

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF GMR ENERGY TRADING LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying IND AS financial statements of **GMR Energy Trading Ltd** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these IND AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these IND AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone IND AS Financial Statements in accordance with the Standards on Auditing, issued by The Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31<sup>st</sup> 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of changes in equity dealt with by this Reports are in agreement with the books of account.
  - (d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules, 2015 as amended.
  - (e) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. the Company has disclosed the details and impact of pending litigations on the financial position of the company in its financial statements. – Refer Note 31 to the financial statements.
    - b. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
    - c. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



**GIRISH  
MURTHY & KUMAR**  
Chartered Accountants

- d. The company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified bank notes during the period from 08<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. However, as stated in note 36 to the financial statements and as represented to us by the Management, the company has received amounts aggregating Rs.48.44 lakhs pertaining to advances returned by employees which in our view are not permitted. Based on our audit procedures and relying upon the management representations regarding the holding and nature of cash transactions, including SBNs, we report that these disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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

*A.V. Satish Kumar*

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

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



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

**Re: GMR Energy Trading Ltd**

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- i. a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - b. The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the Company.
- ii. As the company is carrying on Power Trading Business there is no need to hold stocks of finished goods, stores, spare parts and raw material during/at the end of the year, as such reporting requirement under this clause is not applicable
- iii. In our opinion and according to the information and explanation given to us, the Company has granted unsecured loans to the companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act,2013.However the terms and conditions of the grant of such loan are not prejudicial to the interest of the company and repayments of principle and payment of interest are made as per agreed terms.
- iv. In our opinion and according to the information and explanation given to us the company has not granted any loan, made any investments, gave any guarantee or provided security in connection with a loan to any other body corporate or person in contravention of section 185 and 186 of the Companies Act,2013.
- v. According to the information and explanation given to us the company has not accepted deposits from the public during the year Accordingly clause 3 (V) of the order is not applicable.
- vi. According to the information and explanation given to us the Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013 for the activities carried out by the Company, and hence clause 3(VI) of the order is not applicable.
- vii. a. According to 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, Income-Tax, Sales tax, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities. We are informed by the company that the provisions of Employees State Insurance, Duty of Customs and Duty of Excise are not applicable. According to the information and explanations given to



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Chartered Accountants

us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable..

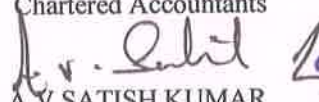
- b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, value added tax outstanding on account of any dispute. We are informed by the company that the provisions of Duty of Customs and Duty of Excise are not applicable.
- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that, the company has not defaulted in the repayment of loans taken from a bank during the year. Further the company has not taken any loan from financial institution and government and there are no dues to debenture holders.
- ix. The company did not raise any money by way of initial public offer or further public offer(Including debt instrument) or has taken term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
- x. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud by the company or on the company by its officers or employees of the company during the year.
- xi. The company has paid or provided the managerial Remuneration as per provision of section 197 read with Schedule V to the companies act. However, the company has paid sitting fees to Independent director during the year, which are within the limits as Prescribed under the company's act.
- xii. The company is not a nidhi company. As such reporting requirements of this clause are not applicable.
- xiii. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that all the transaction with the related parties are in compliance with section 177 and 188 of Companies Act.2013 and the details of the transactions have been disclosed in the Financial Statements as per applicable accounting Standards.
- xiv. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that the Company has not made any preferential allotment or private placement of shares or fully or partly debentures during the year under review.
- xv. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the order is not applicable.



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xvi. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company is not required to be Registered under Section 45 -IA of the Reserve Bank of India.

PLACE: Bangalore  
DATE: 28<sup>th</sup> April 2017

FOR GIRISH MURTHY & KUMAR  
Chartered Accountants  
  
A V SATISH KUMAR  
Partner  
Membership no.26526  
FRN No. 000934S



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

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

**Re: GMR Energy Trading Ltd**

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We have audited the internal financial controls over financial reporting of **GMR Energy Trading Ltd** (“the Company”) as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**





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Chartered Accountants

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

PLACE: Bangalore  
DATE: 28<sup>th</sup> April 2017

FOR GIRISH MURTHY & KUMAR  
Chartered Accountants



A V SATISH KUMAR  
Partner  
Membership No. 26562  
FRN no. 000934S





GMR ENERGY TRADING LIMITED  
Balance sheet as at March 31st 2017

Rs. in Lakhs

Particulars		March 31, 2017	March 31, 2016	March 31, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	3	26.75	26.09	29.62
Other Intangible assets	4	0.63	1.00	1.50
<b>Financial assets</b>				
Loans	5	-	-	-
Other (non-current financial assets )	6	77.15	77.15	3,338.77
Other non-current assets	7	27.27	27.27	35.83
		<b>131.80</b>	<b>131.51</b>	<b>3,405.72</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Trade Receivables	8	24,652.78	11,058.87	2,425.37
Other current financial assets	9	1,042.96	1,191.01	368.85
Cash and Cash Equivalents	10	3,213.51	1,078.11	405.56
Loans	11	23,006.97	17,532.53	26,568.08
Other current assets	12	6,372.53	7,629.88	4,366.23
		<b>58,288.75</b>	<b>38,490.40</b>	<b>34,134.09</b>
Significant accounting policies and notes to financial statements				
Assets classified as held for distribution				
<b>TOTAL ASSETS</b>		<b>58,420.55</b>	<b>38,621.91</b>	<b>37,539.81</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	13	7,400.00	7,400.00	7,400.00
Other equity	14	1,096.77	1,537.91	3,318.67
Money received against share warrants		-	-	-
<b>Total equity</b>		<b>6,303.23</b>	<b>5,862.09</b>	<b>4,081.33</b>
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		-	-	-
Trade and other payables	15	-	-	4,476.09
Other financial liabilities		-	-	-
Other non-current liabilities		-	27.32	-
Provisions		43.82	22.04	-
		<b>43.82</b>	<b>49.36</b>	<b>4,476.09</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	16	13,354.27	13,750.00	21,888.69
Trade payables	17	37,680.63	16,879.97	5,306.15
Other financial liabilities	18	376.00	1,019.83	283.26
Other current liabilities	19	493.43	976.65	1,405.68
Provisions	20	169.17	84.01	98.61
		<b>52,073.50</b>	<b>32,710.46</b>	<b>28,982.39</b>
<b>Total liabilities</b>		<b>52,117.32</b>	<b>32,759.82</b>	<b>33,458.48</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>58,420.55</b>	<b>38,621.91</b>	<b>37,539.81</b>

Corporate Information 1  
Summary of significant accounting policies 2  
The accompanying notes form an integral part of the financial statements.

As per our report of even date

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

For and on behalf of the Board of directors

*Satish Kumar AV*  
Satish Kumar AV  
Partner  
Membership no : 26526

*Ashok Kumar Prusty*  
ASHOK KUMAR PRUSTY  
Director  
DIN-01872233  
*Chirag Banga*  
Chirag Banga  
Company Secretary



*Ashish Basu*  
ASHISH BASU  
Director  
DIN-01872233  
*Rajesh Silla*  
Rajesh Silla  
Chief Financial Officer

Place: Delhi  
Date: 28th April, 2017



**GMR ENERGY TRADING LIMITED**  
**Statement of Profit and Loss for the period ended 31st March 2017**

Rs in Lakhs

Particulars	Notes	31st March 2017	31st March 2016
<b>REVENUE</b>			
Revenue from operations (gross)	21	1,44,686.75	1,30,174.85
Other Income	22	2,036.90	3,698.93
<b>Total Revenue (I)</b>		<b>1,46,723.64</b>	<b>1,33,873.78</b>
<b>Expenses</b>			
Purchase of traded goods	23	1,42,241.75	1,28,545.47
Employee benefit expense	24	581.88	564.70
Other expenses	25	1,466.09	1,230.71
Exceptional Items			
Share of (profit)/loss from investment in partnership firm			
Provision for ECL			-
<b>Total Expenses (II)</b>		<b>1,44,289.72</b>	<b>1,30,340.88</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)</b>		<b>2,433.92</b>	<b>3,532.90</b>
Depreciation and amortization expense	26	8.79	7.25
Financial costs	27	1,860.94	1,716.49
<b>Profit/(loss) before tax</b>		<b>564.19</b>	<b>1,809.16</b>
<b>Tax expenses</b>			
Current Tax		121.36	17.19
Deferred Tax		-	-
<b>Total Tax Expense</b>		<b>121.36</b>	<b>17.19</b>
<b>Profit/(loss) for the period</b>		<b>442.83</b>	<b>1,791.97</b>
<b>Other Comprehensive Income</b>			
<b>Item that will not be reclassified to Profit &amp; Loss</b>			
Remeasurmnt of the defined benefit liability/asset		(1.70)	(11.20)
		(1.70)	(11.20)
<b>Profit/(loss) for the period</b>		<b>441.13</b>	<b>1,780.77</b>
<b>Earnings from equity share [ nominal value of share Rs.10] (31 March 2015: Rs.10, 31 March 2016 : Rs.10) Basic and Diluted (in Rs.)</b>	28	0.60	2.41

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

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

As per our report of even date

For Girish Murthy & Kumar  
 Firm registration number: 000934S  
 Chartered Accountants

For and on behalf of the Board of Directors

*Satish Kumar AV*

**Satish Kumar AV**  
 Partner  
 Membership no.: 026526



Place: Delhi  
 Date: 28th April, 2017

*Ashok Kumar Prusty*  
**ASHOK KUMAR Prusty**  
 Director  
 DIN-07603471

*Ashis Basu*  
**ASHIS BASU**  
 Director  
 DIN-01872233



*Chirag Banga*  
**Chirag Banga**  
 Company Secretary

*S. Rajesh*  
**Rajesh Silla**  
 Chief Financial Officer

**GMR ENERGY TRADING LIMITED**

Cash flow statement for the year ended 31st March 2017

	31st March 2017 (Rs. In Lakhs)	31st March 2016 (Rs. In Lakhs)
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	564.19	1,809.16
Profit before tax from discontinuing operations		
Profit before tax	<b>564.19</b>	<b>1,809.16</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Share of profit from investment in partnership firm		
Depreciation/ amortization on continuing operation	8.79	7.25
Impairment/ other write off on tangible/ intangible assets pertaining to continuing operation		
Impairment/ other write off on tangible/ intangible assets pertaining to discontinuing operation		
Profit on sale of current investments (other than trade)	(98.12)	(27.49)
Interest Income	(1,938.78)	(1,907.87)
Prior Period income	-	(12.19)
Dividend income	-	-
Loss/ (profit) on sale of fixed assets	-	-
Provision for diminution in value of investments	-	-
Provision for doubtful advances and debtors	-	-
Provisions no longer required, written back	-	-
Bad debts / advances written off	-	-
Provision for diminution in value of investments of Subsidiary Company	-	-
Finance costs	1,860.94	1,716.49
<b>OCI Cost</b>	<b>(1.70)</b>	<b>(11.20)</b>
Employee stock compensation expense		
Unrealized foreign exchange loss		
Premium on forward exchange contract amortized		
Interest expense		
Interest income on investments		
Dividend income		
Net gain on sale of current investments		
<b>Operating profit before working capital changes</b>	<b>395.33</b>	<b>1574.15</b>
Movements in working capital :		
Increase/ (Decrease) in trade payables	20,800.66	7,097.73
Increase/ (decrease) in short term borrowings	3,812.27	1,065.31
Increase/ (decrease) in other current liabilities	(1,127.05)	307.54
Increase/ (decrease) in other non- current liabilities	(27.32)	27.32
Decrease / (increase) in trade receivables	(13,593.91)	(8,633.50)
Decrease / (increase) in inventories	-	-
Decrease / (increase) in other non current assets	0.00	3,270.18
Decrease / (increase) in other current assets	1,405.40	(4,085.81)
Decrease / (Increase) long term loans and advances		
Decrease / (increase) short term loans and advances	(5,474.44)	9,035.55
Increase / (Decrease) in long term provisions	21.78	(22.04)
Increase / (decrease) in short-term provisions	85.16	(14.60)
<b>Cash generated from / (used in) operations</b>	<b>6,297.87</b>	<b>9,621.83</b>
Direct taxes paid (net of refunds)	(121.36)	(17.19)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>6,176.51</b>	<b>9,604.64</b>
<b>Cash flows from investing activities</b>		
Loans and advances given		
Purchase of fixed assets	(9.08)	(3.24)
Proceeds from sale of fixed assets		
Purchase of Non-current investments		
Increase in bank deposits		
Proceeds from sale/maturity of current investments	98.12	27.49
Investments in bank deposits		
Redemption/ maturity of bank deposits		
Purchase consideration for amalgamation (note 35)		
Interest received	1,938.78	1,907.87
Dividends received from subsidiary company		
Dividends received		
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>2,027.82</b>	<b>1,932.12</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital		
Proceeds from issuance of preference share capital		
Proceeds from long-term borrowings		
Repayment of long-term borrowings		
Proceeds from short-term borrowings	7,667.00	4,875.00
Repayment of short-term borrowings	(11,875.00)	(14,079.00)
Repayment of debentures		
Interest paid	(1,860.94)	(1,716.49)





Dividends paid on equity shares		
Dividends paid on preference shares		
Tax on equity dividend paid		
Tax on preference dividend paid		
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(6,068.94)</b>	<b>(10,920.49)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	2,135.39	616.28
Effect of exchange differences on cash & cash equivalents held in foreign currency		
Cash and cash equivalents at the beginning of the year	1,078.11	405.56
<b>Cash and cash equivalents at the end of the period</b>	<b>3,213.50</b>	<b>1,021.84</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand		-
Cheques/ drafts on hand		-
With banks- on current account	3,213.51	1,078.11
- on deposit account		
- unpaid dividend accounts*		
- unpaid matured deposits		
- unpaid matured debentures		
<b>Total cash and cash equivalents (note 9)</b>	<b>3,213.51</b>	<b>1,078.11</b>

Corporate Information	1
Summary of significant accounting policies	2


**Notes:**

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

As per our report of even date


For Girish Murthy & Kumar  
Firm registration number: 000934S  
Chartered Accountants

For and on behalf of the Board of Directors

  
**A V Satish Kumar**  
Partner  
Membership no.: 26526

  
**ASHOK KUMAR Prusty**  
Director  
DIN - 07603471



  
**ASHIS BASU**  
Director  
DIN - 01872233

Place: Delhi  
Date: 28th April, 2017



  
**Chirag Banga**  
Company Secretary

  
**Rajesh Silla**  
Chief Financial Officer

(Rs. in Lakhs)

Attributable to the equity holders of the parent				
		Reserves and surplus	Items of OCI	Total
	Equity Share Capital	Retained earnings	<u>Items of OCI</u>	Total
As at 1 April 2015	7,400.00	(3,318.66)	-	4,081.34
Profit for the period	-	1,791.98	-	1,791.98
Other comprehensive income	-	-	(11.20)	(11.20)
At 31 March 2016	7,400.00	(1,526.68)	(11.20)	5,862.12
Profit for the period	-	442.83	(1.70)	441.13
Other comprehensive income	-	-	(1.70)	(1.70)
At 31 March 2017	7,400.00	(1,083.85)	(14.60)	6,301.56



## GMR Energy Trading Limited

### Corporate Information

GMR Energy Trading Ltd is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has been incorporated with the object of carrying on the business of trading in electricity. The company has obtained Category 'I' trading license from the Central Electricity Regulatory Commission (CERC) on October 14, 2008 and subsequently commenced its commercial operations and has continuously traded all over India.

The registered office of the company is located at Skip House, 25/1, Museum Road, Bengaluru - 560025

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

The financial statements were approved for issue in accordance with a resolution of the directors on 28-04-2017.

### Significant Accounting Policies

#### Basis of preparation

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

For all periods up to and including the year ended 31 March 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 the Company has prepared in accordance with Ind AS. Refer note 31 for information on how the Company adopted Ind AS.

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

#### Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities as non-current.

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

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

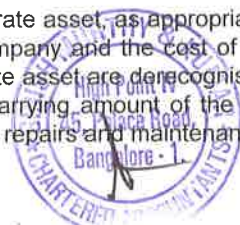
#### Property, plant and equipment

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment as at 31 March 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on 1 April 2015.

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

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

#### Depreciation





Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives prescribed under Schedule II, except for assets individually costing less than Rs. 5,000, which are fully depreciated in the year

## Foreign currency translation

### i) Functional and presentation currency

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

### ii) Transaction and balances

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

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

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

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

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

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

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

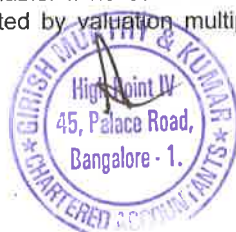
## Borrowing cost

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

## Impairment of non-financial assets

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

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



The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

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

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

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

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

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

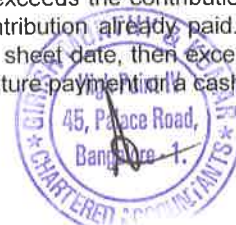
Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

#### **Retirement and other Employee Benefits**

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 benefits in the form of provident fund, pension fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contributions payable to the provident fund, pension fund and superannuation fund. The Company recognises contribution payable to the provident fund, pension fund and superannuation fund schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, The Company recognizes contribution payable as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.



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

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

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

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

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

#### **Long term employee benefits**

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

#### **Financial Instruments**

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

#### **Financial assets**

##### **Initial recognition and measurement**

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

##### **Subsequent measurement**

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

- 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

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 group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding Debt instrument at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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





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

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

#### **Derecognition**

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original **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

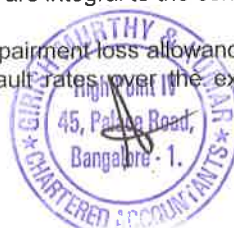
The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade



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

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

b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI. For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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

## **Financial liabilities**

### **Initial recognition and measurement**

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

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

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

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

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

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

### **Subsequent measurement**

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

#### **Financial liabilities at fair value through profit or loss**

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ 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.

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

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



### **Reclassification of financial assets**

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

### **Offsetting of financial instruments**

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

### **Derivative financial instruments**

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

### **Cash and cash equivalents**

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

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

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

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.

### **Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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





The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

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

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Valuation Committee, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

- a) Disclosures for valuation methods, significant estimates and assumptions (note 26)
- b) Contingent consideration (note 28)
- c) Quantitative disclosures of fair value measurement hierarchy (note 31)
- d) Investment in unquoted equity shares (discontinued operations) (note 5 and note 13)

#### Revenue recognition

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

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

In case of power generating and trading companies, revenue from energy units sold as per the terms of the PPA and Letter Of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis and includes unbilled revenue accrued up to the end of the accounting year. Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to customers based on the units of energy delivered and the rate agreed with the customers.

Interest income: For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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

#### Taxes on income

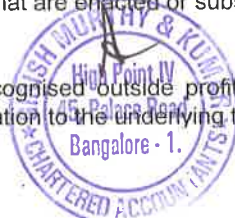
##### Current income tax expense comprises current and deferred tax.

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

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

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

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax Sales/ value added taxes paid on acquisition of assets or on incurring expenses

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

- ▶ When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ▶ When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

### Earning per share

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

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



Tangible Assets

Particulars	(Rs. In Lakhs)				
	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
<b>Cost or Valuation</b>					
At 1 April 2015	3.34	1.38	32.93	15.62	53.26
Additions	0.26	-	-	2.98	3.24
Disposals	-	-	-	-	-
Other Adjustments	-	-	-	-	-
<b>At 31 Mar 2016</b>	<b>3.60</b>	<b>1.38</b>	<b>32.93</b>	<b>18.60</b>	<b>56.50</b>
At 1 April 2016	3.60	1.38	32.93	18.60	56.50
Additions	3.50	0.93	-	4.65	9.08
Disposals	-	-	-	-	-
Other Adjustments	-	-	-	-	-
<b>At 31 Mar 2017</b>	<b>7.09</b>	<b>2.31</b>	<b>32.93</b>	<b>23.25</b>	<b>65.58</b>
	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
<b>Depreciation</b>					
At 1 April 2015	0.53	0.23	9.85	13.03	23.64
Charge for the year	0.81	0.14	4.15	1.66	6.77
Depreciation w/off from Reserves	-	-	-	-	-
Disposals	-	-	-	-	-
<b>At 31 Mar 2016</b>	<b>1.34</b>	<b>0.37</b>	<b>14.00</b>	<b>14.69</b>	<b>30.41</b>
At 1 April 2016	1.34	0.37	14.00	14.69	30.41
Charge for the year	1.16	0.14	4.15	2.97	8.42
Depreciation w/off from Reserves	-	-	-	-	-
Disposals	-	-	-	-	-
<b>At 31 Mar 2017</b>	<b>2.51</b>	<b>0.51</b>	<b>18.14</b>	<b>17.66</b>	<b>38.83</b>
<b>Net Block</b>					
At 31 March 2016	2.25	1.00	18.93	3.91	26.09
At 31 Mar 2017	4.59	1.79	14.78	5.59	26.7530

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

Intangible Assets	(Rs. In Lakhs)	
	Computer Software	Total
<b>Cost or Valuation</b>		
At 1 April 2015	3.13	3.13
Additions	-	-
Disposals	-	-
Other Adjustments	-	-
<b>At 31 Mar 2016</b>	<b>3.13</b>	<b>3.13</b>
At 1 April 2016	3.13	3.13
Additions	-	-
Disposals	-	-
Other Adjustments	-	-
<b>At 31 Mar 2017</b>	<b>3.13</b>	<b>3.13</b>
	Computer Software	Total
<b>Depreciation</b>		
At 1 April 2015	1.64	1.64
Charge for the year	0.49	0.49
Disposals	-	-
<b>At 31 Mar 2016</b>	<b>2.12</b>	<b>2.12</b>
At 1 April 2016	2.12	2.12
Charge for the year	0.37	0.37
Disposals	-	-
<b>At 31 Mar 2017</b>	<b>2.50</b>	<b>2.50</b>
<b>Net Block</b>		
At 31 March 2016	1.00	1.00
At 31 Mar 2017	0.63	0.63



GMR ENERGY TRADING LIMITED

Notes to financial statements for the year ended 31st March 2017

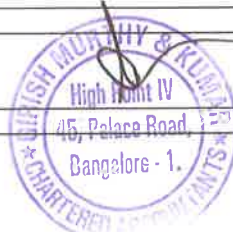
3 Tangible Assets

Particulars	(Rs. In Lakhs)				
	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
<b>Cost or Valuation</b>					
At 1 April 2015	3.34	1.38	32.93	15.62	53.26
Additions	0.26	-	-	2.98	3.24
Disposals	-	-	-	-	-
Other Adjustments	-	-	-	-	-
<b>At 31 Mar 2016</b>	<b>3.60</b>	<b>1.38</b>	<b>32.93</b>	<b>18.60</b>	<b>56.50</b>
At 1 April 2016	3.60	1.38	32.93	18.60	56.50
Additions	3.50	0.93	-	4.65	9.08
Disposals	-	-	-	-	-
Other Adjustments	-	-	-	-	-
<b>At 31 Mar 2017</b>	<b>7.09</b>	<b>2.31</b>	<b>32.93</b>	<b>23.25</b>	<b>65.58</b>
	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
<b>Depreciation</b>					
At 1 April 2015	0.53	0.23	9.85	13.03	23.64
Charge for the year	0.81	0.14	4.15	1.66	6.77
Depreciation w/off from Reserves	-	-	-	-	-
Disposals	-	-	-	-	-
<b>At 31 Mar 2016</b>	<b>1.34</b>	<b>0.37</b>	<b>14.00</b>	<b>14.69</b>	<b>30.41</b>
At 1 April 2016	1.34	0.37	14.00	14.69	30.41
Charge for the year	1.16	0.14	4.15	2.97	8.42
Depreciation w/off from Reserves	-	-	-	-	-
Disposals	-	-	-	-	-
<b>At 31 Mar 2017</b>	<b>2.51</b>	<b>0.51</b>	<b>18.14</b>	<b>17.66</b>	<b>38.83</b>
<b>Net Block</b>					
At 31 March 2016	2.25	1.00	18.93	3.91	26.09
At 31 Mar 2017	4.59	1.79	14.78	5.59	26.7530

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

4 Intangible Assets

	(Rs. In Lakhs)	
	Computer Software	Total
<b>Cost or Valuation</b>		
At 1 April 2015	3.13	3.13
Additions	-	-
Disposals	-	-
Other Adjustments	-	-
<b>At 31 Mar 2016</b>	<b>3.13</b>	<b>3.13</b>
At 1 April 2016	3.13	3.13
Additions	-	-
Disposals	-	-
Other Adjustments	-	-
<b>At 31 Mar 2017</b>	<b>3.13</b>	<b>3.13</b>
	Computer Software	Total
<b>Depreciation</b>		
At 1 April 2015	1.64	1.64
Charge for the year	0.49	0.49
Disposals	-	-
<b>At 31 Mar 2016</b>	<b>2.12</b>	<b>2.12</b>
At 1 April 2016	2.12	2.12
Charge for the year	0.37	0.37
Disposals	-	-
<b>At 31 Mar 2017</b>	<b>2.50</b>	<b>2.50</b>
<b>Net Block</b>		
At 31 March 2016	1.00	1.00
At 31 Mar 2017	0.63	0.63



GMR ENERGY TRADING LIMITED  
Notes to the financial statements as at 31st March 2017

5 Loans

Long-term loans and advances  
Loan and advances to related parties  
Unsecured, considered good  
Deposit with Related Parties  
Unsecured, considered doubtful

Other loans and advances (unsecured considered good)  
Loans to employees

Less: Provision for doubtful loans and advances  
Total long-term loans and advances (A+B+C-D)

	Ind AS March 31, 2017 Rs. in Lakh	Ind AS March 31, 2016 Rs. in Lakh	Ind AS March 31, 2015 Rs. in Lakh
	-	-	-
	-	-	-
	-	-	-
	-	-	-
(C)	-	-	-
(D)	-	-	-

Other financial assets

6 Other non-current financial assets (unsecured considered good)

Security deposit  
Interest accrued on loans  
Trade Receivables  
Prepaid expenses  
Provision for Expected Credit Loss  
Total other non-current financial assets

	Ind AS March 31, 2017 Rs in Lakh	Ind AS March 31, 2016 Rs in Lakh	Ind AS March 31, 2015 Rs in Lakh
	77.15	77.15	78.25
	-	-	545.72
	-	-	4,476.38
	-	-	-
	-	-	1,761.57
	77.15	77.15	3,338.77

7 Other assets

Other non-current assets  
Unamortised expenditure  
Ancillary cost of arranging the borrowings

Capital advances  
Unsecured, considered good

Advances recoverable in cash or kind  
Unsecured considered good

Others

Total other non-current assets (A+B+C+D)

	Ind AS March 31, 2017 Rs in Lakh	Ind AS March 31, 2016 Rs in Lakh	Ind AS March 31, 2015 Rs in Lakh
	-	-	-
(A)	-	-	-
(B)	-	-	-
(C)	27.27	27.27	35.83
(D)	-	-	-
	27.27	27.27	35.83

8 Trade receivables and other assets

Unsecured, considered good  
Outstanding for a period exceeding six months from the date they are due for payment

Outstanding less than six months  
Expected Credit Loss on account of delay

Other receivables  
Secured, considered good  
Unsecured, considered good

Total

	Ind AS March 31, 2017 Rs in Lakh	Ind AS March 31, 2016 Rs in Lakh	Ind AS March 31, 2015 Rs in Lakh
	517.08	-	263.42
	24,186.43	11,062.49	-
	50.72	3.63	17.82
(A)	24,652.78	11,058.87	245.60
	-	-	2,179.77
(B)	-	-	2,179.77
	24,652.78	11,058.87	2,425.37

9 Other current financial assets (unsecured considered good)

Security deposit  
Interest accrued on loans  
Total other current financial assets

Total other financial assets

	10.75	10.65	80.29
	1,032.21	1,180.37	288.56
	1,042.96	1,191.01	368.85
	1,120.12	1,268.17	3,707.61





10 Cash and cash equivalents

	Non Current			Current		
	Ind AS March 31, 2017 Rs in Lakh	Ind AS March 31, 2016 Rs in Lakh	Ind AS March 31, 2015 Rs in Lakh	Ind AS March 31, 2017 Rs in Lakh	Ind AS March 31, 2016 Rs in Lakh	Ind AS March 31, 2015 Rs in Lakh
Balances with banks:						
- On current accounts				2,663.51	1,078.11	405.56
- Deposits with original maturity of less than or equal to 3 months				500.00		
Cheques on hand						
Cash on hand						
				3,163.51	1,078.11	405.56
Other bank balances						
- Deposits with original maturity for more than 3 months but less than or equal to 12 months			50			
- Deposits with original maturity for more than 12 months						
- Margin money deposit						
			50.00			
Amount disclosed under non-current assets (refer note 15.2)			50.00	3,163.51	1,078.11	405.56

11 Short-term loans and advances

Loan and advances to related parties

Unsecured, considered good		22,864.15	17,486.15	26,550.63
Unsecured, considered doubtful				
(A)	22,864.15	17,486.15	26,550.63	
Other loans and advances (unsecured considered good)				
Loans to employees		142.81	46.38	17.45
(B)	142.81	46.38	17.45	
Total short-term loans and advances (A+B)- ©	23,006.97	17,532.53	26,568.08	
Total loans and advances (A+B+C-D+E+F-G)	23,006.97	17,532.53	26,568.08	

12 Other current assets

Unamortised expenditure

Ancillary cost of arranging the borrowings				
(E)				
Advances recoverable in cash or kind				
TDS Recoverable				
Advances recoverable from related party		235.75	1,213.51	378.08
Advances paid towards goods/services		235.75	1,213.51	378.08
Others				
Interest accrued on deposits and investments		3.39		
Unbilled Revenue		5870.66	5101.85	
Prov for Promp rebate-unbilled				
Prepaid Gratuity				
Prepaid expenses		50.10	588.68	918.19
MAT credit entitlement				
Receivables other than trade - considered good		57.61	140.85	2486.17
Balances with statutory/ government authorities		155.01	584.99	583.81
(D)	6,136.77	6,416.37	3,988.17	
Total other current assets (C+D)	6,372.53	7,629.68	4,366.23	
Total other assets (A+B+C+D)	6,399.80	7,657.15	4,402.06	

13 Issued equity capital

At the beginning of the Year  
Add: Issued during the year  
Less: Forfeited during the year  
At 31 March 2017

Number	Ind AS March 31, 2017 Rs in Lakh	Number	Ind AS March 31, 2016 Rs in Lakh	Number	Ind AS March 31, 2015 Rs in Lakh
740.0	7,400.0	740.0	7,400.0	740.0	7,400.0
-	-	-	-	-	-
740.0	7,400.0	740.0	7,400.0	740.0	7,400.0

GMR Infrastructure Limited, the immediate holding company  
502.199 (31 March 2016: 502.199) equity Shares of Rs. 10/- each fully paid up  
GMR Energy Limited (including its nominees), the fellow subsidiary company  
140.60 (31 March 2016: 140.60) equity Shares of Rs. 10/- each fully paid up  
GMR Power Infra Limited, the fellow subsidiary company  
97.20 (31 March 2016: 97.20) equity Shares of Rs. 10/- each fully paid up

Ind AS March 31, 2017 Rs in Lakh	Rs. in Lakh	Ind AS March 31, 2016 Rs in Lakh	Rs. in Lakh	Ind AS March 31, 2015 Rs in Lakh	Rs. in Lakh
502.20	5,021.99	502.20	5,021.99	502.20	5,021.99
140.60	1,406.00	140.60	1,406.00	140.60	1,406.00
97.20	972.00	97.20	972.00	97.20	972.00
740.00	7,399.99	740.00	7,399.99	740.00	7,399.99



## (d) Details of shareholders holding more than 5% shares in the company

GMR Infrastructure Limited, the immediate holding company  
 502.199 (31 March 2016: 502.199) equity Shares of Rs. 10/- each fully paid up  
 GMR Energy Limited (including its nominees), the fellow subsidiary company  
 140.60 (31 March 2016: 140.60) equity Shares of Rs. 10/- each fully paid up  
 GMR Power Infra Limited, the fellow subsidiary company  
 97.20 (31 March 2016: 97.20) equity Shares of Rs. 10/- each fully paid up

No. in Lakhs	31st March 2017		31st March 2016	
	% holding in the class		% holding in the class	% holding in the class
502.20	0.68		0.66	0.68
140.60	0.19		0.19	0.19
97.20	0.13		0.13	0.13

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

## 14 Other equity

## Equity component of other financial instruments

## At 1 April 2016

-Equity component of Preference shares  
 -Equity component of Related Party Loans

## Add: Issued during the year

-Equity component of Preference shares  
 -Equity component of Related Party Loans

## Outstanding at the end of the year

-Equity component of Preference shares  
 -Equity component of Related Party Loans

## Treasury shares

## At 31st March 2017 (A)

Ind AS March 31, 2017 Rs in Lakh	Ind AS March 31, 2016 Rs in Lakh	Ind AS March 31, 2015 Rs in Lakh
--	--	--

-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

Ind AS March 31, 2017 Rs. in Lakh	Ind AS March 31, 2016 Rs in Lakh	Ind AS March 31, 2015 Rs in Lakh
---	--	--

-	-	-
---	---	---

## Share application money pending allotment (B)

## Foreign currency monetary translation difference account (FCMTR)

## Actuarial gain or losses through OCI

(1.70) (11.20)

## Surplus in the statement of profit and loss

## At 1 April 2016

(1,537.91) (3,318.67) (3,318.67)

## (Loss)/Profit for the year

442.83 1,791.97

## Add: Amount transferred from debenture redemption reserve

Less: Depreciation adjusted against surplus in the statement of profit and loss (refer note 11)

## Less: Appropriations

## Proposed equity dividend

## Tax on proposed equity dividend

## Equity dividend

## Tax on equity dividend

## Proposed preference dividend

## Tax on preference dividend

## Transfer to debenture redemption reserve

## Net surplus in the statement of profit and loss (F)

(1,095.08) (1,526.69) (3,318.67)

## Money received against share warrants (G)

(1,095.77) (1,537.91) (3,318.67)

## Total (A+B+C+D+E+F +G)



15 Non Current Trade and other payables

	IGAAP March 31, 2017 Rs. in Lakh	Ind AS March 31, 2016 Rs in Lakh	Ind AS March 31, 2015 Rs in Lakh
Trade payable	-	-	4,476.09
	-	-	4,476.09
<b>Other Long term Financial Liabilities</b>			
Interest free deposits from customers	-	-	-
<b>Provisions</b>			
Provision for gratuity	12.18	-	-
Provision for Leave Encashment	31.64	22.04	-
	43.82	22.04	-
<b>Other non-current liabilities</b>			
Advances from customers	-	27.32	-
Retention Money	-	0.00	-
Interest free deposits from customers	-	-	-
	-	27.32	-

16 Borrowings

<b>Secured:</b>			
Short Term Loan from Banks	-	-	14,079.00
CC limit - ICICI Bank*	1,001.57	-	294.69
WCDL - ICICI Bank**	4,685.69	1,875.00	515.00
<b>Unsecured:</b>			
Short Term Loan from Banks	-	11,875.00	7,000.00
Intercompany Deposits (unsecured)***	7,667.00	-	-
	13,354.27	13,750.00	21,888.69

\* CC Limit is with ICICI Bank Ltd at 11.82 - 13.03% p.a., secured against GIL and GEL corporate Gurantee & due for renewal in Sep 2017

\*\* WCDL - with ICICI Bank Ltd. @ 10.72% - 12.82% p.a., repayable at trench of three months. Secured against GIL Corporate Gurantee & due for renewal in Sep 2017

\*\*\* Interest rate on unsecured-Short Term Loan from Group Company is 8.00% p.a and due for repayment in one year frm date of disbursement

17 Trade and other payables

Payable to othan than Micro, Small and Medium Enterprises	22,923.76	16,835.96	5,269.29
Provision for Expenses	14,731.35	14.35	11.87
Open Access Payable	-	9.63	9.63
Employee Dues	25.52	20.04	15.36
	37,680.63	16,879.97	5,306.15

18 Other financial liabilities

Current maturities of long-term borrowings	-	-	152.50
Interest accrued but not due on borrowings	158.17	-	-
Interest accrued and due on borrowings	-	169.26	-
Book Overdraft	-	-	-
Retention money	0.02	0.02	0.02
Non trade payable	217.81	850.55	130.73
Interest free deposits from customers	-	-	-
Salary Payable	-	-	-
Bonus Payable	-	-	-
	376.00	1,019.83	283.26

19 Other current liabilities

Current maturities of long-term borrowings	-	-	-
Interest accrued and due on borrowings	-	-	-
Book Overdraft	-	-	-
Advances from customers	382.44	379.23	498.00
Retention money	-	-	-
Non trade payable	-	524.57	873.63
Income received in advance	-	-	-
Bonus Payable	-	-	-
TDS payable	106.00	68.76	27.96
Other statutory dues	4.99	4.10	6.09
	493.43	976.65	1,405.68

20 Provisions

<b>Provision for employee benefits</b>			
Provision for gratuity	-	11.86	-
Provision for leave benefits	18.76	10.59	55.27
Provision for other employee benefits	114.52	61.57	43.34
	133.28	84.01	98.61
<b>Other provision</b>			
Proposed preference dividend	-	-	-
Provision for tax on proposed preference dividend	-	-	-
Provision for debenture redemption premium	-	-	-
Provision for Prompt Rebate on unbilled revenue	35.89	-	-
Others Provisions	-	-	-
	35.89	-	-
	169.17	84.01	98.61



GMR ENERGY TRADING LIMITED

Notes to financial statements for the quarter ended 31st March 2017

21

Particulars	Rs. in Lakhs	
	31st March 2017	31st March 2016
<b>Revenue from Operations</b>		
Revenue from Operations		
Sale of Energy	1,23,521.58	1,10,740.72
Less: Prompt Payment Rebate	(477.61)	(1,039.61)
Add: Open Access Charges recovered	16,068.85	18,147.48
Add: Prov for Prompt Rebate		
	<b>1,39,112.81</b>	<b>1,27,848.59</b>
Sale of Renewable Energy Certificates	4,689.40	2,320.82
<b>Revenue from Operations (Gross)</b>	<b>1,43,802.21</b>	<b>1,30,169.42</b>
Less: Excise Duty		
<b>Revenue from Operations (Net)</b>	<b>1,43,802.21</b>	<b>1,30,169.42</b>

Particulars	Rs. in Lakhs	
	31st March 2017	31st March 2016
<b>Details of products sold</b>		
Quantum of Energy sold		
Energy (in kWh)	4,72,26,47,669	5,01,89,93,424
Renewable Energy Certificates (in Nos)	3,00,713	1,44,725

Particulars	Rs. in Lakhs	
	31st March 2017	31st March 2016
<b>Other Operating Income</b>		
Surcharge Collected from customers	884.53	5.43
	<b>884.53</b>	<b>5.43</b>

22

Particulars	Rs. in Lakhs	
	31st March 2017	31st March 2016
<b>Other Income</b>		
Interest Income:		
-On Deposits	3.47	3.29
-On Margin Money *	3.11	(12.19)
-On Loans	1906.31	1,892.18
-On Employee Loans		
-Intt. On I-tax refund	65.43	7.30
Dividend Income:		
-On Current Investments (MF)	98.12	-
Net Gain/Loss on sale of Investments	-	27.49
Other Non Operating Income	7.55	5.11
Reversal of ECL Provision	-47.09	1,775.77
	<b>2,036.90</b>	<b>3,698.93</b>

\* (Rs.12.19) Lakhs of FY 2015-16 pertains to previous year income

23

Particulars	Rs. in Lakhs	
	31st March 2017	31st March 2016
<b>Purchase of Traded Goods</b>		
Purchase of Energy	1,20,351.95	1,09,096.92
Less : Prompt payment Rebate	(321.62)	(1,013.34)
Open Access Charges paid	17,531.73	18,148.59
	<b>1,37,562.06</b>	<b>1,26,232.17</b>
Purchase of Renewable Energy Certificates	4,679.69	2,313.31
	<b>1,42,241.75</b>	<b>1,28,545.47</b>

Particulars	Rs. in Lakhs	
	31st March 2017	31st March 2016
Quantum of Energy purchased		
Energy (in kWh)	4,72,26,47,669	5,01,89,93,424
Renewable Energy Certificates (in Nos)	3,00,713	1,44,725





GMR ENERGY TRADING LIMITED  
Notes to financial statements for the quarter ended 31st March 2017

24 Employee Benefit Expense	Particulars	Rs. in Lakhs	
		31st March 2017	31st March 2016
	Salaries	517.57	508.43
	Contribution to PF and other funds	30.78	36.83
	Placement and Training Expenses	25.15	5.50
	Staff Welfare Expense	8.38	13.94
		<b>581.88</b>	<b>564.70</b>

25 Other Expenses	Particulars	Rs. in Lakhs	
		31st March 2017	31st March 2016
	Electricity Charges	0.33	2.19
	Rent	97.67	58.49
	Rates and Taxes	128.23	61.08
	Insurance	0.28	0.48
	Repairs and Maintenance	83.99	28.11
	Travelling and Conveyance	59.40	64.84
	Legal and Professional Fees	1,010.45	914.45
	Payment to Auditors	1.16	1.90
	Placement and Training Expenses	-	-
	Business Promotion	21.80	14.47
	Interest on delayed payment	-	-
	Donation & Charities	5.00	52.00
	Loss on Sale of Fixed Asset	-	-
	Bad debts written off	-	-
	Miscellaneous expenses	57.80	32.69
		<b>1,466.09</b>	<b>1,230.71</b>

Remuneration to auditor	Particulars	Rs. in Lakhs	
		31st March 2017	31st March 2016
	<b>As auditor</b>		
	Statutory Audit fee	0.46	0.46
	Limited Review	0.23	0.23
	Tax Audit Fee	0.29	0.29
	<b>In other capacity</b>		
	Taxation/ Other Matter	-	-
	Out of Pocket Exp	0.41	0.92
		<b>1.39</b>	<b>1.90</b>

26 Depreciation and Amortisation	Particulars	Rs. in Lakhs	
		31st March 2017	31st March 2016
	Depreciation of tangible assets	8.42	6.77
	Amortization of intangible assets	0.37	0.49
		<b>8.79</b>	<b>7.25</b>

27 Finance Costs	Particulars	Rs. in Lakhs	
		31st March 2017	31st March 2016
	Interest Charges	1,733.29	1,615.96
	Processing Fees	100.38	66.08
	Bank Charges	25.95	31.44
	Interest on delayed payment	1.32	3.01
		<b>1,860.94</b>	<b>1,716.49</b>

28 Earnings Per Share (EPS)

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

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

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

	31st March 2017	31st March 2016
<b>Total Operations for the year</b>		
Profit/(loss) after tax for calculation of basic EPS	441.13	1,780.77
	<b>No. In Lakhs**</b>	<b>No. In Lakhs**</b>
Weighted average number of equity shares in calculating basic EPS	740.00	740.00
Note- Since the Company did not have any diluted securities, the basic and diluted earnings per share are the same	0.60	2.41



## 29. Significant accounting judgements, estimates and assumptions

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

### Impairment of non-financial assets

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

### ESTIMATES AND ASSUMPTIONS

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

### Taxes

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

### Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note 22

### Contingencies

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

### Fair value measurement of financial instruments

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



### 30. Gratuity and other post-employment benefit plans

#### a) Defined contribution plans

	Rs in Lakhs	
	2016-17	2015-16
<b>benefits (contribution to):</b>		
Provident and other fund	20.29	24.46
Superannuation fund	10.49	12.37
<b>Total</b>	<b>30.78</b>	<b>36.83</b>

#### b) Defined benefit plans

As per Actuarial Valuation as at 31<sup>st</sup> March, 2016 (Funded)

	Rs in Lakhs		
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Plan assets at the year end, at fair value	13.44	7.58	27.21
Present value of benefit obligation at year end	(25.61)	(19.45)	(26.99)
Net (liability) recognized in the balance sheet	(12.18)	(11.86)	0.22

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

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

The following tables summarise the components of net benefit expense recognised in the P & L and amounts recognised in the balance sheet for defined benefit plans/obligations:

	Rs in Lakhs	
Particulars	Gratuity	
	2016-17	2015-16
Current Service Cost	6.88	4.66
Net interest on net defined liability	0.52	-0.17
Actuarial (gain)/ loss on obligations	1.70	11.20
<b>Defined benefit costs</b>	<b>9.10</b>	<b>15.69</b>

Particulars	Rs in Lakhs		
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Defined benefit obligation	(25.61)	(19.45)	(26.99)
Fair value of plan assets	13.44	7.58	27.21
<b>Plan asset / (liability)</b>	<b>(12.18)</b>	<b>(11.87)</b>	<b>0.22</b>

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

Particulars	Rs in Lakhs	
	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	19.45	26.98
Interest cost	1.31	1.13
Current service cost	6.88	4.66
Acquisition credit	1.63	0.35
Benefits paid (including transfer)	-5.33	(24.98)
Actuarial losses/ (gain) on obligation-experience	1.68	11.31
Closing defined benefit obligation	25.62	19.45

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

Particulars	Rs in Lakhs	
	As at March 31, 2017	As at March 31, 2016
Opening fair value of plan assets	7.58	27.21
Acquisition Adjustment	-	-
Interest income on plan assets	0.79	1.30
Contributions by employer	10.41	3.95
Benefits paid (including transfer)	-5.33	(24.98)
Return on plan assets greater/ (lesser) than discount rate	-0.02	0.10
Closing fair value of plan assets	13.43	7.58

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

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



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

	Rs in Lakhs	
	As at	As at
	March 31, 2017	March 31, 2016
Defined benefit obligation	-25.61	-19.45
Plan assets	13.44	7.58
Funded status	-12.18	-11.87
Experience (loss) adjustment on plan liabilities	0.00	0.00
Experience gain/ (loss) adjustment on plan assets	0.00	0.00
Actuarial gain due to change in assumptions	0.00	0.00

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

Particulars	Gratuity		
	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate (in %)	7.10%	7.80%	7.80%
Salary Escalation (in %)	6.00%	6.00%	6.00%
Expected rate of return on assets	9.40%	9.40%	9.40%
Attrition rate (in %)	5.00%	5.00%	5.00%





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

Assumptions Sensitivity Level	31-Mar-17		31-Mar-16		31-Mar-17		31-Mar-16	
	1% increase INR Lacs	1% decrease INR Lacs	1% increase INR Lacs	1% decrease INR Lacs	1% increase INR Lacs	1% decrease INR Lacs	1% increase INR Lacs	1% decrease INR Lacs
Impact on defined benefit obligation	-2.53	3.00	-2.01	2.39	1.86	-1.80	2.06	-1.87

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected contribution to post employment benefit plans for the year ending March 2018 are INR 10.40 Lakhs (March 31, 2017 is INR 3.94 Lakhs)

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

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 50.40 Lakhs as on 31st March, 2017 (March 31, 2016 INR 32.62 Lakhs, 1st April, 2015, INR 55.27 Lakhs)



31 Commitments and Contingencies

Operating lease: Company as lessee

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

Particulars	31-Mar-17	31-Mar-16
Lease Rentals under cancelable leases	87.67	58.49

II Contingent Liabilities

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
<b>Contingent Liability</b>			
1. A writ petition bearing W.P. No. 4163/2013 has been filed by GMR Energy Limited (GEL) and GETL against the Central Power Distribution Company of Andhra Pradesh and others before the High Court of Andhra Pradesh. GEL challenged the twin directions of the Central Andhra Pradesh Distribution Company whereby GEL was asked to convey its concurrence (a) to recover the differential amount of unit rate paid under the short term power purchase agreement (letter of intent) from the bench mark unit rate paid to the new independent power producers, under long term power purchase agreements for the power supplied by GEL from June 1, 2012; (b) for amendment of the letter of intent to agree for a much lower tariff than the unit rate paid to certain other independent power producers, for the supply of power. On June 3, 2013 the Court passed order quashing the arbitrary impugned directions. The Respondents (AP Discoms) have filed an appeal bearing W.A. No. 1386 of 2013 before the AP High Court against GEL and others statin (31 March 2017: 88%, 31 March 2016: 83%, April 2015: 87%) 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. hat 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 foresee	Not Quantifiable	Not Quantifiable	Not Quantifiable
Civil appeals bearing numbers 8439-8440/2014 and C.A. Nos.10413-10414/2014 have been filed by the Bangalore Electricity Supply Company Limited and others & Government of Karnataka respectively against GEL, GETL and others under Section 125 of the Electricity Act, 2003 before the Supreme Court of India. The appeal has been filed against the judgement and order dated May 23, 2014 of the Appellate Tribunal for Electricity passed in appeals no. 37 of 2013 and 303 of 2013 in relation to the tariff payable to GEL by the Government of Karnataka. The Government of Karnataka had fixed the tariff at ₹ 5.50 per unit. The tariff was revised to ₹ 6.90 per unit by the Karnataka Electricity Commission by its order dated November 30, 2012. Aggrieved by this order, the DISCOMS had filed an appeal no. 303/2013. GEL had also challenged the quantification of the tariff and claimed a higher tariff in appeal no. 37/2013. The tribunal by its said order had dismissed the appeal filed by the DISCOMS and partly allowed the appeal filed (31 March 2017: 88%, 31 March 2016: 83%, April 2015: 87%) 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. acquired tax benefits realised are recognised in profit or loss valuation by agreeing the information in the valuation computation to contracts and other relevant documents.  The Valuation Committee, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.  On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations rently pending.	Not Quantifiable	Not Quantifiable	Not Quantifiable

B. Guarantees other than financial guarantee

The Company has provided bank guarantee amounting to INR 22.64 Crores.

III Financial guarantees : Nil

IV Capital Commitments : Nil

Other Commitments: Nil



Sl. No.	Description of relationship	Name of the related parties
I	Holding Company	GMR Infrastructure Limited (GIL)
II	Ultimate Holding Company	GMR Enterprise Private Ltd
		GMR Sports Private Limited
		GMR League Games Private Limited
		GMR Infratech Private Limited
		Cadence Enterprises Private Limited
		PHL Infrastructure Finance Company Private Limited
		Vijay Nivas Real Estates Private Limited
		Fabcity Properties Private Limited
		Kondampeta Properties Private Limited
		Hyderabad Jabilli Properties Private Limited
		Leora Real Estates Private Limited
		Pashupati Artex Agencies Private Limited
		Ravivarma Realty Private Limited
		GMR Solar Energy Private Limited
		Rajam Enterprises Private Limited
		Grandhi Enterprises Private Limited
		Ideospace Solutions Private Limited
		National SEZ Infra Services Private Limited
		Kakinada Refinery and Petrochemicals Private Limited
		Corporate Infrastructure Services Private Limited
		GMR Bannerghatta Properties Private Limited
		Kirithi Timbers Private Limited
		AMG Healthcare Destination Private Limited
		GMR Holding (Malta) Limited
		GMR Infrastructure (Malta) Limited
		GMR Holdings (Overseas) Limited
		GMR Holdings (Mauritius) Limited
		Crossridge Investments Limited
		Interzone Capital Limited
		GMR Holdings Overseas (Singapore) Pte Limited
		GMR Business & Consultancy LLP
		GMR Energy Limited (GEL)
		GMR Power Corporation Limited (GPCL)
		GMR Vemagiri Power Generation Limited (GVPGL)
		GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)
		GMR Mining & Energy Private Limited (GMEL)
		GMR Kamalanga Energy Limited (GKEL)
		Himal Hydro Power Company Private Limited (HHPPL)
		GMR Energy (Mauritius) Limited (GEML)
		GMR Lion Energy Limited (GLEL)
		GMR Upper Kamali Hydropower Limited (GUKPL)
		GMR Energy Trading Limited (GETL)
		GMR Consulting Services Private Limited (GCSPL)
		GMR Coastal Energy Private Limited (GCEPL)
		GMR Bajoli Holi Hydropower Private Limited (GBHPL)
		GMR Londa Hydropower Private Limited (GLHPPL)
		GMR Kakinada Energy Private Limited (GKEPL)
		GMR Energy (Cyprus) Limited (GECL)
		GMR Energy (Netherlands) B.V. (GENBV)
		PT Dwikarya Sejati Utama (PTDSU)
		PT Duta Sarana Internusa (PTDSI)
		PT Barasentosa Lestari (PTBSL)
		SJK Powergen Limited (SJK)
		PT Unsoco (PT)
		GMR Warora Energy Limited (Formerly EMCO Energy Limited)
		Indo Tausch Trading DMCC (ITTD)
		GMR Maharashtra Energy Limited (GMAEL)
		GMR Bundelkhand Energy Private Limited (GBEPL)
		GMR Rajam Solar Power Private Limited (formerly known as GMR Uttar Pradesh Energy Private Limited (GUPEPL))
		GMR Genco Assets Limited (Formerly GMR Hosur Energy Limited (GHOEL))
		GMR Gujarat Solar Power Private Limited (GGSPPPL)
		Kamali Transmission Company Private Limited (KTCPL)
		Marsyangdi Transmission Company Private Limited (MTCPL)
		GMR Indo-Nepal Energy Links Limited (GINELL)
		GMR Indo-Nepal Power Corridors Limited (GINPCL)
		GMR Generation Assets Limited (formerly known as GMR Renewable Energy Limited (GREEL))
		GMR Energy Projects (Mauritius) Limited (GEPML)
		GMR Infrastructure (Singapore) Pte Limited (GISPL)
		GMR Coal Resources Pte Limited (GCRPL)
		GMR Power Infra Limited (GPIL)
		GMR Highways Limited (GMRHL)
		GMR Tambaram Tindivanam Expressways Limited (GTTEPL)
		GMR Tuni Anakapalli Expressways Limited (GTAEPL)
		GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
		GMR Pochanpalli Expressways Limited (GPEPL)
		GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
		GMR Chennai Outer Ring Road Private Limited (GCCRPL)
		GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)
		GMR Highways Projects Private Limited (GHPPL)
		GMR Hyderabad International Airport Limited (GHIAL)
		Gateways for India Airports Private Limited (GFIAL)
		Hyderabad Airport Security Services Limited (HASSL)
		GMR Hyderabad Airport Resource Management Limited (GHARML)
		GMR Hyderabad Aerotropolis Limited (HAPL)
		GMR Hyderabad Aviation SEZ Limited (GHASL)
		GMR Aerospace Engineering Limited (GAEL) (formerly known as MAS GMR Aerospace Engineering Company Limited)
		GMR Aero Technic Limited (GATL) (formerly known as MAS GMR Aero Technic Limited (MGATL))
		Hyderabad Duty Free Retail Limited (HDFRL)
		GMR Airport Developers Limited (GADL)
		GADL International Limited (GADLIL)
		GADL (Mauritius) Limited (GADLML)
		GMR Hotels and Resorts Limited (GHRL)





		GMR Hyderabad Airport Power Distribution Limited (GHAPDL)
		Delhi International Airport Private Limited (DIAL)
		Delhi Aerotropolis Private Limited (DAPL)
		Delhi Duty Free Services Private Limited (DDFS)
		Delhi Airport Parking Services Private Limited (DAPSL)
		GMR Airports Limited (GAL)
		GMR Airport Global Limited (GAGL)
		GMR Airports (Mauritius) Limited (GALM)
		GMR Aviation Private Limited (GAPL)
		Raxa Security Services Limited (Raxa)
		GMR Krishnagiri SEZ Limited (GKSEZ)
		Advika Properties Private Limited (APPL)
		Aklima Properties Private Limited (AKPPL)
		Amariya Properties Private Limited (AMPPL)
		Baruni Properties Private Limited (BPPL)
		Bougainvillea Properties Private Limited (BOPPL)
		Camelia Properties Private Limited (CPPL)
		Deepesh Properties Private Limited (DPPL)
		Ella Properties Private Limited (EPPL)
		Gerbera Properties Private Limited (GPL)
		Lakshmi Priya Properties Private Limited (LPPPL)
		Honeysuckle Properties Private Limited (HPPL)
		Idika Properties Private Limited (IPPL)
		Krishnapriya Properties Private Limited (KPPL)
		Larkspur Properties Private Limited (LAPPL)
		Nadira Properties Private Limited (NPPL)
		Padmapriya Properties Private Limited (PAPPL)
		Prakalpa Properties Private Limited (PPPL)
		Purnachandra Properties Private Limited (PUPPL)
		Shreyadita Properties Private Limited (SPPL)
		Pranesh Properties Private Limited (PRPPL)
		Sreepa Properties Private Limited (SRPPL)
		Radhapriya Properties Private Limited (RPPL)
		Asteria Real Estates Private Limited (AREPL)
		GMR Hosur Industrial City Private Limited (GHICL)
		Namitha Real Estates Private Limited (NREPL)
		Honey Flower Estates Private Limited (HFEPL)
		GMR Hosur EMC Limited (GHEMCL)
		GMR SEZ and Port Holdings Limited (GSPHL)
		East Godavari Power Distribution Company Private Limited (EGPDCPL)
		Suzone Properties Private Limited (SUPPL)
		GMR Utilities Private Limited (GUPL)
		Lilliam Properties Private Limited (LPPL)
		GMR Corporate Affairs Private Limited (GCAPL)
		Dhruvi Securities Private Limited (DSPL)
		Kakinada SEZ Limited (KSL)
		GMR Business Process and Services Private Limited (GBPSPL)
		GMR Infrastructure (Mauritius) Limited (GIML)
		GMR Infrastructure (Cyprus) Limited (GICL)
		GMR Infrastructure Overseas Limited (GIOL)
		GMR Infrastructure (UK) Limited (GIUL)
		GMR Infrastructure (Global) Limited (GIGL)
		GMR Energy (Global) Limited (GEGL)
		Kakinada Gateway Port Limited (KGPL)
		GMR Goa International Airport Limited (GGIAL)
		GMR SEZ Infra Services Limited (GSISL)
		GMR Infrastructure (Overseas) Limited (GIOL)
		GMR Infra Developers Limited (GIDL)
		GMR Infrastructure Limited (GIL)
		GMR Enterprise Private Ltd
III	Enterprises that control the company	
IV	Enterprises where significant influence exists	-
V	Enterprises where significant influence of key Management personnel or their relative exists	GMR Family Fund Trust
VI	Key Management personnel	Mrs. Grandhi Satyavathi Smitha, (Whole-Time Director) Mr. Ashok Kumar Prusty (Whole-Time Director) Mr. Rajesh Silla, (CFO) Mr. Chirag Banga, (CS)





**GMR Energy Trading Ltd**  
Transactions during the financial year 2016-17

**A) Income**

(Rs. in Lakhs)

	Counter Party Group Company	Nature of Transaction	Where it is shown in Revised Financial Statements ( Should be the description of the line item in Sch VI financials)	For the Year ended 31st March 2017	For the Year ended 31st March 2016	P&L Note Reference
<b>Revenue Item 1</b>	GMR Warora Energy Limited	Energy Charges	Sale of Energy- Revenue from Operations	5,408.59	0.00	21
	GMR Warora Energy Limited	Open Access charges Recovered	Sale of Energy- Revenue from Operations	266.73	670.03	21
	GMR Warora Energy Limited	Rebate on promt payment	Purchase of Traded Goods	36.36	131.37	23
	GMR Warora Energy Limited	Recoverable Expenses	Recoverable Expenses	0.00	93.87	
	GMR Kamalanga Energy Ltd	Energy Charges	Sale of Energy- Revenue from Operations	12,312.25	1,563.67	21
	GMR Kamalanga Energy Ltd	Open Access Charges Recovered	Sale of Energy- Revenue from Operations	2,805.32	2,375.15	21
	GMR Kamalanga Energy Ltd	Rebate on promt payment	Purchase of Traded Goods	95.31	486.47	23
	GMR Kamalanga Energy Ltd	Recoverable Expenses	Recoverable Expenses	522.89	893.18	
	GMR Chhatisgarh Energy Ltd	Energy Charges	Sale of Energy- Revenue from Operations	-0.73	0.00	21
	GMR Chhatisgarh Energy Ltd	Open Access Charges Recovered	Sale of Energy- Revenue from Operations	897.64	114.65	21
	GMR Chhatisgarh Energy Ltd	Rebate on promt payment	Purchase of Traded Goods	43.26	3.30	23
	GMR Chhatisgarh Energy Ltd	Recoverable Expenses	Recoverable Expenses	545.34	1,295.81	
	GMR Chhatisgarh Energy Ltd	Compensation Income	Other Income	304.54	0.00	21
	Delhi International Airport Private Limited (DIAL)	Energy Charges	Sale of Energy- Revenue from Operations	98.31	0.00	21
	GMR Rajam Solar Power Pvt Ltd	Interest Income on Unsecured Loans	Interest Income-Other Income	-	4.99	22
	GMR Energy Limited	Interest Income on Unsecured Loans	Interest Income-Other Income	952.79	1,887.19	22
GMR Generation Assets Ltd	Interest Income on Unsecured Loans	Interest Income-Other Income	953.51		22	
	<b>Grand Total</b>			<b>25,242.12</b>	<b>9,519.67</b>	

**B) Expenditure**

	Counter Party Group Company	Nature of Transaction	Where it is shown in Revised Financial Statements ( Should be the description of the line item in Sch VI financials)	For the Year ended 31st March 2017	For the Year ended 31st March 2016	P&L Note Reference	
<b>Expense Item 1</b>	GMR Warora Energy Limited	Purchase of Energy	Purchase of Traded Goods	52,170.92	28,251.29	23	
	GMR Warora Energy Limited	Transmission Charges	Recoverable Expenses	3,311.95	227.97	23	
	GMR Kamalanga Energy Ltd	Purchase of Energy	Purchase of Traded Goods	13,361.72	44,892.24	23	
	GMR Chhatisgarh Energy Ltd	Purchase of Energy	Purchase of Traded Goods	18,060.78	14,521.90	23	
	GMR Chhatisgarh Energy Ltd	Compensation	Other income	304.54	0.00	21	
	GMR Energy Ltd	Purchase of Energy	Purchase of Traded Goods	-	(2,597.95)	23	
	GMR Generation Assets Ltd	Energy Certificates	Purchase of Traded Goods	57.55	36.08	23	
	GMR Power Infra Ltd	Energy Certificates	Purchase of Traded Goods	20.18	11.95	23	
		<b>Sub Total</b>			<b>87,287.63</b>	<b>85,343.49</b>	
	<b>Expense Item 2</b>	GMR Family Fund Trust	IBCKP Rent	Rent -Under Other Expenses	44.11	14.26	25
GMR Family Fund Trust		Repairs & Maintainence	Expenses	41.96	-	25	
GMR Enterprises Private Ltd		Logo Fee payable	Rates & Taxes	75.49	9.48	25	
GBS Raju		GH Rent	Rent -Under Other Expenses	35.20	31.48	25	
Delhi International Airport Private		Fuel Expsn	Travelling and Conveyance	0.96		25	
GMR Hyderabad International Airport Limited		HIAL Rent	Rent -Under Other Expenses	1.07	1.65	25	
GMR Gujarat Solar Power Private Ltd		Travelling Expsn	Travelling and Conveyance	1.44	-	25	
GMR Infrastructure Limited		Corporate Allocation Exp	Expenses	467.71	691.42	25	
GMR Corporate Affairs		Skip House Rent	Rent -Under Other Expenses	1.72	1.71	25	
GMR VRF		Donation	Donation & Charities	-	0.50	25	
GMR Badrinath Hydro Power Generation Pvt Ltd		Interest Expense	Finance Charges	49.93	-	27	
GMR Energy Limited		Interest Expense	Finance Charges	175.74	-	27	
		<b>Sub Total</b>			<b>895.35</b>	<b>750.51</b>	
<b>GRAND TOTAL</b>				<b>88,182.98</b>	<b>86,094.00</b>		

For Girish Murthy & Kumar

Firm registration number: 000934S  
Chartered Accountants

*Satish Kumar AV*

Satish Kumar AV  
Partner  
Membership no.: 026526



For and on behalf of the Board of Directors

*Ak. Prusty*  
Director  
ASHOK KUMAR PRUSTY  
DIN - 07603471  
*Chirag Banga*  
Chirag Banga  
Company Secretary

*Ashis Basu*  
ASHIS BASU  
DIN - 01872233  
Director



*Rajesh Silla*  
Rajesh Silla  
Chief Financial Officer

Place : New Delhi

Date: 28<sup>th</sup> April, 2017

A) Receivables / Deposits Paid

(Rs. In Lakhs)

Counter Party Group Company	Nature of Transaction	Where it is shown in Revised Financial Statements ( Should be the description of the line item in Sch VI financials)	As at 31st , March 2017	As at 31st , March 2016	As at 31st , March 2015	BS Note Reference
RAXA Securities	Security Deposit	Loans and Advances -Security Deposit (Current)	7.55	7.55	7.55	9
GMR Family Fund Trust	Security Deposit	Other Current Asset	57.61	140.85	140.85	12
			65.16	148.39	148.39	

B) Payables / Deposits Received

Counter Party Group Company	Nature of Transaction	Where it is shown in Revised Financial Statements ( Should be the description of the line item in Sch VI financials)	As at 31st , March 2017	As at 31st , March 2016	As at 31st , March 2015	BS Note Reference
GMR Energy Ltd	Interest on Loan	Interest accrued but not Due- Other Current Liabilities	158.17	-	4,476.09	18
GMR Energy Ltd	Short Term Loan	Short Term Loan- Borrowings	7,667.00	-	-	16
GMR Warora Energy Ltd	Purchase of Energy	Trade Payables	19,247.02	11,199.51	954.52	17
GMR Warora Energy Ltd	Mobilisation Advances received towards purchase of Energy	Other Current Liabilities-Advance from customers	27.32	27.32	27.32	19
GMR Chhattisgarh Energy Ltd	Purchase of Energy	Trade Payables	2,733.43	1,573.41	-	17
GMR Kamalanga Energy Ltd	Purchase of Energy	Trade Payables	-	2,849.06	166.24	17
GMR Generation Assets Ltd	Purchase of REC	Trade Payables	10.59	10.20	-	17
GMR Power Infra Ltd	Purchase of REC	Trade Payables	4.12	3.49	-	17
GMR Gujarat Solar Power Private Ltd	Travelling Exeprns	Non Trade Payables-Other Current Liabilities	1.44	-	-	18
GBS Raju	Rent Payable	Non Trade Payables-Other Current Liabilities	2.72	7.37	4.17	18
GMR Hyderabad International Airport	Rent Payable	Non Trade Payables-Other Current Liabilities	-	1.47	-	18
GMR Enterprises Private LTd	Logo Fee payable	Non Trade Payables-Other Current Liabilities	68.79	-	-	18
GMR Family Fund Trust	Rent Payable	Non Trade Payables-Other Current Liabilities	-	1.57	-	18
GMR Corporate Affairs	Rental Deposit Payable	Non Trade Payables-Other Current Liabilities	117.52	116.76	116.76	18
GMR Corporate Affairs	Rent Payable	Non Trade Payables-Other Current Liabilities	1.72	0.78	0.26	18
GMR Infrastructure Ltd	Corporate Allocation Exp	Non Trade Payables-Other Current Liabilities	327.62	632.04	1.09	18 & 19
GMR Energy Ltd	Other expenses	Non Trade Payables-Other Current Liabilities	0.43	-	-	18
Delhi International Airport Pvt Ltd	Other expenses	Non Trade Payables-Other Current Liabilities	0.94	-	-	18
			30,368.84	16,423.00	5,746.45	

c) Share Capital & Share application Money

Counter Party Group Company	Nature of Transaction	Where it is shown in Revised Financial Statements ( Should be the description of the line item in Sch VI financials)	As at 31st , March 2017	As at 31st , March 2016	As at 31st , March 2015	BS Note Reference
GMR Infrastructure Ltd	Equity Share capital	Share Capital	5,022.00	5,022.00	5,022.00	1
GMR Energy Ltd	Equity Share capital	Share Capital	1,406.00	1,406.00	1,406.00	1
GMR Power Infra Ltd	Equity Share capital	Share Capital	972.00	972.00	972.00	1
			7,400.00	7,400.01	7,400.01	

D) Investment / Loans & Advances given to group companies / Advance towards Share Application Money/ Trade Receivables

Counter Party Group Company	Nature of Transaction	Where it is shown in Revised Financial Statements ( Should be the description of the line item in Sch VI financials)	As at 31st , March 2017	As at 31st , March 2016	As at 31st , March 2015	BS Note Reference
GMR Enterprises Private Ltd	Excess Logo Fees Paid (2011-12)	Other Assets - Advance recoverable in cash or kind	27.27	27.27	35.83	7
GMR Warora Energy Limited	Advance against Energy	Advance Recoverable	-	867.59	-	8
GMR Kamalanga Energy Ltd	Sale of Energy	Trade Receivable	8,156.20	-	-	8
GMR Chhattisgarh Energy Ltd	Sale of Energy	Trade Receivable	-	-	937.78	9
GMR Energy Ltd	Int Accrued and due on loan	Other Current Financial Assets	-	1,180.37	834.27	9
GMR Energy Ltd	Short Term Loans given	Short Term Loans & Advances	-	17,486.15	26,550.63	11
GMR Generation Assets Ltd	Int Accrued and due on loan	Other Current Financial Assets	1,032.21	-	-	9
GMR Generation Assets Ltd	Short Term Loans given	Short Term Loans & Advances	22,864.15	-	-	11
			32,079.84	19,561.38	28,358.52	

For Girish Murthy & Kumar  
Firm registration number: 000934S  
Chartered Accountants

Salish Kumar AV  
Partner  
Membership no.: 026526

Place : New Delhi  
Date: 28th April, 2017



For and on behalf of the Board of Directors

A.K. Prusty  
ASHOK KUMAR PRUSTY  
Director  
DIN-0760347  
Chirag Banga  
Company Secretary

ASHIS BASU  
DIN-01872233  
Director  
Rajesh Silla  
Chief Financial Officer



Particulars of remuneration paid to manager during the year ended March 31, 2017 and March 31, 2016 is as follows:

(Rs in Lakhs)

Name of Manager	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Mrs. Grandhi Satyavathi Smitha (Remuneration)	26.93	-
Mr. Sunil Agrawal (Remuneration)	-	53.37
Mr. Ashok Kumar Prusty (Remuneration)	42.99	-
Mr. Mohit Shinghal (Remuneration)	28.85	40.65
Mr. A.D. Navaneethan (Sitting fee)	1.00	1.40
Mr. N. V. Varadarajulu (Sitting Fee)	0.95	1.40
Mr. S.C. Kalia (Sitting Fee)	0.65	-
Mr. V.S.N. Murthy (Sitting Fee)	0.65	-



### 33 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

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

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2016.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

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

► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Com's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep between 85% and 90% of its borrowings at fixed rates of interest, excluding borrowings that relate to discontinued operations. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2017, after taking into account the effect of interest rate swaps, approximately 88% of the Company's borrowings are at a fixed rate of interest (31 March 2017: 88%, 31 March 2016: 83%, April 2015: 87%).





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

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Rupee term loan borrowings	13,354.27	13,750.00	21,888.69
	13,354.27	13,750.00	21,888.69

Rs. in Lakhs

**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:

Rs. in Lakhs

	31-Mar-17	Increase/decrease in basis points	Effect on profit before tax
			67.76
INR Term loan		+50	
			89.10
INR Term loan		-50	

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

**Credit risk**  
 Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments and cash deposits- Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.



### Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans. The Company's policy is that not more than 0% of borrowings should mature in the next 12-month period.

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

	On demand Rs in Lakhs	Less than 3 months Rs in Lakhs	3 to 12 months Rs in Lakhs	1 to 5 years Rs in Lakhs	> 5 years Rs in Lakhs	Total Rs in Lakhs
Year ended						
31-Mar-17						
Borrowings	7,667.00	5,687.27				13,354.27
Other financial liabilities	158.17	217.83				376.00
	7,825.17	5,905.10				13,730.27
Year ended						
31-Mar-16						
(i) Borrowings	169.26	1,875.00		11,875.00		13,750.00
(ii) Other financial liabilities	169.26	850.57		1,019.83		1,019.83
	169.26	2,725.57		11,875.00		14,769.83
As at						
01-Apr-15						
(i) Borrowings	809.69			21,079.00		21,888.69
(ii) Other financial liabilities	152.50	130.75				283.26
	962.19	130.75		21,079.00		22,171.95

### Excessive risk concentration

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

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



Interest Rate Sensitivity

Borrowings	Non current	Current	31-Mar-17	31-Mar-16
			Rs in Lakhs	Rs in Lakhs
Opening Balance	-	13,750.00	13,750.00	21,888.69
Closing Balance	-	13,354.27	13,354.27	13,750.00
<b>Sum Total</b>			<b>27,104.27</b>	<b>35,638.69</b>
Average			13,552.13	17,819.35
Sensitivity			67.76	89.10



## 34 Capital management

Rs in Lakhs

	At 31 March 2017	At 31 March 2016	At 1 April 2015
Borrowings	13,354.27	13,750.00	21,888.69
Trade payables	37,680.63	16,879.97	5,306.15
Less: Cash and cash equivalents	3,213.51	1,078.11	405.56
<b>Total debts</b>	<b>47,821.39</b>	<b>29,551.86</b>	<b>26,789.28</b>
<b>Capital Components</b>			
share Capital	7,400.00	7,400.00	7,400.00
Equity	(1,096.77)	(1,537.91)	(3,318.67)
<b>Total Capital</b>	<b>6,303.23</b>	<b>5,862.09</b>	<b>4,081.33</b>
<b>Capital and net debt</b>	<b>54,124.62</b>	<b>35,413.95</b>	<b>30,870.61</b>
<b>Gearing ratio (%)</b>	<b>88%</b>	<b>83%</b>	<b>87%</b>

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

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





### 35. First Time Adoption of Ind AS

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

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

#### Exemptions applied:

##### i Mandatory exemptions:

#### Estimates

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

- Impairment of financial assets based on expected credit loss model

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

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

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

#### Classification and measurement of Financial assets

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

##### ii Optional exemptions:

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

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

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

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



36. Disclosure on Specified Bank Notes (SBN'S)

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

Particulars	SBN'S	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	-	1,00,000	1,00,000
(+) Permitted receipts	48,44,000	-	48,44,000
(+) Other receipts *	-	-	-
(-) Permitted payments	-	-	-48,44,000
(-) Amount deposited in banks	48,44,000	1,00,000	1,00,000
Closing cash in hand as on December 30, 2016	-	-	-

\* In view of few requests from employees to repay the staff advances, we have allowed them to deposit the staff advances into our Bank account aggregating to Rs.48.44 Lakhs. This is accounted the same way in the books of account of the company.

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

For Girish Murthy & Kumar

Firm registration number: 000934S  
Chartered Accountants

*S. v. Lalit*  
Satish Kumar AV  
Partner  
Membership no.: 026526



Place : New Delhi  
Date: 28th April 2017

For and on behalf of the Board of Directors

*A. K. Prasad*  
A. K. Prasad  
Director  
DIN - 07603471

Chirag Banga  
Company Secretary

*Ashish Prasad*  
ASHISH PRASAD  
Director  
DIN -

*S. Rajesh*  
Rajesh Silla  
Chief Financial Officer



GMR ENERGY TRADING LIMITED  
Equity reconciliation as at April 1, 2015

	Notes	IGAAP April 1, 2015 Rs. in Lakh	Ind AS adjustments April 1, 2015 Rs. in Lakh	Ind AS April 1, 2015 Rs. in Lakh
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	1	29.62	0.00	29.62
Other intangible assets	2	1.50	-	1.50
<b>Financial assets</b>				
Investments	3	35.83	35.83	-
Loans	5	5,180.63	1,841.86	3,338.77
Other (non-current financial assets)		-	-	-
Deferred tax assets (net)	8	-	35.83	35.83
Other non-current assets		5,247.57	1,841.86	3,405.71
<b>Current assets</b>				
<b>Inventories</b>				
<b>Financial assets</b>				
Investments	7	2,443.19	17.82	2,425.37
Trade Receivables	6	-	368.85	368.85
Other current financial assets	10	405.56	-	405.56
Cash and Cash Equivalents	4	26,568.08	-	26,568.08
Loans		-	-	-
Current Tax Assets(Net)	9	4,654.79	288.56	4,366.23
Other current assets		34,071.62	62.47	34,134.09
Significant accounting policies and notes to financial statements				
Assets classified as held for distribution				
		39,319.19	1,779.39	37,539.80
<b>TOTAL ASSETS</b>				
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	7,400.00	-	7,400.00
Other equity	12	-	-	-
Other reserves	13	1,539.28	1,779.39	3,318.67
Total equity		5,860.72	1,779.39	4,081.33
<b>Share application money pending allotment</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	14	4,476.09	-	4,476.09
Trade and other payables		-	0.00	0.00
Other financial liabilities		-	-	-
Other non-current liabilities		4,476.09	0.00	4,476.09
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	15	21,888.69	-	21,888.69
Trade payables	16	5,306.13	-	5,306.13
Other financial liabilities	17	283.26	-	283.26
Other current liabilities	18	1,405.68	-	1,405.68
Provisions	19	98.61	-	98.61
Current tax liability (Net)		28,982.37	-	28,982.37
Liabilities directly associated with the assets classified as held for distribution				
		33,458.46	0.00	33,458.47
<b>Total liabilities</b>		39,319.18	(1,779.39)	37,539.79
<b>TOTAL EQUITY AND LIABILITIES</b>				

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GMR ENERGY TRADING LIMITED  
Equity Reconciliation as at March 31, 2016

	Notes	IGAAP March 31, 2016 Rs. in Lakh	Ind AS adjustments Carried forward Rs. in Lakh	Ind AS adjustments March 31, 2016 Rs. in Lakh	Ind AS March 31, 2016 Rs. in Lakh
<b>ASSETS</b>					
Non-current assets			0.00	-	26.09
Property, Plant and Equipment	1	26.09			1.00
Other intangible assets	2	1.00			
<b>Financial assets</b>					
Investments	3				
Loans	5	77.15	(1,841.86)	1,841.86	77.15
Other (non-current financial assets)					
Deferred tax assets (net)	8	27.27			27.27
Other non-current assets		131.52	1,841.86	1,841.86	131.52
<b>Current assets</b>					
<b>Inventories</b>					
<b>Financial assets</b>					
Investments	7	11,062.49	(17.82)	14.19	11,058.86
Trade Receivables	6	1,191.01	368.85	(368.85)	1,191.01
Other current financial assets	10	1,078.11			1,078.11
Cash and Cash Equivalents	4	17,532.54			17,532.54
Loans	9	7,679.80	(288.56)	238.64	7,629.88
Other current assets		38,543.95	62.47	116.02	38,490.40
Significant accounting policies and notes to financial statements					
Assets classified as held for distribution					
<b>TOTAL ASSETS</b>		<b>38,675.47</b>	<b>1,779.39</b>	<b>1,725.85</b>	<b>38,621.92</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	11	7,400.00			7,400.00
Other equity	12				
Other reserves	13	(1,484.35)	(1,779.39)	1,725.86	(1,537.88)
Total equity		5,915.65	(1,779.39)	1,725.86	5,862.12
Share application money pending allotment					
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	14	27.34		(0.02)	27.32
Trade and other payables					
Other financial liabilities					
<b>Other non-current liabilities</b>					
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	15	13,750.00			13,750.00
Trade payables	16	16,879.97			16,879.97
Other financial liabilities	17	1,019.81		0.02	1,019.83
Other current liabilities	18	976.65			976.65
Provisions	19	106.05			106.05
Current tax liability (Net)		32,732.48		0.02	32,732.50
Liabilities directly associated with the assets classified as held for distribution					
<b>Total liabilities</b>		<b>32,759.82</b>	<b>1,779.39</b>	<b>1,725.86</b>	<b>32,759.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,675.47</b>	<b>1,779.39</b>	<b>1,725.86</b>	<b>38,621.94</b>



**GMR ENERGY TRADING LIMITED**  
**Group Reconciliation of the Profit and Loss for the year ended March 31, 2016**

Particulars	Notes	IGAAP 31st March 2016 (Rs. In Lakhs)	IND AS Adjustment 31st March 2016 (Rs. In Lakhs)	IND AS 31st March 2016 (Rs. In Lakhs)
<b>Continuing Operations</b>				
<b>Income</b>	13 & 14	1,30,224.77	(49.92)	1,30,174.85
Revenue from operations (gross)	15	1,935.36	1,775.77	3,711.13
Other Income		1,32,160.13	1,725.85	1,33,885.97
<b>Total Revenue (I)</b>				
<b>Expenses</b>				
Cost of material and components consumed	16	1,28,545.47		1,28,545.47
Purchase of traded goods	17	575.90	(11.20)	564.70
Employee benefit expense	18	1,230.71		1,230.71
Other expenses		1,30,352.08	(11.20)	1,30,340.88
<b>Total Expenses (II)</b>				
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)</b>		1,808.04	1,737.05	3,545.09
Depreciation and amortization expense	19	7.25		7.25
Financial costs	20	1,716.49		1,716.49
<b>Profit/(loss) before tax</b>		84.31	1,737.05	1,821.36
<b>Tax expenses</b>				
Current Tax		17.19	0.00	17.19
Income Tax of earlier years				
Deferred Tax		17.19		17.19
<b>Total Tax Expense</b>		67.12	1,737.05	1,804.17
<b>Profit/(loss) for the period from continuing operations (A)</b>				
<b>Prior period Items</b>				
Income		(12.19)		(12.19)
Tax Expense of Prior Period Item				
<b>OTHER COMPREHENSIVE INCOME</b>				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains (losses) on defined benefit plans				
Income tax effect				
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods				
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>				
<b>Profit/(loss) after tax from discontinuing operations (B)</b>				(12.19)
<b>Profit/(loss) for the period (A+B)</b>		54.93	1,737.05	1,791.97



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

**1 Other comprehensive income**

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

**2 Statement of cash flows**

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

