rao- Executive Chairman		Mr. G. Mallikarjuna Rao	Mrs. G. Varalakshmi	Mr. G. China Sanyasi Raju	Mrs. G. Seethamahalaks hmi	Mr. G. B.S. Raju Kumar		Mrs. G. Smitha Raju Ragini	Mr. Srinivas Bommidala	Mr. G. Neelachalam	Ms. A. Savitramma		
Mr. Adisheshavaram Cherukupalli- CS		NA	Mrs. Charumathi Cherukupalli	Mr. Lakshmi Narayana Cherukupalli	Mrs. Mahalakshmi	Mr. Varun Terdal		Mrs. Sowmya		Mr. Srinivas Terdal	Ms. K. Sarvalakshmi		
Mr. Madhva Bhimacharya Terdal-CFO		NA	Mrs. Vasudha Madhva Terdal	Mr. Bhimacharya Terdal	Late Mrs. Laxmbai Bhimacharya Terdal	Mr. Rohit Terdal				Mr. Gopal Terda			

**GMR Energy Limited**

Mr. G.B.S. Raju, Managing Director	Mrs. G. Smitha Raju	Mr. Grandhi Mallikarjuna Rao	Mrs. G. Varalakshmi	Mr. Grandhi Mallikarjuna Ritesh Viswanath Dhruva Kumar	Mr. Grandhi Mallikarjuna Ritesh Viswanath Dhruva Kumar	Mr. Grandhi Mallikarjuna Ritesh Viswanath Dhruva Kumar	Mrs. B. Rama Devi
Mr. Madhva Bhimacharya Terdal- Director	Mrs. Vasudha Madhva Terdal	Late Mr. Bhimacharya Terdal	Late Mrs. Laxmibai Bhimacharya Terdal	Mr. Varun Terdal Mr. Rohit Terdal	Mr. Varun Terdal Mr. Rohit Terdal	Mr. Srinivas Terdal Mr. Gopal Terdal	---
Mr. S. Rajagopal- Independent Director	Mrs. R. Geetha	Late P. M. Srinivasachari	Late S. Pushpavalli	---	---	Mr. Padmanabhan	Mrs. T. Sakuntala
Mr. R.R. Nair- Independent Director	Mrs. Vasanta R Nair	Late N. R. Pillai	Late K Chellamma	Mr. Rajesh Nair	Mrs. Sonali	Mrs. R Gopinathan Nair	Mrs. C. R. Rema Devi
Mr. Tatwamasi Dixit- Independent Director	Mrs. Sridevi Dixit	Sri. Sheshadri Dixitar Srinivasa Dixitar	Mrs. Mangalamba	Mr. Sumedhas	---	---	Mrs. Upanishad; Mrs. Kamala Mrs. Janaki
Ms. Meena Raghunathan- Director	Mr. V Raghunathan	Mr. Nagarathnam A	Mrs. Saraswathi Nagarathnam	---	---	Mr. N. Prabhakar	---
Mr. Azman Bin Mohamad- Director	Noor Afizah Binti Ahmad Noor	Mr. Mohamad Bin Ismail	Long Binti Awang	Mr. Ahmad Firdaus Bin Azman Bin Ahmad Syukri Bin Azman Mr. Ahmad Hafizuddin Bin Azman Mr. Ahmad Aiman Bin Azman Mr. Ahmad Marzuki Bin Aman Mr. Ahmad Furqan Bin Azman	Mrs. Nur Aishah Bt Azman	Mr. Ahmad Bin Mohamad Bin Mohamad Bin Mohamad Bin Mohamad	Ms. Fatimah Binti Mohamad Ms. Normah Binti Mohamad
Mr. Leo Moggie	Mrs. Elizabeth Penn- Moggie Nee Compton	Late Mr. Johannes Irok	Late Mrs. Annie Anggol	Mr. David Nading Moggie Mr. Michael Kalum Moggie	Mrs. Azmah Md. Doha Mrs. Amanda May Moggie	Mr. Darwin Arriega Mr. Shanon Ray Shoffstall Mr. Kevrn Michael Cantwell	Mr. Perpetua Lika
Mr. Bimal Parekh	Mrs. Sneha Parekh Mr. Sahaj Parekh	Late. Shri Jayant Parekh	Mrs. Panna Parekh	Mr. Sahaj Parekh	---	---	Ms. Manali Parekh
Mr. Parag Parikh, Chief Financial Officer	Mrs. Sneha Parekh Mr. Sahaj Parekh	Late. Shri Jayant Parekh	Mrs. Panna Parekh	Mr. Sahaj Parekh	---	---	Ms. Manali Parekh
Mr. G.B.S. Raju, Managing Director	Mrs. G. Smitha Raju	Mr. Grandhi Mallikarjuna Rao	Mrs. G. Varalakshmi	Mr. Grandhi Mallikarjuna Ritesh Viswanath Dhruva Kumar	Mr. Grandhi Mallikarjuna Ritesh Viswanath Dhruva Kumar	Mr. Kiran Kumar Grandhi	Mrs. B. Ramadevi
Mr. Rajeev Kumar, Company Secretary	Mrs. Ritu Kumar	Sh. Vijay Kumar	Smt. Ishwar Jyoti	---	---	Mr. Arun Kumar	Mrs. Anjali Lal Mrs. Aruna Dano

NAME & DESIGNATION	RELATIVES									
	MEMBERS OF HUF	SPOUSE	FATHER	MOTHER	SON	SON'S WIFE	DAUGHTER	DAUGHTER'S HUSBAND	BROTHER	SISTER
Mr. G.B.S. Raju, Managing Director	Mr. Grandhi Smitna Raju Mr. Grandhi Mallikarjuna Nitesh Mr. Grandhi Viswanath Dhruva Kumar	Mrs. G. Smitha Raju	Mr. Grandhi Mallikarjuna Rao	Mrs. G. Varalakshmi	Mr. Grandhi Mallikarjuna Nitesh				Mr. Grandhi Kiran Kumar	Mrs. B. Rama Devi
Mr. Subbarao Gunupati	NA	Mr. G. Jayalakshmi	Late Mr. Laxminarayana Chetty Gunupati	Late Mrs. Subba Ratnamma	Mr. G.K.P.N Murthy	Ms. Keerthi Gunupati	Mr. P. Raja Shilpa Mr. G. Yona	Mr. Suresh Penugona Mr. Gp. Batesh	Mr. G. Ramanadham Mr. Gp. Padmanabhan	Ms. Vijaylakshmi J
Mr. Mundayat Ramachandran- Independent Director	NA	Mrs. Mallika Ramachandran								
Mr. Kavitha Gudapati- Independent	NA									
Mr. Ashis Bsu	NA	Mrs Nandita Das	Mr. Krupasagar Late Mr. Amal Kanti Basu	Mrs. Viava kumde Late Ms Rama Basu					Mr. Jayanth Mr. Debashis Basu	Ms. Madhavi
Mr. Vinod Kumar Sharma	NA	Mrs. Poonam	Shri. Kishori Lal	Smt. Salochana	Gaurav Sharma	Richa	Geetantali	Amit		Anita Sharma
Mr. Sanjay Narayan Barde	NA	Ms Madhuri Sanjay Barde	Mr. Keeso Narayan Barde	Mr. Kusum Narayan Barde	Mr. Aniket Barde		Ms. Nur Aishah Bt		Mr. Promod Barde	
Mr. Harvinder Manocha	NA	Ms. Neetu Manocha	Mr Om Prakash Manocha	Mrs. Prem Manocha	Mr. Sarthak Manocha		Mehika Manocha			1. Gurpreet Soin 2. Anjali Puri 3. Rachna Gulati
Mr Anil Bhatnagar	NA	Mrs. Seena	Mr. Brij Gobal	Mrs. Kanta						

## Key Managerial Person (KMP) or his relative

NAME & DESIGNATION	RELATIVES									
	MEMBERS OF HUF	SPOUSE	FATHER	MOTHER	SON	SON'S WIFE	DAUGHTER	DAUGHTER'S HUSBAND	BROTHER	SISTER
Mr. Harvinder Manocha - Whole-time Director	Nil	Ms. Neetu Manocha	Mr Om Prakash Manocha	Mrs. Prem Manocha	Mr. Sarthak Manocha		Mehika Manocha			1. Gurpreet Soin 2. Anjali Puri 3. Rachna Gulati
Mr. Vinod Kumar Sharma	Nil		Shri. Kishori Lal Smt. Salochana		Gaurav Sharma	Richa	Geetantali Shri Amit		Mr. Hemant Ahlu	
Mr. Sahil Ahuja - Company Secretary	Nil		Mr Suresh Kumar	Mrs. Shaila Ahuja						
Mr. Nagesh Aggarwal	Nil	Mamta Aggarwal	Jagdish Kumar	Shashi Aggarwal	Maanit Aggarwal	N/A	Devanshi Agg	N/A	1) Rajiv Aggarwal 2) Amit	N/A

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

DIRECTOR	FIRM	NAME OF RELATIVE	NAME OF FIRM
Mr. GBS Raju	NA	Mrs. B. Ramadevi	B S R Infrastructure LLP
Mr. Subbarao Gunupati	NA	Mr. G.M. Rao	GMR Infra Ventures LLP
Mr. Mundayat Ramachandran- Independent Director	NA	NA	NA
Mr. Kavitha Gudapati- Independent Director	NA	NA	NA
Mr. Ashis Bsu	NA	NA	NA
Mr. Vinod Kumar Sharma	NA	NA	NA
Mr. Sanjay Narayan Barde	NA	NA	NA
Mr. Harvinder Manocha	NA	NA	NA
Mr. Anil Bhatnagar	NA	NA	NA

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

Name of Director	Name of Private Company	Interest Director/Member	Name of Relative	Name of Private Company	Interest Director/Member
Mr. GBS Raut	GMR Varalakshmi Foundation GBS Holdings Private Limited	Director Director	Grandhi Kiran Kuli	GMR Varalakshmi GMR Sports Private	Executive Director Director
			Mrs. B. Ramadevi	GMR Bannerhatta BSR Holdings	Director Director
			Mrs. Smitha Raju	GMR Varalakshmi Parampara Family	Director Director
			Mr. G. M. Rao	GBS Holdings AMG Healthcare Parampara Family	Director Chairman Chairman
Mr. Subbarao Gunuputi	GMR Sports Private Limited GMR League Games Private Limited	Director Director	NA	NA	NA
Mr. Mundayat Ramachandran-	Sanmaro Projects Private Limited		NA	NA	NA
Mr. Kavitha Gudapati- Independent		NA	NA	NA	NA
Mr. Ashis Bsu		NA	NA	NA	NA
Vinod Kumar Sharma	NA	NA	NA	NA	NA
Mr. Santay Narayan Barde	Vascol Engineers Private Limited	Director	NA	NA	NA
Mr. Harvinder Manocha	NA	NA	NA	NA	NA
Mr. Anil Bhatnagar	NA	NA	NA	NA	NA

12. A Public Company in which a Director or manager is a Director and holds along with his relatives more than 2% of its paid up capital

Name of Director	Name of Company	Shareholding	Name of Relative	Name of Company	Shareholding
Mr. GBS Rajju	NA	NA	NA	NA	NA
Mr. Subbarao Gunuputi	NA	NA	NA	NA	NA
Mr. Mundayat Ramachandran- Independent-Director	NA	NA	NA	NA	NA
Mr. Kavitha Gudapati- Independent Director	NA	NA	NA	NA	NA
Mr. Ashis Bsu	NA	NA	NA	NA	NA
Mr. Vinod Kumar Sharma	NA	NA	NA	NA	NA
Mr. Santay Narayan Barde	NA	NA	NA	NA	NA
Mr. Harvinder Manocha	NA	NA	NA	NA	NA
Mr. Anil Bhatnagar	NA	NA	NA	NA	NA

13. Any Body Corporate whose Board, M.D or manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager

NIL
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14. Any person on whose advice, directions or instructions a Director or manager is accustomed to act.

NIL
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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.	181.56	
Interest Cost on ICD	3.21	3.57
<b>Fellow subsidiary</b>		
Raxa Securities Services - Deployment of Manpower & Consultancy	0.70	0.47
GMR Varalakshmi Foundation - Reimbursement of CSR Activities	0.25	0.39
GMR Family Fund Trust - Rent Paid for Office Space, Car Parking and Furniture	-	0.00
GMR Consulting Services - Professional Fees	3.50	3.24
GMR Infrastructure - Share of Common Expenses	2.67	1.71
GMR Aviation Private Limited - Airtime Sharing Cost	0.09	
Delhi International Airport Private Limited - Rent & Maint Chgs	0.94	
GMR Holdings -Reimbursement of EDLI Charges	-	0.01
GMR Kamalanga Energy - Recovery of Rent and Maintenance Charges Recovery	0.17	0.10

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

	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
<b>Balances at the year ended *</b>			
<b>Other loans and advances</b>			
Non-Current			
Share Application Money paid pending allotment			
<b>Immediate holding Company</b>	23.50	29.39	25.82
GMR Energy Limited - ICD Payable			
GMR Energy Limited - Equity Contribution	<b>160.47</b>	226.36	226.36
<b>Fellow subsidiary- Payable</b>			
SJK- PowerGen - Payable	0.00	0.00	0.00
Raxa Securities - Security Charges Payable	-	0.03	0.14
GMR Varalakshmi Foundation - CSR Activities	0.11	0.13	-
GMR Infrastructure - Share of Common Expenses	1.44	1.21	-
GMR Holdings - Logo Fees Payable	-	-	0.18
Delhi International Airport - Payables	0.31	-	0.00
<b>Fellow subsidiary- Receivable</b>			
GMR Badrinath- Transfer of Leave encashment Liability - Receivable	1.97	1.97	0.07
GMR Family Fund Trust- Receivable	0.08	0.08	0.08
Rental Deposit			
Raxa Securities - Receivable Deposit		1.14	0.30
GMR Consulting - Vpp Provision and Leave Encashment Liability Transfer - Receivable and Advance Paid against Services	0.14	-	0.01
GMR Holdings - Other Current Assets			
EMCO Energy - Other Current Assets	0.00	0.00	0.00
GMR Kamalanga Energy - Other Current Assets	0.16	0.10	0.14
GMR Badrinath Hydropower - Other Current Assets	0.06	0.06	0.07
Delhi International Airport - Other Current Assets	0.05	-	-



## 25. 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.

## 26. Fair Values

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the financial statements is reasonable

	Carrying value			Fair value	
	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 1-Apr-15
<b>Financial assets at FVTPL</b>					
<b>Loans</b>					
Security deposit	-	-	-	-	-
Investment in mutual fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

## 27 Fair Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2017:

	Date of valuation	Total	Amount in INR crores		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value</b>					
<b>At FVTPL</b>					
<b>At FV OCI</b>					
<b>Assets measured at fair value</b>					
<b>At FVTPL</b>					
Investment in mutual fund	31-Mar-17	-	-	-	-
<b>Assets not measured at fair value ( for which fair values are disclosed)</b>					
<b>Liabilities measured at fair value</b>					
<b>Liabilities not measure at fair value (for which fair values are disclosed)</b>					
	31-Mar-17	-	-	-	-

31-Mar-17

Liabilities not measure at fair value (for which fair values are disclosed)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2016:

	Date of valuation	Total	Amount in INR crores		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value</b>					
At FVTPL					
Investment in mutual fund	31-Mar-16	-	-	-	-
	31-Mar-16	-	-	-	-
<b>At FV OCI</b>					
At FVTPL					
Investment in mutual fund	31-Mar-16	-	-	-	-
	31-Mar-16	-	-	-	-
<b>Liabilities measured at fair value</b>					
<b>Liabilities not measure at fair value (for which fair values are disclosed)</b>					
	31-Mar-16	-	-	-	-

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 1 April 2015:

	Date of valuation	Total	Amount in INR crores		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets at fair value</b>					
At FVTPL					
	1-Apr-15	-	-	-	-
<b>At FV OCI</b>					
	1-Apr-15	-	-	-	-
<b>Liabilities measured at fair value</b>					
<b>Liabilities not measure at fair value (for which fair values are disclosed)</b>					
	1-Apr-15	-	-	-	-

**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 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. 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.

**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 55% of the Company's borrowings are at a fixed rate of interest (31 March 2016: 44%, 31 March 2015: 53%, 1 April 2014: 48%).

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	662.01	420.07	241.98
		420.07	241.98

**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 CRORES
INR Term loan	31-Mar-17	2.71
		+50
INR Term loan	31-Mar-16	1.66
		-50

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 risk and therefore mitigate financial loss through counterparty's potential failure to make payments.

The company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as illustrated in Note 9.

**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.



## 29 Capital Management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 58% and 57%. The Company includes within total debt borrowings.

	At 31 March 2017	At 31 March 2016	Amounts in INR At 1 April 2015
Borrowings	685.51	449.46	267.80
<b>Total debts</b>	<b>685.51</b>	<b>449.46</b>	<b>267.80</b>
<b>Capital Components</b>			
share Capital	364.10	182.54	182.54
Equity	101.83	162.98	148.71
<b>Total Capital</b>	<b>465.93</b>	<b>345.52</b>	<b>331.25</b>
<b>Capital and net debt</b>	<b>1,151.44</b>	<b>794.98</b>	<b>599.05</b>
<b>Gearing ratio ( %)</b>	<b>60%</b>	<b>57%</b>	<b>45%</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. Other Disclosures**

**Foreseeable losses**

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

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



**GMR Bajoli holi Hydropower Private Limited**  
**Equity Reconciliation as at March 31, 2016**

	Notes	IGAAP March 31, 2016 Rs. in Crore	Ind AS adjustments Carried forward Rs. in Crore	Ind AS adjustments March 31, 2016 Rs. in Crore	Ind AS March 31, 2016 Rs. in Crore
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	10.31	-0.66	-0.15	9.50
		716.17	-127.12	3.93	592.98
Capital work in progress	1,2,3,4 &5				
Other Intangible assets		0.04	-	-	0.04
Intangible assets under development	5	-	164.48	-	164.48
<b>Financial assets</b>					
Loan		1.91	-0.55	-	1.36
	1				
Other Financial assets		0.01	-	-	0.01
Other non-current assets	2	129.36	0.53	-2.08	127.81
		<b>857.80</b>	<b>36.68</b>	<b>1.71</b>	<b>896.18</b>
<b>Current assets</b>					
<b>Financial assets</b>					
Current investments		0.00	-	-	0.00
Cash and cash equivalents		0.33	-	-	0.33
Other financial assets		0.22	-	-	0.22
Other current assets		37.92	-	-	37.92
Current tax assets		0.02	-	-	0.02
		<b>38.49</b>	<b>-</b>	<b>-</b>	<b>38.49</b>
<b>TOTAL ASSETS</b>		<b>896.29</b>	<b>36.68</b>	<b>1.71</b>	<b>934.66</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital		182.54	-	-	182.54
Other equity		12.54	151.28	(0.84)	162.98
<b>Total equity</b>		<b>195.08</b>	<b>151.28</b>	<b>(0.84)</b>	<b>345.52</b>
<b>Non-current liabilities</b>					
<b>Financial Liabilities</b>					
Borrowings	2	677.28	(229.50)	1.68	449.46
Long-term provisions		0.93	-	-	0.93
Deferred tax liability (net)	6	-	73.86	0.84	74.70
		<b>678.21</b>	<b>(155.64)</b>	<b>2.52</b>	<b>525.10</b>
<b>Current liabilities</b>					
<b>Financial Liabilities</b>					
Other current financial liabilities	5	18.58	41.03	-	59.61
Other current liabilities		2.00	-	-	2.00
		2.43	-	-	2.43
<b>Provisions</b>					
		<b>23.01</b>	<b>41.03</b>	<b>-</b>	<b>64.04</b>
<b>Total liabilities</b>		<b>701.22</b>	<b>(114.61)</b>	<b>2.52</b>	<b>589.14</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>896.29</b>	<b>36.68</b>	<b>1.71</b>	<b>934.66</b>



GMR Bajoli holi Hydropower Private Limited  
Equity reconciliation as at April 1, 2015

	Notes	IGAAP April 1, 2015 Rs. in Crore	Ind AS adjustments April 1, 2015 Rs. in Crore	Ind AS April 1, 2015 Rs. in Crore
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	9.17	(0.66)	8.51
Capital work in progress	1,2,3,4 &5	532.34	(127.12)	405.21
Other Intangible assets		0.04	-	0.04
Intangible assets under development	5	-	164.48	164.48
<b>Financial assets</b>				
loan	1	1.91	(0.55)	1.36
Other Financial assets		0.01	-	0.01
Other non-current assets		113.19	0.53	113.72
		<b>656.65</b>	<b>36.68</b>	<b>693.33</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Other financial assets		4.15	-	4.15
Cash and cash equivalents		18.91	-	18.91
Other current assets		9.78	-	9.78
Assets for current tax (Net)		0.01	-	0.01
		<b>32.85</b>	<b>-</b>	<b>32.85</b>
<b>TOTAL ASSETS</b>		<b>689.48</b>	<b>36.68</b>	<b>726.19</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		182.54	-	182.54
Other equity		(2.57)	151.28	148.71
<b>Total equity</b>		<b>179.97</b>	<b>151.28</b>	<b>331.25</b>
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	2	497.30	(229.50)	267.80
Long-term provisions		0.13	-	0.13
Deferred tax liability (net)	6	-	73.86	73.86
		<b>497.43</b>	<b>(155.64)</b>	<b>341.79</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Other current financial liabilities	5	7.43	41.03	48.46
Other current liabilities		0.97	-	0.97
Provisions		3.68	-	3.68
		<b>12.08</b>	<b>41.03</b>	<b>53.11</b>
<b>Total liabilities</b>		<b>509.51</b>	<b>(114.61)</b>	<b>394.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>689.48</b>	<b>36.68</b>	<b>726.19</b>



**GMR Bajoli holi Hydropower Private Limited**

Group Reconciliation of the Profit and Loss for the year ended March 31, 2016

Notes	March 31, 2016 Rs. in Crore (IGAAP)	Ind AS adjustments Rs. in Crore	March 31, 2016 Rs. in Crore (Ind AS)
<b>CONTINUING OPERATIONS</b>			
Revenue from operations	-	-	-
Other income	-	-	-
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other expenses	1.34	-	1.34
<b>Total Expenses</b>	<b>1.34</b>	<b>-</b>	<b>1.34</b>
<b>Profit/(loss) before and tax from continuing operations</b>	<b>(1.34)</b>	<b>-</b>	<b>1.34</b>
(1) Current tax	-	-	-
(2) Adjustment of tax relating to earlier periods	-	-	-
(3) Deferred tax	-	0.84	0.84
<b>Income tax expense</b>	<b>-</b>	<b>0.84</b>	<b>0.84</b>
<b>Profit/(loss) for the year from continuing operations</b>	<b>(1.34)</b>	<b>(0.84)</b>	<b>(2.18)</b>
<b>Profit for the year</b>	<b>(1.34)</b>	<b>(0.84)</b>	<b>(2.18)</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	-	-	-
Income tax effect	-	-	-
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>(1.34)</b>	<b>(0.84)</b>	<b>(2.18)</b>

### **31. 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:-**

##### **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.

##### **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 recognised 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.

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**Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and total comprehensive income for the year ended 31 March 2016:**

**Security deposit**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been charged to retained earning. Consequent to this change, the amount of security deposit has been Increased by INR 0.17 crore as at March 31, 2017 ( 1 April 2016, 0.01 INR crore). Total equity decreased by INR 0.55 crore as on 1st April, 2015. The notional income on deposit given to government authorities of INR 0.17 has been capitalised under capital work in progress.

**Borrowings**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in statement of profit or loss over the tenure of the borrowings as part of the interest expense by applying the effective interest method.

Under the previous GAAP, these transactions cost were amortised on a straightline basis over the period of loan. Accordingly, borrowings as at March 31, 2017 have been reduced by INR 2.90 crore (1st April, 2016; INR 2.95 crores) with a corresponding adjustment to retained earnings. The total equity decreased by Nil as at transition date. The notional interest expense due to accretion of loan as per Effective interest rate amounts to INR 0.40 crore has been capitalised under capital work in progress.

**Related party loan**

Under previous GAAP, loans to related parties were recognised at their face values. The company has converted its interest free loan from its holding company into Equity share capital amounting Rs. 75 crores. Earlier, By considering that the loans given were interest free, they have been fair valued and the differential amount of the carrying value and fair value has been recognised as equity component (Additional investment in subsidiary) as per guidance of Ind AS 32. Now, The company has reversed Rs. 65.88 crores on conversion of Equity from related party loans. Notional interest expense of Rs 4.94 crores has been capitalised under capital work in progress.

**Property Plant and Equipment**

Under the previous GAAP, freehold land is capitalised by the amount of upfront premium paid to the lessor. No depreciation has been charged on such land. As per implementation agreement, land has to be transferred to government at the end of concession period. Under Ind AS, depreciation has been charged on such land based on its useful life. Consequent to this change, Accumulated depreciation is increased by INR 0.97 crores ( 1st April, 2016- INR 0.82 crore). Depreciation for the year ended March 31, 2016 amounts to INR 0.16 crore has been capitalised under capital work in progress.

**Liability for upfront cost**

As per implementation agreement, the company has liability to pay INR 41.03 crores towards 3rd instalment of upfront cost (25% of total upfront fee payable) at the time of achieving financial closure for the project. Under Ind AS, the company has recorded the provision as per Ind AS 37. consequent to this change, intangible assets has been recognised at its present value 31.38 crore with a corresponding adjustment to provision and retained earning at transition date. Total equity is decreased by INR 9.65 crores.

**Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

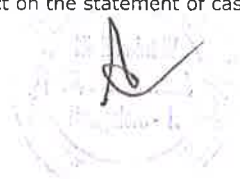
In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The net impact on deferred tax liabilities is of INR 63.17 crores (31 March 2016: 72.46 crores ).

**Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**Statement of cash flows**

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



### 32. 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 not applicable as this is a foreign company.

Particulars	SBN'S	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	198,000.00	349,073.00	547,073.00
(+) Permitted receipts	-	644,000.00	644,000.00
(-) Permitted payments	-	898,136.00	898,136.00
(-) Amount deposited in banks	198,000.00	-	198,000.00
Closing cash in hand as on December 30, 2016	-	94,937.00	94,937.00

33. 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 Number : 26526  
Firm Registration Number: 000934S  
Place: Bangalore  
Date: 21st April, 2017

For and on behalf of the Board of directors



Harvinder Manocha  
Director  
DIN: 03272052  
Place: New Delhi  
Date: 21st April, 2017

Vinod Kumar Sharma  
Director  
DIN: 02879206  
Place: New Delhi  
Date: 21st April, 2017