

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMR CHENNAI OUTER RING ROAD PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of GMR Chennai Outer Ring Road Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its losses (financial performance 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 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 the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts required be transferred to the Investor Education and Protection Fund by the Company.



- iv. The company had provided requisite disclosures in its financial statements as regards its holdings and dealings in Specified Bank Notes during November 08, 2016 to December 30, 2016, as defined in the Notification S.O 3407(E) dated the November 08, 2016 and it is in accordance with the books of accounts maintained by the company.

For Brahmayya & Co.,
Chartered Accountants
ICAI Firm Registration Number: 000511S



P S Kumar
Partner
Membership Number :015590
Place : Chennai
Date: 01st May, 2017

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2017 we report that:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Management has not conducted any physical verification of fixed assets during the year. However, the Company has the program of physical verification of fixed assets at reasonable intervals of time and to deal with material discrepancies identified on such verification.
 - (c) On the basis of our examination of the records of the Company, the company doesn't hold any immovable properties; accordingly, disclosure under clause (i) (c) of paragraph 3 of the order is not applicable to the Company.
- (ii) The company has conducted physical verification of Inventories at reasonable intervals during the year. The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of the business. The discrepancies noticed on verification between the physical stock and the books of records were not material and have been properly dealt in the books and accounts.
- (iii) The Company has not granted any loans, secured or unsecured, to any company, firm, Limited Liability Partnership or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly clauses from (iii) (a) to (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has no loans, investments, guarantee and security which meets the requirements of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii)
 - a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues to the appropriate authority to the extent applicable to it and there are no arrears of outstanding statutory dues as at March 31, 2017 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, and Cess which have not been deposited on account of dispute.
- (viii) According to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution and bank. The Company has not issued any debentures during the year and doesn't have any outstanding dues in respect of debenture holders.
- (ix) According to the information and explanations given to us and according to the records as produced and examined by us we are of the opinion that the term loan raised during the year is applied for the purpose for which it was raised, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

- (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 the records of the Company, the Remuneration paid/provided is compliance with the provisions of section 197 read with Schedule V to 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 of 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.

ForBrahmayya & Co
Chartered Accountants
ICAI Firm registration no: 000511S

P S Kumar
Partner
Membership number: 015590



Place: Chennai
Date: 01st May, 2017

“Annexure – B” to the Independent Auditors’ Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **GMR Chennai Outer Ring Road Private Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended.

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

ForBrahmayya & Co
Chartered Accountants
ICAI Firm registration no: 000511S

P S Kumar
Partner
Membership number: 015590



Place: Chennai

Date: 01st May, 2017

GMR Chennai Outer Ring Road Private Limited

April 1, 2016 to March 31, 2017

**REGISTERED OFFICE
25/1, SKIP HOUSE
MUSEUM ROAD
BANGALORE - 560 025.**

GMR Chennai Outer Ring Road Private Limited

Board of Directors:

Mr. O Bangaru Raju	Director
Mr. Arun Kumar Sharma	Director
Ms. Vinita Tarachandani	Independent Director
Mr. A.S.N Murthy	Independent Director

Chief Financial Officer

Mr. Suraj Manjeshwar

Company Secretary

Mr. Prabhat Singh (Upto Oct 20, 2016)

Mr. Satinder Singh (W.e.f. April 15, 2017)

Statutory Auditors:

Brahmayya & Co.,
Chartered Accountants
Chennai.

Bankers:

ICICI Bank Limited
Indian Bank
UCO Bank
Bank of Baroda
Punjab and Sind Bank
Oriental Bank of Commerce
IDBI Bank Ltd
Punjab National Bank

Manager

Mr. B. Venkata Bhaskara Pattabhi Ramayya

Registered Office:

Skip House, 25/1, Museum Road, Bangalore – 560 025

GMR Chennai Outer Ring Road Private Limited

Balance Sheet as at March 31, 2017

CIN U45203KA2009PTC050441

	Note	Amount in INR		
		As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
ASSETS				
Non Current Assets				
(a) Property, plant and equipment	3	2,601,568	3,379,802	4,249,125
(b) Other Intangible assets	4	11,920	44,998	134,989
(c) Financial Assets				
(i) Investments	5(i)	20	20	20
(ii) Other Financial Assets	8(ii)	7,714,988,395	7,872,102,984	8,027,947,903
Total Non-Current Assets		7,717,601,903	7,875,527,804	8,032,332,037
Current Assets				
(a) Inventories				
(b) Financial Assets	10	664,950	-	-
(i) Investments				
(ii) Cash and cash equivalents	5(ii)	-	435,423,407	-
(iii) Loans	6	96,278,260	17,288,215	408,256,397
(iv) Other Financial Assets	7	-	265,664	119,830
(c) Current Tax Assets (Net)	8(ii)	789,110,830	198,819,671	383,456,679
(d) Other Current Assets	11	142,616	253,864	862,238
Total Current Assets	9	23,103,232	9,611,215	40,971,181
		909,299,888	661,662,036	833,666,325
TOTAL ASSETS		8,626,901,791	8,537,189,840	8,865,998,362
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12	300,000,000	300,000,000	300,000,000
(b) Other Equity	13	761,476,680	871,219,110	742,888,799
Total Equity		1,061,476,680	1,171,219,110	1,042,888,799
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	6,952,506,345	7,019,557,539	7,147,150,746
(ii) Other Financial Liabilities	15(i)	-	-	2,086,751
(b) Provisions	17(i)	60,564,157	41,371,674	24,081,600
Total Non-Current Liabilities		7,013,070,502	7,060,929,213	7,173,319,097
Current Liabilities				
(a) Financial Liabilities				
(i) Trade payables	16	49,726,444	12,434,594	6,028,636
(ii) Other Financial Liabilities	15(ii)	438,339,753	284,415,234	635,593,736
(b) Other current liabilities	18	6,602,502	3,829,545	6,248,194
(d) Current Tax Liabilities	18(i)	49,184,210	-	-
(c) Provisions	17(ii)	8,501,700	4,362,144	1,919,900
Total Current Liabilities		552,354,609	305,041,517	649,790,466
TOTAL EQUITY AND LIABILITIES		8,626,901,791	8,537,189,840	8,865,998,362
Notes forming part of the financial statements	1-43			

In terms of our report attached
For Brahmayya & Co.,
 Chartered Accountants
 Firm Registration No: 0005115

P. S. Kumar
 Partner
 Membership No: 015590



For and on behalf of
GMR Chennai Outer Ring Road Private Limited

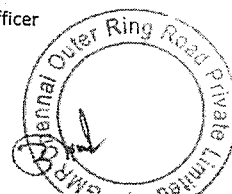
O. Bangaru Raju
 Director
 DIN:00082228

Satinder Singh
 Company Secretary

Place: New Delhi
 Date: 01.05.2017

Suryanarayana Murty Alamuru
 Independent Director
 DIN 07547004

Suraj Manjeshwar
 Chief Financial Officer



SIGN HER

Place: Chennai
 Date: 01.05.2017

GMR Chennai Outer Ring Road Private Limited
Statement of Profit & Loss for the Year ended March 31, 2017
CIN U45203KA2009PTC050441

Amount in INR

	Note	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operation	19	1,072,849,674	1,050,067,354
Other Income	20	16,992,784	14,145,091
Total Income		1,089,842,458	1,064,212,445
Expenses			
Operating expenses	21	148,329,752	49,803,103
Employee benefits expense	22	30,583,020	33,906,635
Finance costs	23	877,696,986	845,754,739
Depreciation and amortization expense	24	811,312	959,315
Other expenses	25	92,537,509	68,995,329
Total Expenses		1,149,958,579	999,419,121
Profit for the year before taxation		(60,116,121)	64,793,324
Tax Expense:			
(1) Current Tax		49,184,210	-
(2) Deferred Tax		-	-
		49,184,210	-
Profit for the year after tax		(109,300,331)	64,793,324
Other Comprehensive Income			
Remeasurements of the defined benefit plans		(442,098)	(232,091)
		(442,098)	(232,091)
Total comprehensive Income for the period		(109,742,429)	64,561,233
Profit for the period attributable to:			
-Owners of the Company		(109,742,429)	64,561,233
-Non-controlling interests		-	-
		(109,742,429)	64,561,233
Other comprehensive Income for the period attributable to			
-Owners of the Company		(442,098)	(232,091)
-Non-controlling interests		-	-
		(442,098)	(232,091)
Total comprehensive Income for the period attributable to			
-Owners of the Company		(109,742,429)	64,561,233
-Non-controlling interests		-	-
		(109,742,429)	64,561,233
Earning per Equity Share:			
- Basic	27	(3.64)	2.16
- Diluted	27	(3.64)	2.16
Notes forming part of the financial statements	1-43		

The accompanying notes are an Integral part of the financial statements

In terms of our report attached
For Brahmayya & Co.,
Chartered Accountants
Firm Registration No: 0005115

P. S. Kumar
Partner
Membership No: 015590



For and on behalf of
GMR Chennai Outer Ring Road Private Limited

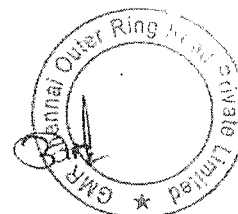
O Bangaru Raju
Director
DIN: 00082228

Satinder Singh
Company Secretary

Place: New Delhi
Date: 01.05.2017

Suryanarayana Murty Alamuru
Independent Director
DIN 07547004

Suraj Manjeshwar
Chief Financial Officer



SIGN HEI

GMR Chennai Outer Ring Road Private Limited
CIN U45203KA2009PTC050441

Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Equity as at April 1, 2015 and March 31, 2016
2. Net profit for the year ended March 31, 2016

1. Reconciliation of equity as previously reported under IGAAP to Ind AS

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non Current Assets							
(a) Property, plant and equipment		4,249,125	-	4,249,125	3,379,802	-	3,379,802
(a) Capital Work In Progress	A	276,562,040	(276,562,040)	-	285,862,403	(285,862,403)	-
(b) Other Intangible assets	A	7,588,072,796	(7,587,937,807)	134,989	7,103,604,106	(7,103,559,109)	44,998
(c) Financial Assets							
(i) Investments		20	-	20	20	-	20
(ii) Other Financial Assets	A	14,085,418	8,013,862,485	8,027,947,903	-	7,872,102,984	7,872,102,984
Total Non-Current Assets		7,882,969,400	149,362,638	8,032,332,038	7,392,846,331	482,681,473	7,875,527,804
Current Assets							
(a) Inventories		-	-	-	-	-	-
(b) Financial Assets							
(i) Investments	B	-	-	-	434,800,000	623,407	435,423,407
(ii) Cash and cash equivalents		408,256,397	-	408,256,397	17,288,215	-	17,288,215
(iii) Loans		119,830	-	119,830	265,664	-	265,664
(iv) Other Financial Assets	A	608,894,109	(225,437,430)	383,456,679	430,087,518	(231,267,847)	198,819,671
(c) Current Tax Assets (Net)		862,238	-	862,238	253,864	-	253,864
(d) Other Current Assets		40,971,181	-	40,971,181	9,611,215	-	9,611,215
Total Current Assets		1,059,103,755	(225,437,430)	833,666,325	892,306,476	(230,644,440)	661,662,036
TOTAL ASSETS		8,942,073,155	(76,074,792)	8,865,998,363	8,285,152,807	252,037,033	8,537,189,840
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		300,000,000	-	300,000,000	300,000,000	-	300,000,000
(b) Other Equity	E	(394,884,300)	1,137,773,098	742,888,799	(581,669,898)	1,452,889,008	871,219,110
Total Equity		[94,864,300]	1,137,773,098	1,042,888,799	(281,669,898)	1,452,889,008	1,171,719,110
Liabilities							
Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	C	8,376,504,569	(1,229,353,823)	7,147,150,746	8,251,461,986	(1,231,904,447)	7,019,557,539
(ii) Other Financial Liabilities		2,086,751	-	2,086,751	-	-	-
(b) Provisions	D	1,725,455	22,356,145	24,081,600	2,800,721	38,570,953	41,371,674
Total Non-Current Liabilities		8,380,316,775	(1,206,997,678)	7,173,319,097	8,254,262,707	(1,193,333,495)	7,060,929,212
Current Liabilities							
(a) Financial Liabilities							
(i) Trade payables		6,028,636	-	6,028,636	12,434,594	-	12,434,594
(ii) Other Financial Liabilities	C	642,443,948	(6,850,212)	635,593,737	291,933,715	(7,518,480)	284,415,235
(b) Provisions		1,919,900	-	1,919,900	4,362,144	-	4,362,144
(c) Other current liabilities		6,248,195	-	6,248,194	3,829,545	-	3,829,545
Total Current Liabilities		656,640,680	(6,850,212)	649,790,467	312,559,998	(7,518,480)	305,041,518
TOTAL EQUITY AND LIABILITIES		8,942,073,155	(76,074,792)	8,865,998,363	8,285,152,807	252,037,033	8,537,189,840

Explanations for Reconciliation of Balance Sheet as previously reported under IGAAP to INDAS

A. Intangible Assets, Capital Work In Progress, and Other Financial Assets

1. In IND AS, Carriageway, Work in progress related to Carriageway, Trade Receivable and Unbilled Revenue has been reclassified as Financial Asset as per Financial Asset Model

B. Investment

1. Under IGAAP, quoted Investments measured at cost while in IND AS, the same have been classified as available-for-sale financial assets and re-measured at fair value.

C. Borrowings

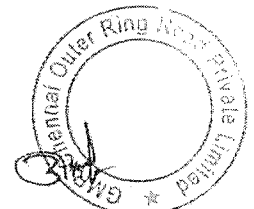
1. In IND AS, Preference Share are classified as financial liability and measured at amortised cost considering increment rate of borrowing. Difference recorded as Equity.
2. In IND AS, Interest free Loan from related party is measured at amortised cost considering increment rate of borrowing. Difference recorded in Other Equity.
3. In IND AS, Upfront cost paid on loan is amortised over the period of loan.

D. Provision

1. In Ind AS, provision for resurfacing is recognised based on discounted value of estimated expenses to its present value at a pre-tax rate while in IGAAP, such discounting was not allowed

E. Other Equity

1. Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.



2. Reconciliation Statement of Profit and loss as previously reported under IGAAP to Ind AS

Amount in INR

	Note	Year ended March 31 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS
Revenue from Operation	A	1,182,888,191	(148,030,107)	1,034,858,084
Other Income	B	13,521,684	623,407	14,145,091
Total Income		1,196,409,875	(147,406,700)	1,049,003,175
Expenses				
Operating expenses	C	11,907,049	37,896,054	49,803,103
Employee benefits expense	D	34,138,726	(232,091)	33,906,635
Finance costs	E	782,816,356	62,938,383	845,754,739
Depreciation and amortization expense	F	485,338,013	(484,378,698)	959,315
Other expenses		68,995,329	-	68,995,329
Total Expenses		1,383,195,474	(383,776,352)	999,419,122
Profit for the year before taxation		(186,785,599)	236,369,652	49,584,053
Tax Expense:				
(1) Current Tax		-	-	-
(2) Deferred Tax		-	-	-
Profit for the year after tax		(186,785,599)	236,369,652	49,584,053
Other Comprehensive Income				
Remeasurements of the defined benefit plans	D	-	(232,091)	(232,091)
		-	(232,091)	(232,091)
Total comprehensive Income for the period		(186,785,599)	236,137,561	49,351,962
Profit for the period attributable to:				
-Owners of the Company		(186,785,599)	236,137,561	49,351,962
-Non-controlling interests		-	-	-
		(186,785,599)	236,137,561	49,351,962
Other comprehensive Income for the period attributable to				
-Owners of the Company		-	(232,091)	(232,091)
-Non-controlling Interests		-	-	-
		-	(232,091)	(232,091)
Total comprehensive Income for the period attributable to				
-Owners of the Company		(186,785,599)	236,137,561	49,351,962
-Non-controlling Interests		-	-	-
		(186,785,599)	236,137,561	49,351,962

Explanations for reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

A. Revenue from operation

- As per Financial Asset Model, Annuity receipt is considered as received against financial asset and hence not recorded as Income
- Income from O&M Activities recorded at fair value of services i.e. O&M Expenses plus margin @ 10%
- Interest on financial asset receivable from TNRDC at effective Interest rate is recognised as Interest Income

B. Other Income

- Under IGAAP, quoted investments measured at cost while in IND AS, the same have been classified as available-for-sale financial assets and re-measured at fair value.

C. Operating expenses

- In Ind AS, provision for resurfacing is recognised based on discounted value of estimated expenses to its present value at a pre-tax rate while in IGAAP, such discounting was not allowed. Difference in Provision as per IGAAP and as per IND AS is recognised/(derecognised) in statement of Profit & Loss A/c.

D. Employee benefits expense

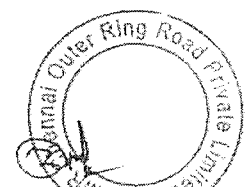
- Actuarial Gain/Loss is reclassified to Other Comprehensive Income

E. Finance Cost

- Interest on financial liability portion of loan and Preference Share from related parties at incremental rate of borrowing. Further in IND AS, Upfront cost paid on loan is amortised over the period of loan.

F. Depreciation and amortization expense

- As carriageway has been derecognised, no amortisation under IND AS



	Amount in INR	
	Year ended March 31, 2017 Amount in INR	Year ended March 31, 2016 Amount in INR
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the period	(60,116,121)	64,793,324
Adjustments For :		
Depreciation and Amortisation	811,312	959,315
Interest and Finance Charges	877,696,986	845,754,739
Overlay Expenses	15,261,825	13,826,610
Profit on Sale of Investment	(13,399,673)	(10,385,230)
Remeasurements of the defined benefit plans	(442,098)	(232,091)
Interest Income on Bank deposit and others	(580,634)	(3,110,535)
	819,231,598	911,606,133
Adjustments for Movement in Working Capital:		
Decrease / (Increase) In Other Financial Assets and other non Current Assets	265,664	(145,834)
Decrease / (Increase) In Inventories, Financial Assets and other Current Assets	428,356	239,318,535
Increase / (Decrease) In Trade Payables	37,291,850	6,405,958
Increase / (Decrease) In Other Financial Liabilities	43,523,102	(352,605,568)
Increase / (Decrease) In Provision	3,949,868	3,517,511
Increase / (Decrease) In Other Current Liabilities and Retention Money	2,772,957	(2,418,649)
Cash From/(Used In) Operating activities	907,463,394	805,678,085
Tax (Paid)/Refund	111,248	608,374
Net Cash From/(Used In) Operating activities	907,574,642	806,286,459
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Decrease / (Increase) In Receivable under SCA	(447,761,893)	118,437,940
Decrease/(Increase) In Investment	435,423,407	(435,423,407)
Profit on Sale of Investment	13,399,673	10,385,230
Decrease/(Increase) In Other Bank Balance	-	14,085,418
Interest Income	580,634	3,110,535
Cash From/(Used In) Investing Activities	1,641,821	(289,404,284)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Financial Liabilities portion of Loan from Related Parties	-	26,230,922
Equities portion of Loan from Related Parties	-	63,769,078
Interest paid on Rupee Term Loan	(731,762,522)	(764,955,876)
Other Interest and Finance Charges Paid	(16,218,038)	(17,860,480)
Repayment of Rupee Term Loan	(82,245,856)	(215,034,000)
Cash From/(Used In) Financing Activities	(830,226,416)	(907,850,356)
Net Increase /Decrease In Cash and Cash Equivalents	78,990,048	(390,968,182)
Cash and Cash Equivalents as at beginning of the period	17,288,212	408,256,397
Cash and Cash Equivalents as at end of the period	96,278,260	17,288,215
Components of Cash and Cash Equivalents as at:	March 31, 2017	March 31, 2016
Cash in hand	27,497	4
Balances with the scheduled banks:		
- In Current accounts	78,552,227	1,812,334
Balances In Deposit due within 3 months	17,698,536	15,475,877
	96,278,260	17,288,215

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In terms of our report attached
For Brahmayya & Co.,
Chartered Accountants
Firm Registration No: 0005115

P. S. Kumar
Partner
Membership No : 013590



Place: Chennai
Date: 01.05.2017

For and on behalf of
GMR Chennai Outer Ring Road Private Limited

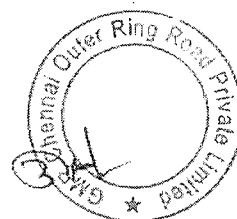
O. Bangaru Raju
Director
DIN: 00082228

Sahadev Singh
Company Secretary

Place: New Delhi
Date: 01.05.2017

Suryanarayana Murty Alamuru
Independent Director
DIN 07547004

Suraj Manjushwar
Chief Financial Officer



GMR Chennai Outer Ring Road Private Limited
Statement of Change In Equity for the year ended March 31, 2017
CIN U45203KA2009PTC050441

A. Equity Share Capital

	Amount in INR.
As at 1 April 2015	300,000,000
Share Capital Issued during the year	-
As at March 31, 2016	300,000,000
Share Capital Issued during the year	-
As at March 31, 2017	300,000,000

B. Other Equity

	Amount in INR.				
	Equity component of financial Instrument- Preference shares	Equity component of financial Instrument- Related Party Loan	Retained Earning	Other Comprehensive Income	Total
As at 1 April 2015	975,385,148	322,011,762	(554,508,112)	-	742,888,799
Net Profit/(Loss)	-	-	64,793,324	-	64,793,324
Actuarial (gain)/loss in respect of defined benefit plan	-	-	-	(232,091)	(232,091)
Equity component of Loan taken during the period	-	63,769,078	-	-	63,769,078
As at March 31, 2016	975,385,148	385,780,840	(489,714,788)	(232,091)	871,219,110
Net Profit	-	-	(109,300,331)	-	(109,300,331)
Actuarial (gain)/loss in respect of defined benefit plan	-	-	-	(442,098)	(442,098)
Equity component of Loan taken during the period	-	-	-	-	-
As at March 31, 2017	975,385,148	385,780,840	(599,015,119)	(674,189)	761,476,680

SIGN HER

In terms of our report attached
For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No: 000511S

P. S. Kumar
Partner
Membership No: 015590



For and on behalf of
GMR Chennai Outer Ring Road Private Limited

O Bangaru Raju
Director
DIN:00082228

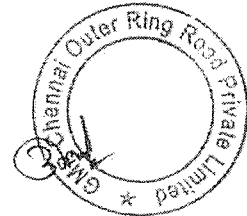
Satinder Singh
Company Secretary

Place: New Delhi
Date: 01.05.2017

Suryanarayana Murty Alamuru
Independent Director
DIN 07547004

Suraj Manjeshwar
Chief Financial Officer

Place: Chennai
Date: 01.05.2017



1 Corporate Information

GMR Chennai Outer Ring Road Private Limited ('the Company'), was incorporated on 21st July 2009 for the purpose of Design, Construction, Development, Improvement, Operation and Maintenance including strengthening and widening of Outer Ring road, Chennai (Six-lanes plus two service lanes, total strength approx. 29.65 km) in the state of Tamil Nadu on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The company has entered in concession agreement with Government of Tamil Nadu (GOTN) on date 5th December 2009.

As of March 31, 2017, GMR Infrastructure Limited along with GMR Highways Limited and GMR Energy Limited holds 90% (March 31, 2015 : 90%) of the equity share capital and Preference share Capital in the Company and the balance 10% (March 31, 2016 : 10%) is held by NAPC Limited.

The company achieved Provisional COD for 28.4 KMs out of the Total project Length of 29.65 KMs as communicated by GOTN vide its letter dated 8th April, 2014. The company is entitled for half yearly annuity payments for 17 ½ years from the date of (COD) Commencement of operations date.

The financial statements were approved for issue in accordance with a resolution of the directors on May 1, 2017.

2 Significant accounting policies**2.1 Ind AS Compliances Statements**

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

The Company has consistently applied the accounting policies used in the preparation of opening balance sheet as at April 01, 2015 throughout all periods presented in these financial statements, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Previous GAAP"), as defined in Ind AS 101. The reconciliation of effects of the transition as required by Ind AS 101 is disclosed in Note no 45 to these financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

2.2 Summary of significant accounting policies**a) Current versus non-current classification**

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

An asset has been classified as current if

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

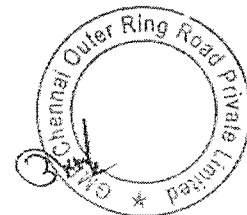
A liability has been classified as current when

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

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

b) Foreign currency and derivative transactions

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



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

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

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

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

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

(a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

(b) **Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before 31 March 2016:**

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets. In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term foreign currency monetary item by recognition as income or expense in each of such periods.

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

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

c) **Fair value measurement**

The Company's measures financial instruments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company's

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

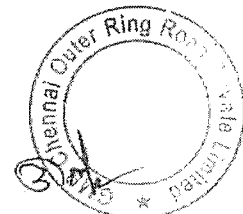
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 — Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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



d) Revenue Recognition

Finance Income for concession arrangements under financial asset model is recognized using the effective Interest method. Revenues from operations and maintenance services and overlay services are recognized in each period as and when services are rendered in accordance with Ind AS 18 Revenue. The Company recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the Infrastructure in accordance with Ind AS 11 'Construction Contracts'.

When the outcome of a construction contract can be estimated reliably and it is probable that it will be profitable, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

Other interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

e) Tangible Assets

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

Recognition:

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

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

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

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

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

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

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

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

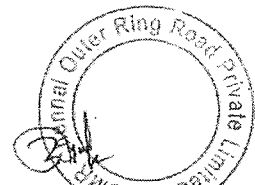
Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

Depreciation ;

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

- Plant and equipments	4-15 years
- Office equipments	5 years
- Furniture and fixtures	10 years
- Vehicles	8-10 years
- Computers	3 years

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



The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite

Amortisation of intangibles

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

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

g) Financial Assets - Receivable towards the concession arrangement from the grantor

When the arrangement has a contractual right to receive cash or other financial asset from the grantor specifically towards the concession arrangement (in the form of grants) during the construction period or otherwise, such a right, to the extent eligible, is recorded as financial asset in accordance with Ind AS 109 "Financial Instruments," at amortized cost.

h) Taxes

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

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

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

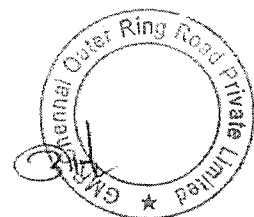
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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 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.

i) Borrowing costs

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.



j) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Lease

Finance Leases:

Where the Company is the lessee

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

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

Operating Leases:

Where the Company is the lessee

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

- (i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease; or
- (ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Lands obtained on leases, where there is no reasonable certainty that the Company will obtain ownership by the end of the lease term shall generally be classified as finance leases. The minimum lease payments include upfront premium paid plus any annual recurring lease rental which is amortized over the lease term.

l) Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

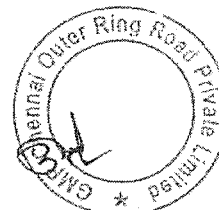
After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

m) Provisions, Contingent Liabilities, Contingent Assets And Capital Commitments

Contingent Liabilities

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



Provisions

Provisions are recognised when the Company's 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's 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.

n) Retirement and other Employee Benefits**Short term employee benefits and defined contribution plans.**

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund & superannuation.

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

Compensated absences

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

Defined benefit plans**Gratuity**

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

The company recognizes termination benefit as a liability and an expense when the company has a present obligation as a result of past event, It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Remeasurements

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

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

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

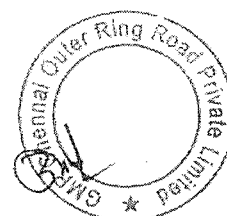
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

o) 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.



Subsequent measurement

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

Debt Instruments at amortised cost

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

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

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

**receivables
Derecognition**

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

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

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

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

Impairment of financial assets

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

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

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

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

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

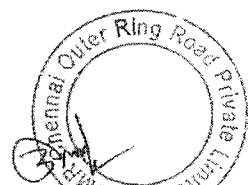
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

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

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

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



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, as appropriate.

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

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

Subsequent measurement

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings and security deposits received.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

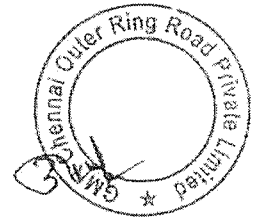
p) Cash and cash equivalents

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

q) Earning per share

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

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



GMR Chennai Outer Ring Road Private Limited

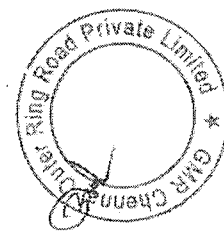
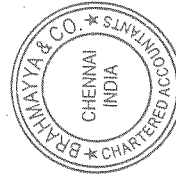
Notes forming part of Financial Statements for the Year ended March 31, 2017

CIN U45203KA2009PTC050441

3. Property, Plant and Equipment

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK		Amount	
		As At 1-4-2016	Additions	Deductions	As At 31-03-2017	As At 1-4-2016	For the period	Deductions	As At 31-03-2017		As At 31-03-2017
1	Computers	868,323	-	-	868,323	868,302	-	-	868,302	21	
2	Office Equipments	167,631	-	-	167,631	128,269	28,881	-	128,269	39,362	
3	Vehicles	5,535,685	-	-	5,535,685	2,284,036	743,618	-	3,027,654	2,508,031	
4	Furniture & Fixtures	44,269	-	-	44,269	25,720	2,687	-	28,407	15,863	
5	Plant & Machinery	45,714	-	-	45,714	4,375	3,048	-	7,423	38,291	
	Total	6,661,623	-	-	6,661,623	3,281,821	778,234	-	4,060,055	2,601,568	3,37,6

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK		Amount	
		As At 1-4-2015	Additions	Deductions	As At 31-03-2016	As At 1-4-2015	For the year	Deductions	As At 31-03-2016		As At 01-04-2016
1	Computers	868,323	-	-	868,323	787,756	80,546	-	868,302	21	
2	Office Equipments	167,631	-	-	167,631	59,964	39,424	-	99,388	68,243	
3	Vehicles	5,535,685	-	-	5,535,685	1,540,418	743,618	-	2,284,036	3,251,649	
4	Furniture & Fixtures	44,269	-	-	44,269	23,032	2,687	-	25,720	18,550	
5	Plant & Machinery	45,714	-	-	45,714	1,328	3,048	-	4,375	41,339	
	Total	6,661,623	-	-	6,661,623	2,412,498	869,323	-	3,281,821	3,379,802	4,245

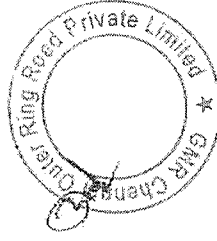


GMR Chennai Outer Ring Road Private Limited
Notes forming part of Financial Statements for the Year ended March 31, 2017
CIN U45203KA2009FTC050441

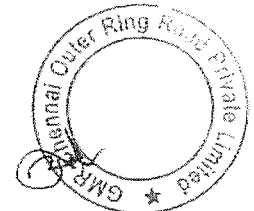
4. Other Intangible Assets

Sr.No.	PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK		Amount in	
		As At 1-4-2016	Additions	Deductions	As At 31-03-2017	For the period	Deductions		As At 31-03-2017
1	Software	525,275	-	-	525,275	33,078	-	513,356	44,998
	Total	525,275	-	-	525,275	33,078	-	513,356	44,998

Sr.No.	PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK		Amount in	
		As At 1-4-2015	Additions	Deductions	As At 31-03-2016	For the year	Deductions		As At 31-03-2016
1	Software	525,275	-	-	525,275	89,992	-	480,278	134,998
	Total	525,275	-	-	525,275	89,992	-	480,278	134,998



	As At March 31, 2017	As At March 31, 2016	Amount In INR As At April 1, 2015
5. Investments			
(I) Non Current			
1 equity shares of Rs.10 each fully paid-up in GMR Tambaram Tindivanam Expressways Ltd	10	10	10
1 equity shares of Rs.10 each fully paid-up in GMR Tuni Anekapalli Expressways Ltd	10	10	10
	<u>20</u>	<u>20</u>	<u>20</u>
(II) Current			
Unquoted mutual funds	-	435,423,407	-
	-	<u>435,423,407</u>	-
Aggregate book value of unquoted Investments	-	434,800,000	-
Aggregate market value of unquoted Investments	-	435,423,407	-
6. Cash and cash equivalents			
(I) Balances with Local banks			
- In Current Account	78,552,227	1,812,334	40,564,091
- In Fixed Deposit Account (due within 3 months)	17,698,536	15,475,877	367,680,000
(II) Cash on hand	27,497	4	12,306
	<u>96,278,260</u>	<u>17,288,215</u>	<u>408,256,397</u>
7. Loans (Unsecured, Considered Good)			
(I) Current			
Loan to employees	-	265,664	119,830
	-	<u>265,664</u>	<u>119,830</u>
8. Other Financial Assets			
(I) Non Current			
Deposits more than 12 Month Maturity	-	-	14,085,418
Receivable under SCA-Financial Assets	7,714,988,395	7,872,102,984	8,013,862,485
	<u>7,714,988,395</u>	<u>7,872,102,984</u>	<u>8,027,947,903</u>
(II) Current			
Interest accrued on fixed deposits	631,789	13,705,635	3,705,044
Receivable under SCA	748,049,739	143,173,256	119,851,696
Other than trade - considered good	40,429,302	34,396,280	238,954,046
Security Deposit	-	7,544,500	20,945,893
	<u>789,110,830</u>	<u>198,819,671</u>	<u>383,456,679</u>
Breakup of financial assets			
	March 31, 2017	March 31, 2016	April 01, 2015
At amortised cost			
Investment	20	20	20
Cash & Cash Equivalent	96,278,260	17,288,215	408,256,397
Loan to Employee	-	265,664	119,830
Receivable under SCA	8,463,038,133	8,015,276,240	8,133,714,181
Other Financial Assets	41,061,091	55,646,415	277,690,401
At Fair Value through P&L investment	-	435,423,407	-
	<u>8,600,377,504</u>	<u>8,523,899,962</u>	<u>8,819,780,829</u>
9. Other Current Assets			
Other Current Assets	23,103,232	9,611,215	40,971,181
	<u>23,103,232</u>	<u>9,611,215</u>	<u>40,971,181</u>
10. Inventories			
Stores & Spares	664,950	-	-
	<u>664,950</u>	-	-
11. Current Tax Assets			
Advance Income tax (net of provision for current tax)	142,616	253,864	862,238
	<u>142,616</u>	<u>253,864</u>	<u>862,238</u>



12. Share capital

	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Authorised			
(i) 3,00,00,000 equity shares of Rs. 10 each (March 31, 2017: 3,00,00,000 equity shares of Rs. 10 each) (March 31, 2016: 3,00,00,000 equity shares of Rs. 10 each) (April 1, 2015: 3,00,00,000 equity shares of Rs. 10 each)	300,000,000	300,000,000	300,000,000
(ii) 1,20,00,000 Preference Shares of Rs. 100 each (March 31, 2017: 1,20,00,000 preference shares of Rs. 100 each) (March 31, 2016: 1,20,00,000 preference shares of Rs. 100 each) (April 1, 2015: 1,20,00,000 preference shares of Rs. 100 each)	12,000,000	12,000,000	12,000,000
	<u>312,000,000</u>	<u>312,000,000</u>	<u>312,000,000</u>
Issued, Subscribed & Paid-Up			
(i) 3,00,00,000 equity shares of Rs. 10 each (March 31, 2017: 3,00,00,000 equity shares of Rs. 10 each) (March 31, 2016: 3,00,00,000 equity shares of Rs. 10 each) (April 1, 2015: 3,00,00,000 equity shares of Rs. 10 each)	300,000,000	300,000,000	300,000,000
	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>

NOTES :

(i) Terms to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by the Board of director is subject to the approval of the shareholder in ensuing Annual General meeting.

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

(ii) Terms to Preference Shares

6% Redeemable, Convertible, Non Cumulative Preference Shares of Rs.100 each fully paid up.

The Preference Shares are redeemable at par on June 1, 2026. Preference Share can be redeemed pre maturely at the option of the company at any time, as may be determined by the Board of Directors of the company with one month prior notice to the Preference Shareholders. Refer note 13 and 14 for equity and liabilities portion of Preference Shares.

(iii) Reconciliation of the Equity shares outstanding at beginning and at end of the year

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
Equity Shares						
Shares outstanding at the beginning of the year	30,000,000	300,000,000	30,000,000	300,000,000	30,000,000	300,000,000
Shares Issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	<u>30,000,000</u>	<u>300,000,000</u>	<u>30,000,000</u>	<u>300,000,000</u>	<u>30,000,000</u>	<u>300,000,000</u>

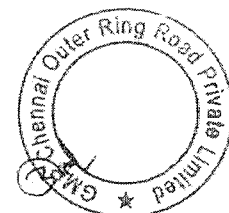
(iv) Reconciliation of the Preference shares outstanding at beginning and at end of the year

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
Equity Shares						
Shares outstanding at the beginning of the year	12,000,000	1,200,000,000	12,000,000	1,200,000,000	12,000,000	1,200,000,000
Shares Issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	<u>12,000,000</u>	<u>1,200,000,000</u>	<u>12,000,000</u>	<u>1,200,000,000</u>	<u>12,000,000</u>	<u>1,200,000,000</u>

(v) Details of the shareholders holding more than 5% shares of the Company

Equity	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	No of Share	%	No of Share	%	No of Share	%
GMR Highways Limited	14,700,000	49.00%	14,700,000	49.00%	14,700,000	49.00%
GMR Energy Limited	3,000,000	10.00%	3,000,000	10.00%	3,000,000	10.00%
NAPC Limited	3,000,000	10.00%	3,000,000	10.00%	3,000,000	10.00%
GMR Infrastructure Limited, the parent company	9,300,000	31.00%	9,300,000	31.00%	9,300,000	31.00%

Preference Share	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	No of Share	%	No of Share	%	No of Share	%
GMR Highways Limited	7,407,500	61.73%	7,407,500	61.73%	7,407,500	61.73%
GMR Energy Limited	1,200,000	10.00%	1,200,000	10.00%	1,200,000	10.00%
NAPC Limited	1,200,000	10.00%	1,200,000	10.00%	1,200,000	10.00%
GMR Infrastructure Limited, the parent company	2,192,500	18.27%	2,192,500	18.27%	2,192,500	18.27%



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

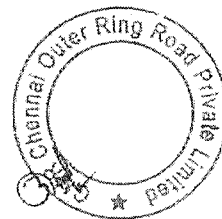
Equity Shares	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
	GMR Highways Limited	14,700,000	147,000,000	14,700,000	147,000,000	14,700,000
GMR Infrastructure Limited, the Parent company	9,300,000	93,000,000	9,300,000	93,000,000	9,300,000	93,000,000
GMR Energy Limited	3,000,000	30,000,000	3,000,000	30,000,000	3,000,000	30,000,000

Preference Shares	As At September 30, 2016		As At March 31, 2016		As At April 1, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
	GMR Highways Limited	7,407,500	740,750,000	7,407,500	740,750,000	7,407,500
GMR Infrastructure Limited, the Parent company	2,192,500	219,250,000	2,192,500	219,250,000	2,192,500	219,250,000
GMR Energy Limited	1,200,000	120,000,000	1,200,000	120,000,000	1,200,000	120,000,000

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

13. Other Equity

	As At March 31, 2017		As At March 31, 2016	
(i) Equity component of Preference shares				
Opening Balance	975,385,148		975,385,148	
Add : Adjustment for the year	-	975,385,148	-	975,385,148
(ii) Equity component of Loans				
Opening Balance	385,780,840		322,011,762	
Add : Adjustment for the year	-	385,780,840	63,769,078	385,780,840
(iii) Profit & Loss Account (Credit Balance)				
Opening Balance	(489,714,788)		(554,508,112)	
Add : Profit/ (Loss) for the year	(109,300,331)		64,793,324	
		(599,015,119)		(489,714,788)
(iv) Other Comprehensive Income				
Opening Balance	(232,091)		-	
Add : Addition during the year	(442,098)	(674,189)	(232,091)	(232,091)
		<u>761,476,680</u>		<u>871,219,110</u>



	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
14. Borrowings			
(i) Secured			
Term loans	6,337,265,709	6,463,696,778	6,671,212,298
(ii) Unsecured			
Loans from group company	188,247,554	170,078,864	127,487,152
Liabilities portion of Preference Shares	426,993,083	385,781,897	348,451,296
	<u>6,952,506,346</u>	<u>7,019,557,539</u>	<u>7,147,150,746</u>

(a) The loan is repayable in 27 unequal half yearly installments. Secured by way of pari passu first charge over company's movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims, of the company in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of the company in respect of monies lying to the credit of trust and retention account and other accounts and substitution agreements and receipts of annuity unless restricted by GOTN under the Concession Agreement.

(c) Loans from group Company (unsecured) at 0% interest rate are repayable on or after June 2027

Interest free loans from Group companies are separated into liability and equity components based on the terms of the contract. On receipt of the loan, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished. The remainder of the proceeds is recognised and included in equity (Refer note 13)

(d) The Company had Issued 1,20,00,000 6% Redeemable, Convertible, Non Cumulative Preference Shares of Rs.100 each fully paid up. The Preference Shares are redeemable at par on June 1, 2026. Preference Share can be redeemed pre maturely at the option of the company at any time, as may be determined by the Board of Directors of the company with one month prior notice to the Preference Shareholders. Refer note 13 and 14 for equity and liabilities portion of Preference Shares.

As these Preference share are non cumulative and the Company is not under obligation to pay dividend, only fair value of redemption value has been considered as financial liability using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption. The remainder of the proceeds is recognised and included in Equity (Refer Note 13)

15. Other Financial Liability

(i) Non Current

(a) Retention Money

			2,086,751
			<u>2,086,751</u>

(ii) Current

- Current maturities of long-term debt
- Interest accrued but not due on borrowings
- Retention Money
- Non trade payables

317,916,937	207,515,520	208,175,205
14,374,472	2,078,777	115,319,272
106,048,343	74,820,937	312,099,259
<u>438,339,753</u>	<u>284,415,234</u>	<u>635,593,736</u>

16. Trade Payables

Payables to Others

49,726,444	12,434,594	6,028,636
<u>49,726,444</u>	<u>12,434,594</u>	<u>6,028,636</u>

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60 days terms

Breakup of financial liabilities category wise

	March 31, 2017	March 31, 2016	April 01, 2015
At amortised cost			
Secured Loan from Banks	6,655,182,646	6,671,212,298	6,879,387,503
Loan from Related Parties	188,247,554	170,078,864	127,487,152
Liability component of Preference Shares	426,993,083	385,781,897	348,451,296
Trade Payables	49,726,444	12,434,594	6,028,636
Non Trade Payables	106,048,343	74,820,937	312,099,259
Interest accrued but not due			
Retention Money	14,374,472	2,078,777	115,319,272
	<u>7,440,572,542</u>	<u>7,316,407,367</u>	<u>7,788,773,118</u>

17. Provisions

(i) Non Current

- (a) Provision for Employee Benefits
- (b) Provision for Major Maintenance

2,611,034	2,800,721	1,725,455
57,993,123	38,570,953	22,356,145
<u>60,604,157</u>	<u>41,371,674</u>	<u>24,081,600</u>

(ii) Current

- (a) Provision for Leave benefits
- (b) Provision for Other Employee Benefit

	174,279	90,716
8,501,699	4,187,865	1,829,184
<u>8,501,699</u>	<u>4,362,144</u>	<u>1,919,900</u>

Provision for Major Maintenance

The Company has a contractual obligation to maintain, replace or restore infrastructure, except for any enhancement element. Cost of such obligation is measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and recognised over the period at the end of which the overlay is estimated to be carried out. Major Overlay activities have been completed and next major overlay is expected to be carried out in FY 2018-19 & 2019-20.

	March 31, 2017		March 31, 2016	
	Rs.	Rs.	Rs.	Rs.
Opening Balance				
Accretion during the year	38,570,953	-	22,356,145	-
Utilised during the year	19,382,171	-	16,214,807	-
Closing Balance	<u>57,993,123</u>	<u>-</u>	<u>38,570,953</u>	<u>-</u>

18. Other current liabilities

- TDS Payable
- Service tax Payable
- Other statutory dues

5,411,185	3,196,989	6,141,910
6,682	374,116	8,268
184,635	258,440	98,016
<u>6,602,502</u>	<u>3,829,545</u>	<u>6,248,194</u>

18 (i) Current tax liabilities

- Provision for taxation

49,184,210		
<u>49,184,210</u>		



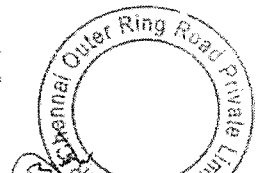
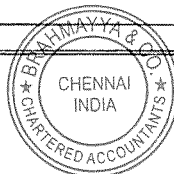
GMR Chennai Outer Ring Road Private Limited
Notes forming part of Financial Statements for the Year ended March 31, 2017
CIN U45203KA2009PTC050441

	Year ended March 31, 2017	Year ended March 31, 2016
19. Revenue from operations		
Interest Income of Financial Assets	806,330,171	881,836,480
Construction Income	123,714,062	26,476,389
Operation & Maintenance Income	126,017,433	126,545,215
Income Major Maintenance	16,788,008	15,209,271
	1,072,849,674	1,050,067,354
20. Other income		
Interest Received	580,634	3,110,535
Provisions written back	884,808	479,258
Profit on sale of current investments (other than trade)	13,399,673	10,385,230
Misc. Income	2,127,669	170,069
	16,992,784	14,145,091



GMR Chennai Outer Ring Road Private Limited
Notes forming part of Financial Statements for the Year ended March 31, 2017
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	Amount In INR	
	Year ended March 31, 2017	Year ended March 31, 2016
21. Operating expenses		
(a) Highway Maintenance Services	20,600,597	11,907,049
(b) Toll/Highway Management Services	-	-
(c) Major Maintenance Expenses	15,261,825	13,826,610
(d) Construction Expense	112,467,329	24,069,444
	148,329,752	49,803,103
22. Employee benefit expense		
(a) Salaries, Perquisites & Allowance	26,942,030	30,453,596
(b) Contribution to provident and other funds	2,096,324	2,013,683
(c) Gratuity expense	964,174	917,079
(d) Recruitment Charges	19,815	337,123
(e) Staff welfare expenses	560,677	185,154
	30,583,020	33,906,635
23. Finance costs		
(a) Interest	861,478,948	827,908,107
(b) Other Finance Charges	16,218,038	17,846,633
	877,696,986	845,754,739
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		
In relation to Rupee Term Loan classified at amortised cost	797,978,726	771,814,672
In relation to Liability portion of Preference Share	41,211,186	37,330,601
In relation to Loan from related parties classified at amortised cost	18,168,690	16,360,790
In relation to Provision for Major Maintenance classified at amortised cost	4,120,346	2,388,197
In relation to other	-	13,847
24. Depreciation and amortisation expense		
(a) Depreciation	778,234	869,323
(b) Amortization	33,078	89,992
	811,312	959,315
25. Other expenses		
Stores & Consumables	326,262	527,983
Rent	857,137	-
Electricity, Fuel and water charges	15,695,791	20,986,389
Insurance	4,557,813	3,829,547
Repairs & Maintenance	34,072,214	3,693,544
O&M Vehicle Cost	3,981,443	2,846,022
Rates and taxes	82,880	10,287
Transit House	-	-
House Keeping & Other Expenses	612,028	78,452
Printing and stationery	141,373	101,440
Travelling and conveyance	435,209	1,130,696
Communication costs	122,762	161,946
Consultancy & Professional Fees	28,259,130	31,749,529
Directors' sitting fees	287,200	716,961
Payments to auditors (Refer details below)	373,750	554,990
Security Charges	2,511,218	2,274,667
Business Promotion & Entertainment	116,856	78,667
Miscellaneous & Other Est. Costs	104,443	254,210
	92,537,509	68,995,329
Payment to auditor		Amount In INR
	Year ended March 31, 2017	Year ended March 31, 2016
As auditor:		
Audit fee	287,500	394,510
Fee for Tax Audit & TP Certification	86,250	87,480
Other services (certification fees)	-	73,000
	373,750	554,990



GMR Chennai Outer Ring Road Private Limited
Notes forming part of Financial Statements for the Year ended March 31, 2017
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26. Income Tax

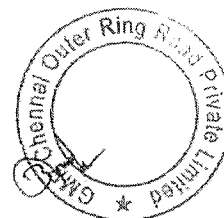
The Company is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations, under Section 80IA of the Income Tax Act, 1961 with regard to profit from business operations. During current year the company has incurred operational losses and considering the future estimates company is of the opinion that the tax holiday can be availed from financial year 2019-20. As of March 31, 2017 as the Company is getting deferred tax asset and in the absence of virtual certainty such deferred tax asset has not been disclosed or accounted for in the books in respect of certain timing differences. Summary of temporary differences & unused tax losses for which deferred tax assets/liability has not been recognized is as under:

Particulars	March 31, 2017	March 31, 2016
Unused Tax losses	-	-
Unabrobed Depreciation	-	-
Leave Encashment	-	-
Fixed Assets	-	-

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.

Income tax expense for the years ended March 31, 2017 and March 31, 2016 are:

	As at March 31, 2017	As at March 31, 2016
Accounting profit		
Tax at the applicable tax rate	-	-
Deferred tax asset not recognised	-	-
Tax expense	-	-



GMR Chennai Outer Ring Road Private Limited
Notes forming part of Financial Statements for the Year ended March 31, 2017
CIN U45203KA2009PTC050441

27 Earning/ (Loss) Per Share

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 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.

	Year ended <u>March 31, 2017</u>	Year ended <u>March 31, 2016</u>
Profit attributable to equity holders of the parent	(109,300,331)	64,793,324
Profit attributable to equity holders of the parent for basic earnings	(109,300,331)	64,793,324
Profit attributable to equity holders of the parent for diluted earnings	(109,300,331)	64,793,324
Weighted Average number of equity shares for computing Earning Per Share (Basic)	30,000,000	30,000,000
Weighted average number of Equity shares adjusted for the effect of dilution	30,000,000	30,000,000
Earning Per Share (Basic) (Rs)	(3.64)	2.16
Earning Per Share (Diluted) (Rs)	(3.64)	2.16
Face value per share (Rs)	10	10

28 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 2016, 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.

Exemptions applied:-

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 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.

Service concession (Ind AS 101.D22)

Ind AS 101 provides an option that when it is impracticable to apply Appendix A to Ind AS 11 retrospectively, a first-time adopter may use previous carrying amounts of financial and intangible assets, after testing for impairment, as their carrying a previous GAAP carrying amounts as at the date of transition.

The Company has recognised financial assets as per Appendix A to Ind AS 101 on service concession arrangements, based on the previous GAAP carrying amounts as at the date of transition.

Under a Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements". The value of a Financial Asset covered under a SCA includes the fair value estimate of the construction services which is estimated at the inception of the contract and is based on the fair value of the constructed asset and comprises of the actual construction cost, a margin as per the SCA, estimates of the future operating and maintenance costs, including overlay / renewal costs.

The cash flows from a Financial Asset commences from the Provisional / Final Commercial Operation Date as certified by the granting authority for the SCA.

The cash flow from a Financial Asset is accounted using the effective interest rate method. The intrinsic interest element in each Annuity receipt is accounted as finance income and the balance amount is accounted towards recovery of dues from the "Receivable against Service Concession Arrangements".

29 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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

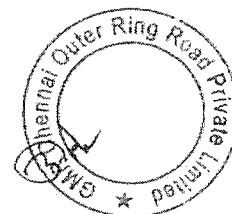
I. Provision for overlay:

As per the terms of concession agreement, the Company is required to carry out overlay activities in FY 2018-2019 and 2019-2020. The Management has estimated amount to be incurred on such overlay activities to recognise the provision for overlay as per the requirements of Ind AS 37.

30 Capital Commitments

The Company is having the Commitments towards EPC Cost for developing the Annuity Rights (Carriage ways) at Chennai Outer Ring Road.

The remaining value of the contract to be executed on this (net of Capital advances) as on 31st March, 2017 is Rs. 42,52,06,463/- (March 31, 2016 Rs. 517,723,366/-)



31 Contingent Liabilities

Bank Guarantee (BPG) Outstanding as of March 31, 2017 -Rs. 25,93,00,000/- (Mar. 31,2016: 25,93,00,000/)

32 Leases

The Company has entered into certain cancellable operating lease agreement; and an amount of Rs. 8,57,137/- (March 2016: Rs. Nil/-) paid during the period under such agreements.

33 Litigation

The Pending Litigation as on March 31, 2017 is Nil. (March 31, 2016: Nil).

34 Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006' as at March 31,2017 which has been relied upon by the auditors.

35 Gratuity and other post-employment benefit plans:**(a) Defined Contribution Plans**

Contributions paid / payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc., in accordance with the applicable laws and regulations are recognised as expenses during the period when the contributions to the respective funds are due.

A sum of Rs. 20,96,324/-(Previous Year Rs. 20,13,683/-) has been charged to the Statement of Profit & Loss in this respect.

(b) Defined Benefit Plans

The Company has defined benefit plan, namely gratuity. As per scheme, an employee who has completed five years or more of service gets gratuity equivalents to 15 days salary (last drawn salary) for each completed year of service.

The following table summarises the components of net expense recognised in the income statement and amounts recognised in the balance sheet for gratuity.

Net Benefit Expenses

Components of defined benefit costs recognised in profit or loss	Year ended	Year ended
	March 31, 2017	March 31, 2016
	Rs.	Rs.
Current service cost	222,202	190,600
Interest cost on benefit obligation	-	-
Expected return on plan assets	(101,404)	(167,696)
Total	120,798	22,904

Components of defined benefit costs recognised in other comprehensive income

Actuarial (gains) / loss due to DBO experience	420,552	(42,206)
Actuarial (gains) / loss due to DBO assumption changes	66,445	-
Return on Plan assets (greater)/less than discount rate	(44,899)	20,517
Total	442,098	(21,689)

Benefit Asset/ (Liability)	As at	As at
	March 31, 2017	March 31, 2016
Defined benefit obligation	(1,998,284)	(1,922,801)
Fair value of plan assets	2,650,280	3,538,971
Benefit Asset/ (Liability)	651,996	1,616,170

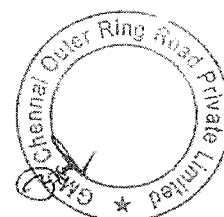
Changes in the present value of the defined benefit obligation:

Opening defined benefit obligation	1,922,801	785,814
Interest cost on the DBO	129,231	61,293
Current service cost	222,202	190,600
Benefits Paid	(531,985)	-
Actuarial (gain)/loss - experience	420,552	(42,206)
Actuarial (gain)/loss - demographic assumptions	-	-
Actuarial (gain)/loss - financial assumptions	66,445	-
Acquisition adjustment	(230,962)	927,300
Closing defined benefit obligation	1,998,284	1,922,801

Changes in the fair value of plan assets:

Opening fair value of plan assets	3,538,971	2,541,018
Net interest on net defined benefit liability/ (asset)	230,635	228,989
Acquisition adjustment	(645,809)	-
Return on plan assets greater/(lesser) than discount rate	44,899	(20,517)
Contributions by employer	13,569	789,481
Benefits paid	(531,985)	-
Closing fair value of plan assets	2,650,280	3,538,971

The major categories of plan assets as a percentage of total	As at	As at
	March 31, 2017	March 31, 2016
Other (including assets under Schemes of Insurance)	100%	100%



The principal assumptions used in determining pension and post-employment benefit obligations for the Company's plans are shown below:

Discount rate	7.10%	7.80%
Future salary increases	6.00%	6.00%
Withdrawal Rate	5.00%	5.00%
Mortality table used	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

Contributions expected to be made by the Company during the next year is Rs. 13,569 (previous year Rs. 7,89,481)

Risk Faced by Company:

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis

Sensitivity Level	March 31, 2017					
	Discount rate		Future salary increases		Withdrawal Rate	
	+1%	-1%	+1%	-1%	+1%	-1%
	Amount in INR					
Impact on defined benefit obligation	(93,354)	104,856	70,917	(74,174)	7,974	(8,708)

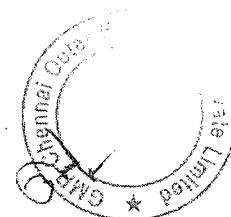
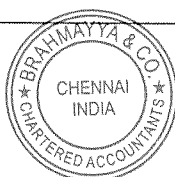
Sensitivity Level	March 31, 2016					
	Discount rate		Future salary increases		Withdrawal Rate	
	+1%	-1%	+1%	-1%	+1%	-1%
	Amount in INR					
Impact on defined benefit obligation	(116,464)	130,790	106,687	(95,644)	12,971	(14,482)

Maturity Plan of defined benefit obligation:	Amount in INR.
Within 1 year	135,358
1-2 year	438,623
2-3 year	123,774
3-4 year	908,115
4-5 year	92,265
5-10 year	854,893

36 List of Related parties and Transactions / Outstanding Balances:

a) Name of Related Parties and description of relationship:

Enterprises that control the Company / exercise significant influence	GMR Infrastructure Limited (GIL) GMR Enterprises Private Limited. (GEPL) GMR Highways Limited (GHWL)
Fellow Subsidiaries	GMR Energy Ltd. (GEL) GMR Bannerghatta Properties Private Limited GMR Corporate Affairs Private Limited (GCAPL) GMR Ponchanpalli Expressways Limited GMR Ambala Chandigarh Expressways Private Limited GMR Tuni Anakapalli Expressways Private Limited GMR Tambaram Tindivanam Expressways Private Limited (GTTEL) GMR Hyderabad Vijayawada Expressways Private Limited GMR OSE Hungund Hospet Highways Private Limited Raxa Security Services Limited (RSSL) GMR Airports Developers Ltd (GADL) GMR Kishangarh Ahmedabad Udalpur Expressways Limited
Enterprise where Key Management Personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVF) GMR Family Fund Trust (GFFT)
Key Management Personnel	Mr. O Bangaru Raju (Directors) Mr. Arun Kumar Sharma (Director-w.e.f.-01.09.2016) Mrs. Vinita Tarachandani (Director-w.e.f.-01.09.2016) Mr. ASN Murthy (Director-w.e.f.-01.09.2016) Mr. K Parameswara Rao (Director-Till 08.09.2016) Mrs. Kavitha Gudapati (Director-Till 08.09.2016) Mr. Kamalakra Rao .Y (Director-Till 08.09.2016) Mr. B. Venkata Bhaskara Pattabhi Ramayya (Manager).



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

Name of Entity	Particulars	For the Year	For the Year
		ended March 31, 2017	ended March 31, 2016
Transaction with Enterprises that control the Company / exercise significant Influence			
GIL	Common Sharing Expense	6,630,951	12,320,954
	Interest on Liability portion of Preference Shares	7,529,627	6,820,612
	EPC Work	102,197,428	15,639,345
	EPC Work- Receivable from TNRDC	116,536,190	-
GHWL	Interest on Sub Debt raised	18,168,690	16,360,790
	Equity Portion of Sub Debts Received	-	63,769,078
	Liability Portion of Sub Debts Received	-	26,230,922
	Operation and Maintenance Expense	12,682,857	10,082,220
	Interest on Liability portion of Preference Shares	25,439,322	23,043,869
GHPL/GEPL	Logo Fees and Trade Mark	2,226	1,104
Transaction with Fellow Subsidiaries			
GEL	Interest on Liability portion of Preference Shares	4,121,119	3,733,060
RSSL	Security Service Charges	2,511,218	2,494,740
RSSL	Reimbursements/Others Receivables	264,030	-
GPEL	Reimbursements/Others Payables	1,904,658	-
GFFT	Rent	-	38,523

* Reimbursement of expenses are not considered in the above statement.

Transaction with Key Management Personnel

Details of Key Managerial Personnel	Remuneration						Outstanding loans/advances receivables
	Short-term employee benefits	Post employment benefits	Other long-term employee benefits	Termination benefits	Sitting Fee	Others	
Mr. ASN Murthy (Director)	-	-	-	-	60,000	-	-
Mrs. Vinita Tarachandani (Director)	-	-	-	-	60,000	-	-
Mr. K Parameswara Rao (Director)	-	-	-	-	65,000	-	-
Mrs. Kavitha Gudapati (Director)	-	-	-	-	65,000	-	-
Arun Kumar Sharma (Director)	3,900,765	-	247,311	-	-	-	-
B.V.B.P.Ramayya (Manager)	1,875,233	-	160,266	-	-	-	-

Name of Entity	Particulars	As At	As At
		March 31, 2017	March 31, 2016
Closing Balances with Enterprises that control the Company / exercise significant Influence			
GIL	Liability Portion of Preference Share	78,015,194	70,485,567
	Trade and Other Payables	115,657,629	63,103,992
GHWL	Subordinate Debt Payables	188,247,554	170,078,864
	Liability Portion of Preference Share	263,579,272	238,139,950
	Trade and Other Payables	5,958,928	5,658,110
GEPL	Logo Fees and Trade Mark	1,113	-
Closing Balances with Fellow Subsidiaries			
GEL	Liability Portion of Preference Share	42,699,308	38,578,190
RSSL	Trade and Other Payables	570,987	426,228
	Security/Other Deposit Recoverable	915,000	915,000
GCAPL	Security/Other Deposit Recoverable	6,529,500	6,529,500
GADL	Reimbursements/Others	756,915	-
GTTEL	Trade and Other Payables	-	600,000

* Equity portion of interest free loan from Gr. Co/related party & preference shares are not consider as o/s balance against such related parties

Commitments with related parties: As at year end March 31, 2017, there is no commitment outstanding with any of the related parties other than mentioned in Note no 30

Terms and conditions of transactions with related parties

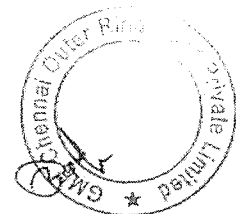
The transaction from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, impairment of receivables relating to amounts owed by related parties does not arise. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

For terms and condition related to Preference Share and Borrowing from related parties please refer Note no 12 and 14

37 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 and borrowings from related parties. 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 includes within net debt, external borrowings.



Particulars	Amounts in INR		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Borrowings	6,655,182,646	6,671,212,298	6,879,387,503
Net debts	6,655,182,646	6,671,212,298	6,879,387,503
Capital Components			
Share Capital	300,000,000	300,000,000	300,000,000
Other Equity	761,476,680	871,219,110	742,888,799
Borrowings- Related party	615,240,637	555,860,760	475,938,448
Total Capital	1,676,717,317	1,727,079,870	1,518,827,246
Capital and net debt	8,331,899,963	8,398,292,168	8,398,214,749
Gearing ratio (%)	80%	79%	82%

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 March 31, 2017 and March 31, 2016.

38 Financial Instrument by Category

Particulars	As at March 31, 2017			As at March 31, 2016		
	At Amortised Cost	At FVTPL		At Amortised Cost	At FVTPL	
		Cost	Fair Value		Cost	Cost
Assets						
Unquoted Investment	-	-	-	-	434,800,000	435,423,407
Investment in Preference Share	20	-	-	20	-	-
Receivable under SCA	8,463,038,133	-	-	8,015,276,240	-	-
Other Financial Assets	41,061,091	-	-	55,912,079	-	-
Cash and cash equivalents	96,278,260	-	-	17,288,215	-	-
Total	8,600,377,504	-	-	8,088,476,554	434,800,000	435,423,407
Liabilities						
External Borrowings (including Interest)	6,655,182,646	-	-	6,671,212,298	-	-
Borrowings from related parties (Including Interest)	615,240,637	-	-	555,860,760	-	-
Trade Payable	49,726,444	-	-	12,434,594	-	-
Other Financial Liability	120,422,815	-	-	76,899,714	-	-
Total	7,440,572,542	-	-	7,316,407,367	-	-

* Interest rate used for discounting is 10.68%.

39 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 approximation of fair values.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value			Fair value		
	As at	As at	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Assets						
Investment in Unquoted Mutual Funds	-	434,800,000	-	-	435,423,407	-
Total	-	434,800,000	-	-	435,423,407	-

The management assessed that cash and cash equivalents, other financial assets, borrowings, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the unquoted mutual funds are based on NAV available at the reporting date.

Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

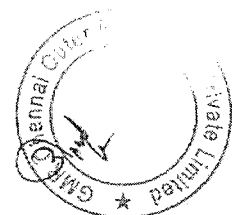
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	As at March 31, 2017	Fair Value measurement at end of the reporting		
		Level 1	Level 2	Level 3
Assets				

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016:

Particulars	As at March 31, 2016	Fair Value measurement at end of the reporting		
		Level 1	Level 2	Level 3
Assets	435,423,407	435,423,407		



40 Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets is Receivable under SCA, Cash and Cash equivalents and Investment.

The Company's exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the company's senior management that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. 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 commodity risk. Financial instruments affected by market risk include loans and borrowings and Investment measured at FVTPL.

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

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The analysis for the contingent consideration liability is provided in Note 37.

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

► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 March 31, 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's policy is to manage its interest cost using only interest free/ fixed rate debts from related parties.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. 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
March 31, 2017		
INR	+50	(34,098,658)
INR	-50	34,098,658
March 31, 2016		
INR	+50	(35,620,469)
INR	-50	35,620,469

Credit risk

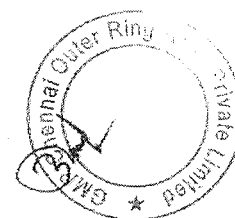
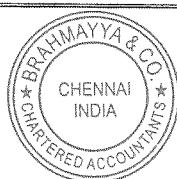
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. With respect to credit risk arising from other financial assets of the Company's, which comprise Cash and cash equivalents, loans and advances and investment, the Company's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instrument.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

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

	On Demand	Within 1 year	1-2 years	2-3 years	3-5 years	More than 5 Years	Total
Year ended							
March 31, 2017							
Term Loan from Banks	-	325,600,000	355,200,000	384,800,000	407,000,000	5,246,278,400	6,718,878,400
Loan from Related Parties	-	-	-	-	-	188,247,554	188,247,554
Liability portion of Preference Shares	-	-	-	-	-	426,993,083	426,993,083
Trade payables	-	49,726,444	-	-	-	-	49,726,444
Other financial liabilities	-	120,422,815	-	-	-	-	120,422,815
	-	495,749,259	355,200,000	384,800,000	407,000,000	5,861,519,037	7,504,269,296
Year ended							
March 31, 2016							
Term Loan from Banks	-	215,025,417	215,025,417	286,700,556	788,426,528	5,166,034,380	6,671,212,298
Loan from Related Parties	-	-	-	-	-	170,078,864	170,078,864
Liability portion of Preference Shares	-	-	-	-	-	385,781,897	385,781,897
Trade payables	-	12,434,594	-	-	-	-	12,434,594
Other financial liabilities	-	76,899,714	-	-	-	-	76,899,714
	-	304,359,725	215,025,417	286,700,556	788,426,528	5,721,895,141	7,316,407,367



Excessive risk concentration

The Company needs to assess the risks in relation to excessive risk concentration and the measures adopted by the Company to mitigate such risks. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

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

41 SPECIFIED BANK NOTES DISCLOSURE (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 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	ODNs	Total
Closing cash on hand as on 08 Nov 2016	-	2,105	2,105
(+) Non Permitted receipts -	-	-	-
(+) Permitted receipts -	-	252,357	252,357
(-) Permitted payments -	-	246,251	246,251
(-) Amounts Deposited in Banks	-	-	-
Closing cash on hand as on 30 Dec 2016	-	8,211	8,211

42 Segment Reporting

The Company is engaged in the business of Construction, Operation & Maintenance of Highways. This being the only segment, the reporting under the provisions of IND AS 108 (Segment Information) does not arise.

43 Salient aspects of Service Concession Arrangement

The Company has entered into a Concession agreement with Government of Tamil Nadu, Department of Highways & Minor Ports Development (GO TN) for the construction of the Outer Ring Road at Chennai between 0.000 KMs and 29.650 KMs. The Company has completed the construction of the Road in the land area handed over by Authority. The company achieved Provisional COD for 28.4 KMs out of the Total project Length of 29.65 KMs with effect from 15th June, 2013 as communicated by GOTN vide its letter dated 8th April, 2014.

The Company is entitled to receive project support fund of Rs. 300.00 Crore from the Government of Tamil Nadu (GOTN) as per the concession agreement and the same will be disbursed on quarterly basis based on the progress of the project and the expenditure incurred by the concessionaire on the civil works as per the disbursement methodology of the project fund as specified in clause 30.2.1 of the concession agreement entered into by the company with GOTN.

Concession period

The Concession period end on December 15, 2030

Annuity

The GOTN Agrees and undertake to pay to the Company, on each Annuity Payment Date i.e on June 15 and December 15 each year, the sum of Rs. 621.29 Million (the Annuity). Since the entire work is not yet completed, The Company and GOTN both agreed to a reduction in the Annuity (Semi Annual Annuity) amount payable to the Company at Rs. 3 Crore for the not completed portion of the project highway and Rs. 7.50 lakhs towards maintenance charges for the not maintained portion of the project highway till the same is completed.

The reduced Annuity (Semi Annual Annuity) amount of Rs. 3 Crore against each of the reduced Annuity should be paid on completion of the balance work and Rs. 7.50 Laks should not be reimbursed to the Company.

Operation and Maintenance

The Company is required to operate and maintain the Project/ Project Facilities in accordance with the provision of the Agreement, Applicable Laws and Applicable permits. In particular, the Concessionaire should at all times during the Operation period, conform to the maintenance requirements as mentioned in the Agreement (the "Maintenance Requirements")

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For Brahmayya & Co.,
Chartered Accountants
Firm Registration No: 000511S

P. S. Kumar
Partner
Membership No: 015588DIA



Place: Chennai
Date: 01.05.2017

For and on behalf of
GMR Chennai Outer Ring Road Private Limited

G. Bangaru Raju
Director
DIN: 00081228

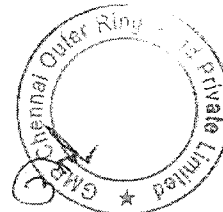
Satish Singh
Company Secretary

Place: New Delhi
Date: 01.05.2017

Suryanarayana Murty Alamuru
Independent Director
DIN 07547004

Suraj Manjeshwar
Chief Financial Officer

SIGN HERE



Statement of Standalone Unaudited / Audited Financial Results for the Year Ended 31/03/2017

	Particulars (Refer Notes Below)	Year ended	
		3/31/2017	3/31/2016
		Audited	Audited
1	Income from operations		
	(a) Sales/income from operations	1,072,849,674	1,050,067,354
	Total income from operations	1,072,849,674	1,050,067,354
2	Expenses		
	(a) Sub-contracting expenses	148,329,752	49,803,103
	(b) Employee benefits expense	30,583,020	33,906,635
	(c) Depreciation and amortisation expense	811,312	959,315
	(d) Other expenses	92,537,509	68,995,329
	Total expenses	272,261,593	153,664,382
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)		
4	Other income	16,992,784	14,145,091
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)	817,580,865	910,548,063
6	Finance costs	877,696,986	845,754,739
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)	(60,116,121)	64,793,324
8	Exceptional items	-	-
9	Profit / (Loss) from ordinary activities before tax (7 ± 8)	(60,116,121)	64,793,324
10	Tax expense / (credit)	49,184,210	-
11	Net Profit / (Loss) from ordinary activities after tax (9 ± 10)	(109,300,331)	64,793,324
12	Other Comprehensive Income/ (expenses) (net of tax)	(442,098)	(232,091)
13	Total Comprehensive income for the period (14 + 15)	(109,742,429)	64,561,233

In terms of our report attached
For Brahmayya & Co.,
Chartered Accountants
Firm Registration No: 000511S

For and on behalf of
GMR Chennai Outer Ring Road Private Limited

SIGN HERE

P. S. Kumar
Partner
Membership No. 015590



O Bangaru Raju
Director
DIN:00082228

Satinder Singh
Company Secretary

Suryanarayana Murty Alamuru
Independent Director
DIN 07547004

Suraj Manjeshwar
Chief Financial Officer

Place: Chennai
Date: 01.05.2017

Place: New Delhi
Date: 01.05.2017

