INDEPENDENT AUDITOR'S REPORT

To
The Members,
GMR Corporate Affairs Private Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying financial statements of **GMR Corporate Affairs Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017and 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 (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

   We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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.

GURU & JANA., Chartered Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

4. 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 of the Company as at 31st March 2017, and its loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

6. 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 purpose 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"

GURU & JANA., Chartered Accountants

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 to be disclosed on its financial position in its financial statements.

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 which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The IND AS Financial Statements contain all the requisite disclosures as to holdings as well as dealings in Specified Bank Notes during the period November 8, 2016 to December 30, 2016. Based on the audit procedures and relying on the management representation we report that the disclosures are in accordance with the Books of accounts maintained by the Company and as produced to us by the Management.

For **Guru & Jana,**

Chartered Accountants

Firm Registration No: 006826S

GURU & JANA., ★ Chartered Accountants ★

M Surendra Reddy

Partner

Membership No: 215205

Place: Bangalore

Date: 25th April, 2017

"Annexure A" to the Independent Auditors Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

   (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

   (c) There are no immovable properties held in the name of the company.

2) The nature of transactions of the company is service oriented and it does not hold any inventory. Paragraph 3(2) is therefore not applicable to the company.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

GURU & JANA Chartered Accountants

7) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax or cess which have not been deposited on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financials institution, the company has not paid interest to debenture holders.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided to any of the managerial personnel defined as per section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) 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 standalone Ind AS financial statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **Guru & Jana,**
Chartered Accountants
Firm Registration No: 006826S

GURU & JANA., ★ Chartered Accountants ★

M. Surendra Reddy
Partner
Membership No: 215205

Place: Bangalore
Date: 25th April, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CORPORATE AFFAIRS PRIVATE LIMITED

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 Corporate Affairs Private Limited** as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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.

Auditor's 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 as specified 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 judgement, 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 internal financial controls system over financial reporting.

GURU & JANA
Chartered Accountants

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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Guru & Jana,**
Chartered Accountants
Firm Registration No: 006826S

M Surendra Reddy
Partner
Membership No: 215205

GURU & JANA, ★ Chartered Accountants ★

Place: Bangalore
Date: 25th April, 2017

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Balance Sheet as at 31 March 2017

Amount in INR

		Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
I		**ASSETS**				
	(1)	**Non-current assets**				
		Property, Plant and Equipment	3	54,02,974	22,89,154	28,60,790
		Capital work-in-progress		-	-	-
		Other Intangible Assets		-	1,27,25,072	2,64,38,387
		Financial Assets				
		(i) Loans	5	8,51,79,092	9,94,55,319	23,65,85,585
		(ii) Investment	5	33,61,18,950	39,61,52,600	1,00,000
		Other non-current assets		-	-	-
		Deferred tax asset (net)		8,89,969	-	-
	(2)	**Current assets**				
		Inventories		-	-	-
		Financial Assets				
		(i) Trade Receivables	9	11,91,807	26,80,314	7,89,959
		(ii) Cash and cash equivalents	10	47,50,787	38,47,759	3,20,55,667
		(iii) Loans	5	20,35,46,845	19,86,59,576	81,61,468
		(iv) Others	6	24,44,64,168	26,98,13,844	20,25,70,606
		Other current assets	7	57,78,044	44,72,068	27,76,558
		Advance income-tax (net of provision)	8	28,77,480	1,49,00,482	4,08,59,824
		Total Assets		**89,02,00,116**	**1,00,49,96,188**	**55,31,98,844**
II		**EQUITY AND LIABILITIES**				
	(1)	**Equity**				
		Equity Share capital	11	5,00,00,000	5,00,00,000	5,00,00,000
		Other Equity	12	-5,63,80,497	4,47,06,215	5,24,26,660
		LIABILITIES				
	(1)	**Non-current liabilities**				
		Financial Liabilities				
		(i) Borrowings	13	49,23,35,943	47,98,76,051	18,54,66,169
		(ii) Other financial liabilities		-	-	-
		Provisions	17	1,27,90,414	1,57,74,680	2,15,14,984
		Other non-current liabilities		-	-	-
		Deferred tax liability (net)			2,27,06,578	3,08,63,012
					-	-
	(2)	**Current liabilities**				
		Financial Liabilities				
		(i) Borrowings	13	-	-	2,94,00,000
		(ii) Trade Payables	14	28,71,56,439	33,83,58,782	10,92,48,263
		(iii) Other financial liabilities	15	6,74,62,146	97,44,368	3,60,20,317
		Other current liabilities	16	91,34,947	1,23,58,368	83,16,027
		Provisions	17	2,77,00,724	3,14,71,146	2,99,43,412
		Total Equity and Liabilities		**89,02,00,116**	**1,00,49,96,188**	**55,31,98,844**

The accompanying notes form an integral part of the financial statements

As per our report of even date
for **Guru & Jana**
Chartered Accountants
Firm Registration No.006826S

for and on behalf of the Board of Directors

GURU & JANA, Chartered Accountants

M. Surendra Reddy
Partner
Membership No.215205

M. V. Srinivas
Director
DIN: 2477894

Govindarajulu
Director
DIN: 02734169

Ramesh KL
CFO

Vimal Prakash
Company Secretary

Place : Bangalore
Date : 25 APRIL 2017

GMR Corporate Affairs Pvt. Ltd. * Bangalore *

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Statement of Profit and Loss for the period ended 31 March 2017

Amount in INR

	Particulars	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
I	**REVENUE**			
	Revenue From Operations	18	1,50,97,084	1,42,84,950
	Other Income	19	41,64,485	1,10,24,577
	Total Revenue (I)		1,92,61,569	2,53,09,527
II	**EXPENSES**			
	Finance Costs	20	6,06,64,950	2,07,31,348
	Depreciation and amortization expense	21	1,50,97,084	1,42,84,950
	Other Expenses	22	6,19,80,154	10,54,158
	Total expenses (II)		13,77,42,188	3,60,70,456
III	Profit before exceptional items and tax (I-II)		-11,84,80,619	-1,07,60,929
IV	Exceptional Items		-	-
V	Profit/(loss) before tax (III-IV)		-11,84,80,619	-1,07,60,929
VI	Tax expense:			
	(1) Current Tax	23	62,02,640	51,15,950
	(2) Deferred Tax		-2,35,96,546	-81,56,434
VII	Profit/(loss) for the period (V-VI)		-10,10,86,713	-77,20,445
VIII	Other Comprehensive Income			
IX	Total Comprehensive Income for the period (VII + VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		-10,10,86,713	-77,20,445
X	Earnings per equity share:	24		
	(1) Basic		-20	-2
	(2) Diluted		-20	-2

The accompanying notes form an integral part of the financial statements

As per our report of even date
for **Guru & Jana**
Chartered Accountants
Firm Registration No.006826S

GURU & JANA., Chartered Accountants

M. Surendra Reddy
Partner
Membership No.215205

for and on behalf of the Board of Directors

Srinivas

M. V. Srinivas
Director
DIN: 2477894

Govindarajulu
Director
DIN: 02734169

Ramesh KL
CFO

Vimal Prakash
Company Secretary

Place : Bangalore
Date : 25 APRIL 2017

GMR Corporate Affairs Pvt. Ltd. Bangalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED

1.10(c **Statement of Cash Flows for the year ended 31 March 2017**

Amount in INR

	Particulars	31-Mar-17	31-Mar-16
A	**Cash Flow from Operating Activities**		
	Profit / (loss) before tax	-11,84,80,619	-1,07,60,929
	Adjustment to reconcile profit before tax to net cash flows		
	Depreciation and amortisation	1,50,97,084	1,42,84,950
	Unrealised foreign exchange loss	-	-
	Interest expenses	6,06,63,641	2,07,31,348
	Interest income	-17,30,539	-60,48,851
	Finance income (including fair value change in financial instruments)	-	-25,52,600
		7,40,30,186	2,64,14,847
	Operating Profit before Working Capital changes	-4,44,50,433	1,56,53,918
	Movements in working capital : (Excluding Cash & Bank Balances)		
	Increase/(Decrease) in trade payables	-5,12,02,343	22,91,10,520
	Increase/(Decrease) in Other Current liavbilities	-32,23,421	40,42,341
	Increase/(Decrease) in short term liabilities	5,77,17,778	-2,62,75,949
	Increase/(Decrease) in long term liabilities	-	-
	Increase/(Decrease) in long term provision	-29,84,266	-57,40,304
	Increase/(Decrease) in short term provision	-37,70,422	15,27,734
	Increase/(Decrease) in Trade receivable	14,88,507	-18,90,355
	Increase/(Decrease) in long term loans & advances	1,42,76,227	13,71,30,266
	Increase/(Decrease) in short term loans & advances	2,04,62,407	-25,77,41,346
	Increase/(Decrease) in Other Current assets	-13,05,976	-16,95,510
	Increase/(Decrease) in Current taxes	1,20,23,002	2,59,59,342
		4,34,81,493	10,44,26,739
	Cash Generated From Operations	-9,68,940	12,00,80,657
	Income Tax	-62,02,640	-51,15,950
	Net Cash Flow from Operating Activities (A)	-71,71,580	11,49,64,707
B	**Cash Flow from Investing Activities:**		
	Purchase of Non Current Investments	6,00,33,650	-39,60,52,600
	Purchase of fixed assets, including intangible assets, CWIP and capital advances	-54,85,832	-
	Interest income	17,30,539	86,01,451
	Redemption/maturity of fixed deposits (not forming part of cash and cash equivalents)	-	-
	Net cash flow (used in) investing activities (B)	5,62,78,357	-38,74,51,149
C	**Net Cash Flow From Financing Activities:**		
	Proceeds from long term borrowings	1,24,59,892	29,44,09,882
	Repayment of long term borrowings	-	-
	Proceeds from short term borrowings	-	-2,94,00,000
	Interest paid	-6,06,63,641	-2,07,31,348
	Net cash flow (used in) in financing activities (C)	**-4,82,03,749**	**24,42,78,534**
D	**Net (decrease) / In cash and cash equivalents (A + B + C)**	**9,03,028**	**-2,82,07,908**
	Cash and cash equivalents (Opening)	38,47,759	3,20,55,667
	Cash and cash equivalents (Closing)	47,50,787	38,47,759
	Net increase/(decrease) in cash & cash equialents	**-9,03,028**	**2,82,07,908**

1 Previous year`s figures have been regrouped wherever necessary to confirm to current year classification.

CASH AND CASH EQUIVALENTS	31-Mar-17	31-Mar-16
Cash on hand	-	-
Balances with banks	-	-
- on current accounts	47,50,787	38,47,759
- deposit accounts	-	-
Total cash and cash equivalents	**47,50,787**	**38,47,759**

The accompanying notes form an integral part of the financial statements

As per our report of even date
for **Guru & Jana**
Chartered Accountants
Firm Registration No.006826S

for and on behalf of the Board of Directors

GURU & JANA., Chartered Accountants

M. Surendra Reddy
Partner
Membership No.215205

Srinivas
M. V. Srinivas
Director
DIN: 2477894

Govindarajulu
Director
DIN: 02734169

Ramesh KL
CFO

Vimal Prakash
Company Secretary

Place : Bangalore
Date : 25 APRIL 2017

GMR Corporate Affairs Pvt. Ltd. Bangalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Statement of Changes in Equity

Amounts in INR

	Attributable to the equity holders of the parent																		Non-controlling interests	Total equity
		Reserves and surplus						Items of OCI												
	Issued capital	Equity component of preference share	Share premium	Debenture redemption reserve	Treasury shares	SBP reserves	Retained earnings	Cash flow hedge reserve	FVTOCI Reserve	Foreign currency translation reserve	Asset revaluation surplus	General reserve	Share option schemes	Capital Reserve	Capital redemption reserve	Special Reserve u/s 45-IC of Reserve Bank of India ('RBI') Act	Discontinued operations	Total		
As at 1 April 2015	5,00,00,000.00	-	-	-	-	-	5,24,26,660.00	-	-	-	-	-	-	-	-	-	-	10,24,26,660.00	-	10,24,26,660.00
Profit for the period	-	-	-	-	-	-	(77,20,444.76)	-	-	-	-	-	-	-	-	-	-	(77,20,444.76)	-	(77,20,444.76)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise of share options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests arising on a business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2016	5,00,00,000.00	-	-	-	-	-	4,47,06,215.24	-	-	-	-	-	-	-	-	-	-	9,47,06,215.24	-	9,47,06,215.24
Profit for the period	-	-	-	-	-	-	(10,10,86,712.54)	-	-	-	-	-	-	-	-	-	-	(10,10,86,712.54)	-	(10,10,86,712.54)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation transfer for land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise of share options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax on cash dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2017	5,00,00,000.00	-	-	-	-	-	(5,63,80,497.29)	-	-	-	-	-	-	-	-	-	-	(63,80,497.29)	-	(63,80,497.29)

GURU & JANA, ★ Chartered Accountants ★

GMR Corporate Affairs Pvt. Ltd. ★ Bangalore ★

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements as at 31st March 2017

3. Property, plant and equipment

Amount in INR

Particulars	Leasehold Improvements *	Electrical Fittings (owned)	Vehicles *	Furniture & fixtures**	Office equipment	Computers	Capital work in progress	Total
Cost								
Deemed cost as at 01.04.2015	45,21,129	16,35,415	23,788	37,76,055	1,47,53,992	21,79,077	-	2,68,89,456
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-
As at 31.03.2016	45,21,129	16,35,415	23,788	37,76,055	1,47,53,992	21,79,077	-	2,68,89,456
Additions	53,30,590	-	-	-	1,00,590	54,652	-	54,85,832
Disposals	-	-	-	-	-	-	-	-
As at 31.03.2017	98,51,719	16,35,415	23,788	37,76,055	1,48,54,582	22,33,729	-	3,23,75,288
Depreciation								
As at 01.04.2015	45,21,120	5,46,481	9,403	20,18,828	1,47,53,787	21,79,047	-	2,40,28,667
Charge for the year	-	2,17,785	2,432	3,51,418	-	-	-	5,71,635
Deductions	-	-	-	-	-	-	-	-
As at 31.03.2016	45,21,120	7,64,266	11,835	23,70,246	1,47,53,787	21,79,047	-	2,46,00,302
Charge for the year	17,80,549	2,17,785	2,432	3,51,418	14,638	5,190	-	23,72,012
Deductions	-	-	-	-	-	-	-	-
As at 31.03.2017	63,01,669	9,82,051	14,267	27,21,664	1,47,68,425	21,84,237	-	2,69,72,314
		-						
Net block								
As at 31.03.2017	35,50,050	6,53,364	9,521	10,54,391	86,157	49,492	-	54,02,974
As at 31.03.2016	9	8,71,149	11,953	14,05,809	205	30	-	22,89,154
As at 1.04. 2015	9	10,88,934	14,385	17,57,227	205	30	-	28,60,790

Chartered Accountants ★ GURU & JANA ★

GMR Corporate Affairs Pvt. Ltd. ★ Bangalore ★

1 Corporate information

GMR Coporate Affairs Private Limited ('GCAPL' or 'the Company') is a private limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The company is wholly owned subsidiary of GMR Infrastructure Limited.The objective of the company to carry on business of providing corporate services inculding the Infrastructure services to corporate office and other group companies.

The registered office of the company is located at 25/1, Skip House,Museum Road, Bangalore Karnataka - 560025, India.

Information on other related party relationships of the Company is provided in Note 26.

2 Significant Accounting Policies

1 Basis of preparation

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

For all periods up to and including the year ended 31 March 2015, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first financials , the Company has prepared in accordance with Ind AS. Refer to Note 30 for information on how the Company adopted Ind AS.

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

The stand-alone financial statements are presented in INR and all values are rounded to the nearest Rupees, except when otherwise indicated.

2 Fixed Assets

2.1 Tangible assets

The Company regards the previous GAAP (Indin GAAP) carrying value as the deemed cost at the transition date, viz., 1 April 2015.

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. Refer to note xx and xx regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

(a) 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

(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 .

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

Further, When each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied.
Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.
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 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/disposed off during the year is being provided up to the dates on which such assets are sold/disposed 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 ofthat asset.

Annual Review
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.

2.2 Intangible assets and amortisation

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

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

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.

Computer software is being amortized over a period of 6 years on a straight line basis.
The above periods also represent the management estimated economic useful life of the respective intangible assets.

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GMR Corporate Affairs Pvt. Ltd. Bangalore

3 **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

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

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

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

4 **Impairment of non-financial assets**

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre—tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.
Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

5 **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 proable that the economic benefits will flow to the entity.

6 **Provisions**

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

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

7 **Financial Instruments**

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

Financial assets

Initial recognition and measurement

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

SFS Ind AS Policies

Subsequent measurement

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

Debt instruments at amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Debt instrument at FVTOCI: A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.
Debt instrument at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

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

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

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

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SFS Ind AS Policies

Impairment of financial assets

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

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

The company follows 'simplified approach' for recognition of impairment loss allowance on;
a) Trade receivables or contract revenue receivables; and
b) All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:
a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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

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

8 **Foreign currency transactions**

The Company's financial statements are presented in INR, which is also it'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.

9 **Financial liabilities**

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

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

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer note 15.

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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.

Reclassification of financial assets

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

Offsetting of financial instruments

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

10 Non Convertible preference shares

Non Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the Non Convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-Non Convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the Non Convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

11 Cash and cash equivalents

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

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

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

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

13 Fair value measurement

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

14 Revenue recognition

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

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty/service tax flows to the Company on its own account.
The specific recognition criteria described below must also be met before revenue is recognised.
Interest income: For all debt instruments measured either at amortised cost or at fair value through profit & loss, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

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

15 Taxes on income

15.1 Current income tax

Tax expense comprises current and deferred tax.

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
Minimum Alternate Tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The entities in the Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the entities in the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the entities in the Group recognises MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement." The entities in the Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the entities in the Group does not have convincing evidence that it will pay normal tax during the specified period.

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.

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GMR Corporate Affairs Pvt. Ltd. * Bangalore *

15.2 Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:
a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

16 **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. 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 forsservices 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.

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 witl 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.

18 **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.

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GMR Corporate Affairs PVT. LTD. Bangalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements as at 31st March 2017

4. Intangible Assets

Amounts in INR

Particulars	Software	Total
Gross block		
As at 1.04.2016	8,45,97,870	8,45,97,870
Additions	-	-
Disposals		-
As at 31.03.2017	**8,45,97,870**	**8,45,97,870**
Amortization		
As at 1.04.2016	7,18,72,798	7,18,72,798
Charge for the year	1,27,25,072	1,27,25,072
Disposals	-	-
As at 31.03.2017	**8,45,97,870**	**8,45,97,870**
Net block		
As at 31.03.2017	-	-
As at 31.03.2016	1,27,25,072	1,27,25,072

Amounts in INR

Particulars	Software	Total
Gross block		
As at 1.04.2015	8,45,97,870	8,45,97,870
Additions	-	-
Disposals		-
As at 31.03.2016	**8,45,97,870**	8,45,97,870
Amortization		
As at 1.04.2015	5,81,59,483	5,81,59,483
Charge for the year	1,37,13,315	1,37,13,315
Disposals	-	-
As at 31.03.2016	**7,18,72,798**	7,18,72,798
Additions	2,64,38,387	
Net block		
As at 31.03.2016	1,27,25,072	1,27,25,072
As at 31.03.2015	2,64,38,387	2,64,38,387

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GMR Corporate Affairs Pvt. Ltd. ★ Bangalore ★

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements as at 31st March 2017

5. Financial assets

A. Investments

Amounts in INR

	Long Term			Short Term		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Investments at cost						
Unquoted equity shares						
Investment in subsidiaries						
GMR Business process and services Private Limited	1,00,000	1,00,000	1,00,000	-	-	-
GMR SEZ INFRA SERVICE PVT LTD	5,00,000	-	-			
Investment in others						
Infrastructure Resurrection Fund	18,99,58,950	19,72,92,600	-	-	-	-
Infrastructure Project Development Capital	14,55,60,000	19,87,60,000	-	-	-	-
Total Investments	33,61,18,950	39,61,52,600	1,00,000	-	-	-

B. Loans & Advance

Amounts in INR

	Long Term			Short Term		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Carried at amortised cost						
Loan to Related Party						
Unsecured, considered good/Security deposit	8,27,78,205	9,44,54,432	14,19,79,432	20,05,08,262	19,75,08,262	-
Loans & Advances to Employees	24,00,887	50,00,887	87,06,153	30,38,583	11,51,314	81,61,468
Advances Recoverable in cash or kind	-	-	8,59,00,000	-	-	-
Balances with Government						
Total Loans & Advance	**8,51,79,092**	**9,94,55,319**	**23,65,85,585**	**20,35,46,845**	**19,86,59,576**	**81,61,468**

6.Other Financial assets

Amounts in INR

	Long Term			Short Term		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Carried at amortised cost						
Other- Loans & Adv.,Unsecured considered good	-	-	-	24,44,64,168	26,98,13,844	20,25,70,606
Interest accrued on fixed deposits	-	-	-	-		-
Total other financial assets	-	-	-	24,44,64,168	26,98,13,844	20,25,70,606

GURU & JANA, Chartered Accountants

Corporate Affairs Pvt. Ltd. Bangalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements as at 31st March 2017

7 Other Assets

Amounts in INR

Particulars		Long Term			Short Term		
		31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Advances other than capital advance		-	-	-	11,40,610	11,40,610	-
other advances		-	-	-	-	-	-
Less: provision for doubtful advances		-	-	-	-	-	-
Advance to suppliers					33,13,907	27,47,552	17,39,612
	(A)	-	-	-	**44,54,517**	**38,88,162**	**17,39,612**
Prepaid expenses		-	-	-	2,35,441	2,83,233	3,56,834
Balance with statutory / government Authorities		-	-	-	10,76,066	2,88,905	3,426
MAT credit entitlement		-	-	-	-	-	-
CENVAT Receivable (Net)		-	-	-	-	-	-
Interest Accrued on FD		-	-	-	12,020	11,768	6,76,686
Prepaid gratuity		-	-	-	-	-	-
	(B)	-	-	-	13,23,527	**5,83,906**	**10,36,946**
Total other assets	**(A+B)**	-	-	-	**57,78,044**	**44,72,068**	**27,76,558**

8 Current tax asset (net of provision)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Current tax asset (net of provision)	28,77,480	1,49,00,482	4,08,59,824
Total Current Tax	**28,77,480**	**1,49,00,482**	**4,08,59,824**

9 Trade receivables

Amounts in INR

	At 31 March 2017	At 31 March 2016	At 1 April 2015
Trade receivables			
Secured, considered good**	-	-	-
Related parties			
Others			
Unsecured, considered good			
Related parties	11,91,807	26,80,314	7,89,959
Others			
Less: Allowances for doubtful receivables	-	-	-
Total	**11,91,807**	**26,80,314**	**7,89,959**

10 Cash and Cash Equivalent

Amounts in INR

Particulars	At 31 March 2017	At 31 March 2016	At 1 April 2015
Cash and cash equivalents			
-Cash on hand			
-Deposits with original maturity of less than three months	-	-	-
-Balances with Banks	-	-	-
-In current accounts	47,50,787	38,47,759	20,55,667
Non-Current bank balance (Margin Money Deposits) with more than 3months but less than 12 monthsmaturity	-	-	3,00,00,000
Total	**47,50,787**	**38,47,759**	**3,20,55,667**

	At 31 March 2017	At 31 March 2016	At 1 April 2015
Balances with banks:			
– On current accounts	47,50,787	38,47,759	20,55,667
– Deposits with original maturity of less than three months	-	-	-
Cheques/ drafts on hand	-	-	-
Cash on hand	-	-	-
Cash at bank and short term deposits attributable to discontinued operations (note 21)	-	-	-
Total	**47,50,787**	**38,47,759**	**20,55,667**

*Additional Disclosure

Particulers	SBN	Other Denominatio n notes	Total
Closing Cash in Hand as on 08.11.2016	-	-	-
+Permitted Recipts	11,33,000	4,590	11,37,590
-Permitted Payments	-	-	-
-Amount Deposited in Bank	(11,33,000)	(4,590)	(11,37,590)
Closing Cash in Hand as on 30.12.2016	-	-	-

GURU & JANA, Chartered Accountants

GMR Corporate Affairs Pvt. Ltd. Bengalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements as at 31st March 2017

11. Share Capital

Amounts in INR

Particulars	31 March 2017	31 March 2016	1 April 2015
Authorised :			
15000000 Preference Shares of Rs.10/-each	15,00,00,000	15,00,00,000	15,00,00,000
5000000 Equity Shares of Rs.10/- Each	5,00,00,000	5,00,00,000	1,00,000
	5,00,00,000	5,00,00,000	1,00,000
Issued :			
5000000(31st March 2016: 5000000) Equity Shares of Rs.10/- Each Fully paid	5,00,00,000	5,00,00,000	5,00,00,000
Subscribed and Paid-up			
5000000(31st March 2016: 5000000) Equity Shares of Rs.10/- Each Fully paid	5,00,00,000	5,00,00,000	5,00,00,000
Total	5,00,00,000	5,00,00,000	5,00,00,000

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

Equity Shares	31 March 2017		31 March 2016		1 April 2015	
	In Numbers	Amounts in INR	In Numbers	Amounts in INR	In Numbers	Amounts in INR
At the beginning of the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**50,00,000**	**5,00,00,000**	**50,00,000**	**5,00,00,000**	**50,00,000**	**5,00,00,000**

Equity component of Non Convertible preference shares	31 March 2017		31 March 2016		1 April 2015	
	In Numbers	Amounts in INR	In Numbers	Amounts in INR	In Numbers	Amounts in INR
At the beginning of the year	15,00,000	11,10,45,741	15,00,000	11,10,45,741	15,00,000	11,10,45,741
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**15,00,000**	**11,10,45,741**	**15,00,000**	**11,10,45,741**	**15,00,000**	**11,10,45,741**

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The shareholders of the company cannot directly or indirectly transfer the shares without prior approval of the other parties (except to their affiliates) during the lock in period of five years commencing from Aug 19,2011. In the event of liquidation of the company, the holders of equity shares will 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.

cTerms/Rights Attached to preference Shares

The preference shares are 8% Non Cumulative Redeemable shares of Rs10/- each. They carry a Non cumulative dividend of 8% P.A. Each holder of preference shares is entitled to preferential dividend and preferential distribution on liquidation of the Company.

If Non cumulative Preference share holders do not exercise conversion option, all of them are redeemable at the end of 10th year from the date of issue. In the event of liquidation of the company before redemption of Non cumulative Preference shares, their holders will have priority over equity shares in the payment of dividend and repayment of capital.

d.Share held by holding/ulitimate holding company /holiding company and/or their subsidiaries /associates

Name of the Share holder	31-Mar-17		31-Mar-16		1 April 2015	
	No. of Shares held	Amount	No. of Shares held	Amount	No. of Shares held	Amount
GMR Corporate Affair Pvt Ltd.	50,000	5,00,000	50,000	5,00,000	50,000	5,00,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	50,000	**5,00,000**	**50,000**	**5,00,000**	**50,000**	**5,00,000**

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

Name of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
GMR Corporate Affair Pvt Ltd.	50,000	100%	50,000	100%	50,000	100%
	-	-	-	-	-	-
	50,000.0	**100%**	**50,000.0**	**100%**	**50,000.0**	**100%**

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

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Corporate Affairs Pvt. Ltd. Bangalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements as at 31st March 2017

12. Other Equity

Amounts in INR

Particulars	31 March 2017	31 March 2016	1 April 2015
Surplus in the statement of profit and loss			
Balance as per last financial statements	4,47,06,215	5,24,26,660	-
-Equity component of Preference shares	-	-	7,50,11,398
-Equity component of Related Party Loans	-	-	3,47,40,295
Deffered Tax(Asset)/Liability	-	-	
Amount Trf from DRR			
Loss on Revaluation of Investment	-	-	-
Add: Net profit for the year	-10,10,86,713	-77,20,445	-5,73,25,033
Net surplus in the statement of profit and loss	-5,63,80,497	4,47,06,215	5,24,26,660
Other items of Comprehensive Income			
Actuarial gain or losses	-	-	-
	-	-	-
Total reserves and surplus	**-5,63,80,497**	**4,47,06,215**	**5,24,26,660**

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13 Financial liabilities - Borrowings

Amounts in INR

Particulars	Non - Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Term loan in foreign currency (unsecured)						
Debentures	-	-	11,00,07,099	-	-	-
Unsecured Borrowings						
Loan from group Company	39,35,00,000	39,35,00,000	-	-	-	2,94,00,000
Liability component of compound financial instrument						
Non Convertible preference shares (unsecured)	9,88,35,943	8,63,76,051	7,54,59,070	-	-	-
Total	**49,23,35,943**	**47,98,76,051**	**18,54,66,169**	**-**	**-**	**2,94,00,000**

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GMR Corporate Affairs Pvt. Ltd. Bangalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements as at 31st March 2017

14. Financial liabilities - Trade payables

Amounts in INR

Particulars	31 March 2017	31 March 2016	1 April 2015
Trade Payable			
- Micro, Small and Medium Enterprises	-	-	-
- Related parties	28,71,56,439	33,83,58,782	10,92,48,263
- Others	-	-	-
TOTAL	**28,71,56,439**	**33,83,58,782**	**10,92,48,263**

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GMR Corporate Affairs Pvt. Ltd. ★ Bangalore ★

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements as at 31st March 2017

15. Other Financial Liabilities

Amounts in INR

Particulars	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Other financial liabilities at amortised cost						
Security Deposits	-	-	-	-	-	-
Interest accrued and due on borrowings	-	-	-	5,25,43,069	-	1,73,379
Current maturities of finance lease obligation	-	-	-	-	-	-
Payable for Expenses	-	-	-	1,29,06,865	74,92,813	3,35,58,962
Amount Payable to Employees	-	-	-	20,12,212	22,51,555	22,87,976
Total other financial liabilities at amortised cost	-	-	-	**6,74,62,146**	**97,44,368**	**3,60,20,317**
Total other financial liabilities	-	-	-	**6,74,62,146**	**97,44,368**	**3,60,20,317**

Amounts in INR

Break up of financial liabilities carried at amortised cost

Particulars	31-Mar-17		31-Mar-16		01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
At amortised cost						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-
Other financial liabilities	-	6,74,62,146	-	97,44,368	-	3,60,20,317
Total financial liabilities	-	**6,74,62,146**	-	**97,44,368**	-	**3,60,20,317**

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GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements as at 31st March 2017

16. Other Liabilities **Amounts in INR**

	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Statutory liabilities						
Service tax payable	-	-	-	-	2,30,862	-
Tax deducted at source payable	-	-	-	82,55,517	1,10,16,800	40,56,046
Others	-	-	-	8,79,430	11,10,706	42,59,981
Total	**-**	**-**	**-**	**91,34,947**	**1,23,58,368**	**83,16,027**

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GMR Corporate Affairs Pvt. Ltd. Bangalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements as at 31st March 2017

17. Provisions (Current and Non-Current)

Amounts in INR

Praticulars	Long-term			Short-term		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits						
Provision for Leave Encashment	71,99,637	1,13,54,657	1,82,52,924	61,63,646	33,10,856	26,57,202
Provision for Gratuity	55,90,777	44,20,023	32,62,060	2,15,37,078	2,81,60,290	2,72,86,210
Total	**1,27,90,414**	**1,57,74,680**	**2,15,14,984**	**2,77,00,724**	**3,14,71,146**	**2,99,43,412**

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GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements for the year ended 31st March 2017

18. Revenue From Operations

Breakup of "Revenue From Operations" in profit and loss is as follows:

Amounts in INR

Revenue from operations	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Revenue from Services	1,50,97,084	1,42,84,950
Grand Total	**1,50,97,084**	**1,42,84,950**

19. Other income

Amounts in INR

Particular	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Other income		
Government grants	-	-
Scrap sales	-	11,600
Other Non Operating Income	2,08,946	11,526
Rental Income	22,25,000	24,00,000
Interest on: (Note A)		
Bank deposits	-	56,538
Others-It Refund,RD	17,30,539	59,92,313
Fair Value Profit on Financial Instrument	-	25,52,600
Total	41,64,485	1,10,24,577

20. Finance Costs

Amounts in INR

Praticualars	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Interest expense:		
Interest and finance charges on financial liabilities not at fair value through profit or loss		-
Bank charges	1,309	
Other Financial liability	6,06,63,641	2,07,31,348
Total	6,06,64,950	2,07,31,348

21. Depreciation and amortization expense

Amounts in INR

Particulars	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Depreciation of tangible assets (note 3)	23,72,012	5,71,635
Amortization of intangible assets (note 4)	1,27,25,072	1,37,13,315
	-	-
Total	1,50,97,084	1,42,84,950

GURU & JANA Chartered Accountants

GMR Corporate Affairs Pvt. Ltd. Bangalore

22. Other expenses

Amounts in INR

Particulars	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Rent	6,03,001	6,01,000
Rates and taxes	36,260	39,980
Insurance	-	-
Repairs and maintenance	-	-
i) Plant & Machinery	-	-
ii) Buildings	-	-
iii) Others	1,28,633	43,400
Royalty & Commission	-	-
Forex Loss	34,329	25,079
Travelling and Conveyence	-	-
Legal and Professional fees	-	-
Direectors' sitting fee	2,01,000	2,00,300
Payments to Auditors:	-	-
- Audit Fee	1,70,500	60,000
- Reimbursement of expenses	-	-
- Tax audit fees	25,125	-
- Others Service	1,46,788	30,076
Fair Value loss on Financial Instrument	6,05,33,650	-
Membership Club	1,00,868	54,323
Total	6,19,80,154	10,54,158

23. Income Tax

A numerical reconciliation between tax expense (income) and the product of

Particulars	As at 31-Mar-17	As at 31-Mar-16
Accounting profit	-11,84,80,619	-1,07,60,929
Tax at the applicable tax rate of 30% (31.3.2016: 30%, 31.3.2015: 30%)	62,02,640	51,15,950
Tax effect of income that are not taxable in determining taxable profit:	-	-
Government grants exempted from tax		
Tax effect of expenses that are not deductible in determining taxable profit:		
Charitable donations		
Fines for environmental pollution	-	-
Other non-deductible expenses		
Tax expense	62,02,640	51,15,950

GURU & JANA, Chartered Accountants

GMR Corporate Affairs Pvt. Ltd. Bangalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements for the year ended 31st March 2017

24. Earnings Per Share (EPS)

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

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

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

Amounts in INR

Particulars	**31-Mar-17**	**31-Mar-16**
Profit attributable to equity holders of the parent		
Continuing operations	-10,10,86,713	-77,20,445
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	-	-
Interest on Non Convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	-10,10,86,713	-77,20,445
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	50,00,000	50,00,000
Effect of dilution:	-	-
Non Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	50,00,000	50,00,000
Earning Per Share (Basic) (Rs)	-20	-2
Earning Per Share (Diluted) (Rs)	-20	-2
Face value per share (Rs)	10	10

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25. Significant accounting judgements, estimates and assumptions

ESTIMATES AND ASSUMPTIONS

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

Taxes

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

Contingencies

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 23 for further disclosures.

GURU & JANA, Chartered Accountants

GMR Corporate Affairs Pvt. Ltd. Bangalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March 2017

26.a. Related Party Disclosures

Names of Related Parties and Description of Relationship:

Enterprises that control the Company	GMR Infrastructure Limited (GIL) (Holding Company)
Enterprises that control the Company	GMR Enterprises Pvt Ltd (GEPL) (Ultimate Holding Company)
Fellow Subsidiary Companies	GMR Infrastructure Limited
Fellow Subsidiary Companies	GMR Rajahmundry Energy Limited
Fellow Subsidiary Companies	GMR Chennai Outer Ring Road Pvt Limited.
Fellow Subsidiary Companies	GMR Vemagiri Power Generation Limited
Fellow Subsidiary Companies	GMR Kamalanga Energy Limited
Fellow Subsidiary Companies	GMR Chhattisgarh Energy Pvt Limited
Fellow Subsidiary Companies	GMR Maharashtra Energy Limited
Fellow Subsidiary Companies	GMR Mining & Energy Pvt Limited.
Fellow Subsidiary Companies	GMR Kakinada Energy Pvt Limited
Fellow Subsidiary Companies	GMR Coastal Energy Pvt Limited.
Fellow Subsidiary Companies	GMR Londa Hydropower Pvt Limited
Fellow Subsidiary Companies	GMR Energy Trading Limited
Fellow Subsidiary Companies	GMR Energy Limited
Fellow Subsidiary Companies	GMR Power Corportion Ltd
Fellow Subsidiary Companies	GMR Consulting Services Pvt Limited
Fellow Subsidiary Companies	GMR Kishangarh Udaipur Ahmedabad Expressways Pvt Limited
Fellow Subsidiary Companies	Delhi International Airport Pvt Limited
Fellow Subsidiary Companies	GMR Hyderabad Vijayawada Expressways Pvt Limited
Fellow Subsidiary Companies	GMR Tambaram Tindivanam Expressways Pvt Limited
Fellow Subsidiary Companies	GMR Tuni Ankapalli Expressways Pvt Limited
Fellow Subsidiary Companies	GMR Corporate Center Limited
Fellow Subsidiary Companies	GMR Krishangiri SEZ Limited
Fellow Subsidiary Companies	GMR Aviation Pvt Limited
Fellow Subsidiary Companies	GMR Airport Holding Limited
Fellow Subsidiary Companies	EMCO Energy Limited
Fellow Subsidiary Companies	GMR Airports Limited
Fellow Subsidiary Companies	GADL International Ltd
Fellow Subsidiary Companies	GMR Male International Airport Pvt Ltd
Fellow Subsidiary Companies	GMR Hyderabad International Airport Ltd
Fellow Subsidiary Companies	GMR SJK Power Gen Ltd
Fellow Subsidiary Companies	GMR Badrinath Power Generation Ltd
Fellow Subsidiary Companies	GMR Gujarat Solar Power Private Limited
Fellow Subsidiary Companies	GMR Family Fund Trust
Fellow Subsidiary Companies	Raxa Security Service Limited
Fellow Subsidiary Companies	GMR Megawide Cebu Airport Corporation
	G. Varalakshmi
Enterprise where key management personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation
Key Management Personnel and their relatives	
Director	K P Rao
Director	Govindarajulu T
Director	M V Srinivas
Director	Sis Ahmed
Manager	Bhagavan VSS
Company Secretary	Vimal Prakash
CFO	Ramesh KL

GURU & JANA Chartered Accountants

GMR Corporate Affairs Pvt. Ltd. Bangalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED

Notes to financial statement at year ended 2017

26.b.Related Party Transaction

The table below shows the total amount of transactions that have been entered into with related parties for the relevant financial year.

a. Reimbursement of Expenses	31-Mar-17	31-Mar-16
GMR Infrastructure Limited	1,50,97,084	1,42,84,950

b. Deposit Paid	31-Mar-17	31-Mar-16
GMR Family Fund Trust	19,60,83,262	19,60,83,262
G. Varalakshmi	9,00,000	9,00,000
Vasudha Madhva Terda	15,00,000	-
Madhva B	15,00,000	-
JAGDISH CHANDRA SHARMA	4,00,000	4,00,000
	20,03,83,262	19,73,83,262

c. Long Term Borrowings	31-Mar-17	31-Mar-16
GMR Infrastructure Limited	39,35,00,000	39,35,00,000

d. Investment in Subsidiary	31-Mar-17	31-Mar-16
GMR Business Process & Services Pvt Ltd	1,00,000	1,00,000
Gmr SEZ Infra Services Pvt Ltd	5,00,000	

e. Trade Receivable from Associate Companies	31-Mar-17	31-Mar-16
GMR Chhattisgarh Energy(p)Ltd	-	8,79,280
GMR Londa Hydropower Private Limited	1,57,201	1,28,010
GMR Consulting Services Pvt Ltd	1,00,691	1,28,010
GMR Kamalanga Energy Ltd	-	-
GMR Power Corporation Ltd.	-	1,80,232
GMR Vemagiri Power Generation Limite	-	3,61,224
GMR Maharashtra Energy Limited	1,72,375	85,875
GMR Energy Trading Ltd	2,48,250	85,875
GMR Kakinada Energy Private Limited	3,40,915	2,54,415
GMR Rajahmundhry Energy Ltd	-	11,47,270
GMR Coastal Energy Private Limited.	1,72,375	85,875
	11,91,807	33,36,066

h. Other Receivable from Associate Companies	31-Mar-17	31-Mar-16
GMR Infrastructure Limited	18,90,66,295	21,60,27,356
GMR WARORA ENERGY LIMITED	29,69,275	34,65,252
GMR Chennai Outer Ring Road Pvt. Ltd.	-	22,237
GMR Hyderabad Vijaywada Expressways Pvt Ltd	2,63,188	2,63,188
GMR Tambaram Tindivanam Expressways Pvt Ltd	57,18,077	54,87,072
GMR Krishnagiri SEZ Ltd	13,71,821	12,54,606
Delhi International Airport Pvt Ltd	1,27,000	1,06,000
GMR Rajahmundhry Energy Ltd	32,70,750	18,93,264
GMR Kishangarh Udaipur Ahmedabad	36,00,764	36,13,173
GMR Energy Limited	2,04,872	2,04,123
GMR Hyderabad International Airport Ltd	50,79,772	34,57,209
Raxa Security Services Pvt Ltd	-	1,01,55,887
GMR Coal Resources Pte. Ltd	3,76,963	3,85,634
GMR Airports Limited	71,485	71,485
GMR KAMALANGA ENERGY LIMITED	2,28,67,565	1,93,28,928
GMR MEGAWIDE CEBU AIRPORT CORPORATION	77,62,471	30,32,679
GMR Chhattisgarh Energy(p)Ltd	6,34,088	
GMR Vemagiri Power Generation Limited	6,30,384	
GMR Power corporation Ltd.	4,49,392	-
	24,44,64,162	26,87,68,092

GURU & JANA, Chartered Accountants

GMR Corporate Affairs Pvt. Ltd. Bangalore

g. Other Current Liabilities	31-Mar-17	31-Mar-16
GMR HYDERABAD VIJAYAWADA	65,46,000	65,46,000
GMR Chennai Outer Ring Road Pvt. Ltd.	65,29,500	65,29,500
GMR Rajahmundhry Energy Ltd	1,94,95,530	1,94,95,530
GMR EMCO Energy Limited	4,72,62,120	4,72,62,120
GMR Infrastructure Limited	14,96,71,535	19,82,41,149
DELHI INTERNATIONAL	1,06,390	1,10,930
GMR FAMILY FUND TRUS	1,41,34,952	15,74,081
RAXA SECURITY SERVICES LTD	63,13,843	4,05,21,375
GMR ENTERPRISES PVT.	3,46,996	44,550
GMR HOLDINGS PRIVATE	-	49,418
GMR Megawide CEBU Ai	-	49,27,208
GMR AVIATION PVT LTD	-	20,87,850
	25,04,06,866	**32,73,89,711**

h. Advances to Related Parties	31-Mar-17	31-Mar-16
GMR Power Corporation Ltd	1,75,33,144	1,75,33,144
GMR Energy Trading Ltd	1,16,76,227	1,16,76,227
GMR Chattisgarh Energy Ltd	2,47,71,744	2,47,71,744
GMR Kamalanga Energy Ltd	1,43,98,545	1,43,98,545
GMR EMCO Energy Ltd	1,43,98,545	1,43,98,545
GMR Gujarat Solar Power Pvt Ltd	-	1,16,76,227
	8,27,78,205	**9,44,54,432**

i. Interest accured and not due	31-Mar-17	31-Mar-16
GMR Infrastructure Limited	5,25,43,069	39,73,455
	5,25,43,069	**39,73,455**

GURU & JANA, Chartered Accountants

GMR Corporate Affairs Pvt. Ltd. Bangalore

27. 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:

Amount in INR

	Carrying value			Fair value		
	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Financial assets						
Investments						
Venture capital Fund	39,35,00,000	39,35,00,000		33,55,18,950	39,60,52,600	-
Investment in subsidiaries	-	-	-		-	-
GMR Business Process and Services Private limited	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
GMR SEZ INFRA SERVICE PVT LTD	5,00,000	-	-	5,00,000	-	-
Cash and cash equivalents						
Current Account	47,50,787	38,47,759	20,55,667	47,50,787	38,47,759	20,55,667
Bank balances other than						
Fixed Deposit	-	-	3,00,00,000	-	-	3,00,00,000
	-	-	-		-	-
Loans						
Unsecured, considered good/Security deposit	28,32,86,467	29,19,62,694	14,19,79,432	28,32,86,467	29,19,62,694	14,19,79,432
Loans & Advances to Employees	54,39,470	61,52,201	1,68,67,621	54,39,470	61,52,201	1,68,67,621
Advances Recoverable in cash or kind			8,59,00,000	-	-	8,59,00,000
Others	24,44,64,168	26,98,13,844	20,25,70,606	24,44,64,168	26,98,13,844	20,25,70,606
	-	-	-		-	-
Total	**93,20,40,892**	**#########**	**47,94,73,326**	**87,40,59,842**	**96,79,29,098**	**47,94,73,326**
Financial liabilities						
Borrowings						
Loan from group Company	39,35,00,000	39,35,00,000	2,94,00,000	39,35,00,000	39,35,00,000	2,94,00,000
Debentures	-	-	11,00,07,099	-	-	11,00,07,099
Trade payables						
- Related parties	28,71,56,439	33,83,58,782	10,92,48,263	28,71,56,439	33,83,58,782	10,92,48,263
Liability component of compound financial instrument						
Non Convertible preference shares (unsecured)	15,00,00,000	15,00,00,000	15,00,00,000	9,88,35,943	8,63,76,051	7,54,59,070
Total	**83,06,56,439**	**#########**	**39,86,55,362**	**77,94,92,382**	**81,82,34,833**	**32,41,14,432**

Assumption used in estimating the fair values

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.

► Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

► The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to useUnobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

► The fair values of the unquoted equity shares have been estimated using a DCF m+B26odel. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

► The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

► The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk. As at 31 March 2016, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

► Embedded foreign currency and commodity derivatives are measured similarly to the foreign currency forward contracts and commodity derivatives. The embedded derivatives are commodity and foreign currency forward contracts which are separated from long-term sales contracts where the transaction currency differs from the functional currencies of the involved parties. However, as these contracts are not collateralised, the Group also takes into account the counterparties' credit risks (for the embedded derivative assets) or the Group's own non-performance risk (for the embedded derivative liabilities) and includes a credit valuation adjustment or debit value adjustment, as appropriate by assessing the maximum credit exposure and taking into account market-

GURU & JANA, Chartered Accountants

GMR Corporate Affairs Pvt. Ltd. Bangalore

GMR CORPORATE AFFAIRS PRIVATE LIMITED
Notes to Fianancial Statements for the vear ended 31st March 2017

28 Fair Hierarchv

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

Amount in INR

Particulars	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
At FVTPL					
Venture capital Fund	31-Mar-17	33,55,18,950	-	-	33,55,18,950
Assets not measured at fair value (for which fair values are disclosed)			-	-	
Investment in subsidiaries	31-Mar-17	-	-	-	-
GMR Business Process and Services Private limited	31-Mar-17	1,00,000	-	-	1,00,000
GMR SEZ INFRA SERVICE PVT LTD	31-Mar-17	5,00,000	-	-	5,00,000
Cash and cash equivalents- Current account	31-Mar-17	47,50,787	-	-	47,50,787
Cash and cash equivalents - Fixed Deposit	31-Mar-17	-	-	-	-
Loans	31-Mar-17	-	-	-	-
Unsecured, considered good/Security deposit	31-Mar-17	28,32,86,467	-	-	28,32,86,467
Loans & Advances to Employees	31-Mar-17	54,39,470	-	-	54,39,470
Advances Recoverable in cash or kind	31-Mar-17	-	-	-	-
Others	31-Mar-17	24,44,64,168	-	-	24,44,64,168
Financial liabilities	31-Mar-17	-	-	-	-
Liabilities not measure at fair value (for which fair values are disclosed)			-	-	-
Borrowings	31-Mar-17	39,35,00,000	-	-	39,35,00,000
Loan from group Company	31-Mar-17	-	-	-	-
Debentures	31-Mar-17		-	-	-
Trade payables	31-Mar-17	-	-	-	-
- Related parties	31-Mar-17	28.71.56.439	-	-	28.71.56.439
Liability component of compound financial instrument	31-Mar-17	-	-	-	-
Non Convertible preference shares (unsecured)	31-Mar-17	15,00,00,000	-	-	15,00,00,000

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

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

Particulars	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
At FVTPL					
Venture capital Fund	31-Mar-16	39,35,00,000	-	-	39,35,00,000
Assets not measured at fair value (for which fair values are disclosed)	31-Mar-16			-	
Investment in subsidiaries	31-Mar-16		-	-	-
GMR Business Process and Services Private limited	31-Mar-16	1,00,000		-	1,00,000
GMR SEZ INFRA SERVICE PVT LTD	31-Mar-16	-		-	-
Cash and cash equivalents- Current account	31-Mar-16	38,47,759		-	38,47,759
Cash and cash equivalents - Fixed Deposit	31-Mar-16	-		-	-
Loans	31-Mar-16	-		-	-
Unsecured, considered good/Security deposit	31-Mar-16	29,19,62,694		-	29,19,62,694
Loans & Advances to Employees	31-Mar-16	61,52,201	-	-	61,52,201
Advances Recoverable in cash or kind	31-Mar-16	-	-	-	-
Others	31-Mar-16	26,98,13,844	-	-	26,98,13,844
Financial liabilities				-	-
Liabilities not measure at fair value (for which fair values are disclosed)	31-Mar-16			-	-
Borrowings	31-Mar-16	-	-	-	-
Loan from group Company	31-Mar-16	39,35,00,000		-	39,35,00,000
Debentures	31-Mar-16	-		-	-
Trade payables	31-Mar-16	-	-	-	-
- Related parties	31-Mar-16	33.83.58.782	-	-	33.83.58.782
Liability component of compound financial instrument	31-Mar-16	-		-	-
Non Convertible preference shares (unsecured)	31-Mar-16	15,00,00,000		-	15,00,00,000

GURU & JANA, Chartered Accountants

GMR Corporate Affairs Pvt. Ltd. Bangalore

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

Ouantitative disclosures fair value measurement hierarchv for assets and liabilities as at 31 March 2015

Particulars	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
At FVTPL					
Venture capital Fund	31-Mar-15	-			
Assets not measured at fair value (for which fair values are disclosed)					
Investment in subsidiaries					
GMR Business Process and Services Private limited	31-Mar-15	1,00,000	-	-	1,00,000
GMR SEZ INFRA SERVICE PVT LTD	31-Mar-15	-	-	-	-
Cash and cash eauivalents- Current account	31-Mar-15	20,55,667	-	-	20,55,667
Cash and cash eauivalents - Fixed Deposit	31-Mar-15	3,00,00,000	-	-	3,00,00,000
Loans				-	
Unsecured, considered good/Security deposit	31-Mar-15	14,19,79,432		-	14,19,79,432
Loans & Advances to Employees	31-Mar-15	1,68,67,621	-	-	1,68,67,621
Advances Recoverable in cash or kind	31-Mar-15	8,59,00,000		-	8,59,00,000
Others	31-Mar-15	20,25,70,606		-	20,25,70,606
		-	-	-	-
Financial liabilities		-	-	-	-
Liabilities not measure at fair value (for which fair values are disclosed)				-	
Borrowinas				-	-
Loan from aroup Companv	31-Mar-15	2,94,00,000		-	2,94,00,000
Debentures	31-Mar-15	11,00,07,099		-	11,00,07,099
Trade pavables				-	
- Related parties	31-Mar-15	10.92.48.263		-	10.92.48.263
Liability component of compound financial instrument				-	
Non Convertible preference shares (unsecured)	31-Mar-15	15,00,00,000			15,00,00,000

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

GURU & JANA, Chartered Accountants

GMR Corporate Affairs Pvt. Ltd. Bangalore

29 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments.
The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives, if any, and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2017.
The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 36.
The following assumptions have been made in calculating the sensitivity analyses:
► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.
The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

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

	Increase/decrease in basis points	Effect on profit before tax
31-Mar-17		Amt in INR
INR	+50	19,67,500
31-Mar-17		
INR	-50	-19,67,500

Credit risk

Trade receivables- Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.
An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are Companyed into homogenous Companys and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9.

Financial instruments and cash deposits- Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.
The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 42 and the liquidity table below

GURU & JANA, ★ Chartered Accountants ★

Liquidity risk

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	INR	INR	INR	INR	INR	INR
Year ended 31-Mar-17						
Borrowings				49,23,35,943		49,23,35,943
Provisions - Long Term				1,27,90,414		1,27,90,414
Trade Payables	28,71,56,439					28,71,56,439
Other financial liabilities			**6,74,62,146**			6,74,62,146
Other current liabilities		91,34,947				91,34,947
Provisions - Short term			2,77,00,724			2,77,00,724
Total	**28,71,56,439**	**91,34,947**	**9,51,62,870**	**50,51,26,357**		**89,65,80,613**
Year ended 31-Mar-16						
Borrowings				47,98,76,051		47,98,76,051
Provisions - Long Term				1,57,74,680		1,57,74,680
Trade Payables	33,83,58,782					33,83,58,782
Other financial liabilities			97,44,368			97,44,368
Other current liabilities		1,23,58,368				1,23,58,368
Provisions - Short term			**3,14,71,146**			3,14,71,146
Total	**33,83,58,782**	**1,23,58,368**	**4,12,15,514**	**49,56,50,731**	-	**88,75,83,395**
As at 01-Apr-15						
Borrowings			2,94,00,000	18,54,66,169		21,48,66,169
Provisions - Long Term				2,15,14,984		2,15,14,984
Trade Payables	10,92,48,263					10,92,48,263
Other financial liabilities			3,60,20,317			3,60,20,317
Other current liabilities		83,16,027				83,16,027
Provisions - Short term			2,99,43,412			2,99,43,412
Total	**10,92,48,263**	**83,16,027**	**9,53,63,729**	**20,69,81,153**	-	**41,99,09,172**

GURU & JANA., Chartered Accountants

30. First Time Adoption of Ind AS

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

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

Exemptions applied:-

Mandatory exemptions:

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).
The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS, as of 31 March 2016.

De-recognition of financial assets and liabilities

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

Classification and measurement of Financial assets

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

Optional exemptions:

Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets) (Ind AS 101.D7AA)

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.

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

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

As per our report of even date
for **Guru & Jana**
Chartered Accountants
Firm Registration No.006826S

GURU & JANA, Chartered Accountants

M. Surendra Reddy
Partner
Membership No.215205

for and on behalf of the Board of Directors

Srinivas

M. V. Srinivas
Director
DIN: 2477894

Govindarajulu
Director
DIN: 02734169

Ramesh KL
CFO

GMR Corporate Affairs Pvt. Ltd. Bangalore

V Prakash

Vimal Prakash
Company Secretary

Place : Bangalore
Date : 25 APRIL 2017