

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF GMR GENCO ASSETS LIMITED**

**Report on the Financial Statements**

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

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

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement



of the IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the IND AS financial statements.

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

### **Opinion**

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of changes in equity dealt with by this Reports are in agreement with the books of account.
  - (d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules, 2015 as amended.
  - (e) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the



**GIRISH  
MURTHY & KUMAR**  
Chartered Accountants

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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:
- the Company has disclosed the details and impact of pending litigations on the financial position of the company in its financial statements. – **Refer Note 23** to the financial statements.
  - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - The company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified bank notes during the period from 08<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and these are in accordance with the books of accounts maintained by the company.

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

*A. v. Satish Kumar*

**A.V.SATISH KUMAR**  
Partner  
Membership Number: 26526  
New Delhi



20th 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 Genco Assets Limited**

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- i. a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
  
b. The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The nature of companies operation does not warrant requirement of holding stocks and therefore it does not have any stocks of finished goods, raw materials, store and spare parts. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The company has ~~not~~ granted any loans, secured or unsecured to the companies, firms or other parties listed in the register maintained under section 189 of the companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The company has not accepted deposits from the public during the year and as such this clause is not applicable.
- vi. Maintenance of cost records is not prescribed under sub-section (1) of section 148 of the Companies Act, 2013, hence reporting under this clause does not arise.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion the Company is generally regular in payment of undisputed statutory dues including Provident Fund, income tax, sales tax, Customs Duty, Wealth tax and service tax Value added tax and cess as applicable with appropriate authorities. We are informed by the company that the provisions of Employee state insurance scheme, Investor education and protection fund, and excise duty are not applicable.



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

(b). According to the information and explanations given to us, there are no material disputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, value added tax, cess and other statutory dues were in arrears as at 31<sup>st</sup> March 2017.

(c) Investor education and protection fund is not applicable to the Company.

- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks.
- ix. The Company did not raise any money by way of initial public offer or further offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, and based on our examination of records of the Company, the company has not paid / provided any managerial remuneration during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



**GIRISH  
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Chartered Accountants

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

PLACE: New Delhi  
DATE: 20<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**

**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 Genco Assets Limited**

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We have audited the internal financial controls over financial reporting of **GMR Genco Assets Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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



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

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

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

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

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

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





**Opinion**

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

PLACE: New Delhi  
DATE: 20<sup>th</sup> April, 2017

FOR GIRISH MURTHY & KUMAR  
Chartered Accountants



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



## **GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)** **Significant accounting policies**

### **1 Corporate Information**

GMR GENCO ASSETS Limited (Formerly Known as GMR Hosur Energy Limited) is a Limited Company domiciled in India and incorporated under the provisions of Companies Act 1956. GMR Hosur Energy Limited is promoted as a Special Purpose Vehicle (SPV) by GMR Energy Limited, the holding company, to develop and operate 800 MW gas based power project in Hosur, Tamil Nadu.

The registered office of the company is located at 25/1, Skip House, Museum Road, Bangalore, Karnataka-560 025

Information on other related party relationships of the Company is provided in Note 21.

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

### **2 Significant Accounting Policies**

#### **Basis of preparation**

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

For all periods up to and including the year ended 31 March 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.

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

#### **Current versus non-current classification**

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

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

A liability is current when:

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

Assets under installation or under construction as at the balance sheet date are shown as Capital Work in Progress and the related advances are shown as Loans and advances.

#### **Depreciation**

The depreciation on the tangible fixed assets is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of Companies Act, 2013 except in case of plant and machinery where the life of the asset is considered as 25 years as prescribed by Central Electricity Regulatory Commission (CERC) being the regulatory authority in the energy sector. Assets individually costing less than Rs. 5,000, which are fully depreciated in the year of acquisition. Leasehold land is amortised over the tenure of the lease except in case of power plants where it is amortised from the date of commercial operation. Leasehold improvements are the amortised over the primary period of the lease or estimated useful life whichever is shorter.

#### **Foreign currency translation**

##### **i) Functional and presentation currency**

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

##### **ii) Transaction and balances**

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

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

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

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

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

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

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

##### **(i) Forward Exchange Contracts not intended for trading or speculations purposes**

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



#### **Borrowing cost**

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

#### **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (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 the asset is used.

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

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

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

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

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

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



Contingent liability is disclosed in the case of:

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

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

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

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

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

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

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

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

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

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

#### **Financial Instruments**

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

#### **Financial assets**

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

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

##### **Subsequent measurement**

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

- a. Debt instruments at amortised cost
- b. Debt instruments at fair value through other comprehensive income (FVTOCI)
- c. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)



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

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

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

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.  
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 AS 103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

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

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

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

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

#### Impairment of financial assets

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Financial liabilities**

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

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivatives 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 through profit and loss.

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

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

#### **Reclassification of financial assets**

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

#### **Offsetting of financial instruments**

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

#### **Derivative financial instruments**

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

#### **Cash and cash 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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

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

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

The Valuation Committee, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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



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

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

- a) Disclosures for valuation methods, significant estimates and assumptions (note 20)
- b) Contingent consideration
- c) Quantitative disclosures of fair value measurement hierarchy
- d) Investment in unquoted equity shares (discontinued operations)

#### **Revenue recognition**

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

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

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

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

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

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

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

#### **Taxes on income**

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

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

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

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



## Deferred tax

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

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

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

- ▶ 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.



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**  
**Balance Sheet as at 31 March 2017**

(Amount in INR )

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
<b>ASSETS</b>				
<b>Non current assets</b>				
Capital work-in-progress	3	-	45,763,322	45,763,322
Financial Assets	4			
Loans		150,376,000	21,267,000	28,142,000
Others		-	-	-
Other non-current assets	5	-	146,000,000	146,000,000
<b>Current assets</b>				
Financial Assets				
Trade Receivables	6	-	-	-
Cash and cash equivalents	7	2,160,584	2,220,600	468,777
Loans	4	16,891,000	-	-
Others	4	5,926,315	-	-
Other current assets	5	658,479	-	-
<b>Total</b>		<b>176,012,378</b>	<b>215,250,922</b>	<b>220,374,099</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	8	500,000	500,000	500,000
Other Equity	9	-47,300,358	10,697,121	28,874,021
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings	10	-	-	-
Other financial liabilities	12	-	-	-
Other non-current liabilities	13	-	-	-
Deferred Tax Liabilities (net)		0	8,166,539	15,814,601
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings	10	222,767,192	195,836,541	175,134,629
Trade Payables	11	-	-	-
Other financial liabilities	12	43,545	49,096	49,973
Other current liabilities	13	2,000	1,625	875
<b>Total</b>		<b>176,012,378</b>	<b>215,250,922</b>	<b>220,374,099</b>

Corporate information 1  
Summary of significant accounting policies 2

The accompanying notes are an integral part of financial statements  
As per our report of even date.

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

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

Place: New Delhi  
Date: 20 April, 2017



For and on behalf of the board of directors

*Raja Vaidyanathan*  
Raja Vaidyanathan  
Director  
DIN:02896045

Place: New Delhi  
Date: 20 April, 2017

*M. Gopal Rao*  
M. Gopal Rao  
Director  
DIN:06766151



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**  
**Statement of Cash Flows for the year ended 31 March 2017**

Amounts in INR

Particulars	31-Mar-17	31-Mar-16
<b>A Cash Flow from Operating Activities</b>		
Profit / (loss) before tax	(57,997,479)	(17,837,641)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation	-	-
Interest expenses	26,930,663	24,804,547
	<u>26,930,663</u>	<u>24,804,547</u>
<b>Operating Profit before Working Capital changes</b>	<u>(31,066,816)</u>	<u>6,966,906</u>
Movements in working capital : (Excluding Cash & Bank Balances)		
Increase/(Decrease) in Other Current Liabilities	375	750
Increase/(Decrease) in Other Financial Liabilities	(5,551)	(877)
Increase / (Decrease) in other Current Assets	(658,479)	-
Decrease / (increase) in other Financial Assets	(22,817,315)	-
	<u>(23,480,971)</u>	<u>(127)</u>
Cash Generated From Operations	(54,547,787)	6,966,779
Less : Direct Tax paid ( net of refunds)	-	-
<b>Net Cash Flow from Operating Activities (A)</b>	<u>(54,547,787)</u>	<u>6,966,779</u>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	146,000,000	-
(Increase)/ Decrease in Long Term Loans & Advances	(129,109,000)	6,875,000.00
Write off of capital work-in progress	45,763,322	-
<b>Net cash flow (used in) investing activities (B)</b>	<u>62,654,322</u>	<u>6,875,000</u>
<b>C Net Cash Flow From Financing Activities:</b>		
Repayment of Short term borrowings	-	(4,000,000)
Interest paid	(12)	(593,604)
<b>Net cash flow (used in) in financing activities ( C )</b>	<u>(12)</u>	<u>(4,593,604)</u>
<b>D Net (decrease ) / In cash and cash equivalents (A + B + C)</b>	<u><b>8,106,524</b></u>	<u><b>9,248,175</b></u>
Cash and cash equivalents (Opening)	9,716,952	468,777
Cash and cash equivalents (Closing)	17,823,476	9,716,952

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

CASH AND CASH EQUIVALENTS	31-Mar-17	31-Mar-16
Cash on hand	-	-
Balances with banks		
- on current accounts	2,160,584	2,220,600
<b>Total cash and cash equivalents</b>	<u><b>2,160,584</b></u>	<u><b>2,220,600</b></u>

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on 'Cash Flow Statements' issued by the Institute of Chartered Accountants of India.

This cash flow statement referred to our report of even date

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

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

Place: New Delhi  
 Date: 20 April, 2017



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

**Raja Vaidyanathan**  
 Director  
 DIN:02896045

**M.Gopal Rao**  
 Director  
 DIN:06766151

Place: New Delhi  
 Date: 20 April, 2017



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**  
**Statement of Profit and Loss for the period ended 31 March 2017**

(Amount in INR )

Particulars	Notes	For the period ended 31 March 2017	For the period ended 31 March 2016
<b>REVENUE</b>			
Revenue From Operations	15	-	-
Other Income	16	6,584,795	9,967
<b>Total Revenue</b>		<b>6,584,795</b>	<b>9,967</b>
<b>EXPENSES</b>			
Employee Benefits Expense	17	-	-
Finance Costs	19	26,930,663	24,804,547
Depreciation and amortization expense	18	-	-
Other Expenses	20	45,818,150	539,413
<b>Total expenses</b>		<b>72,748,813</b>	<b>25,343,960</b>
<b>Profit before exceptional items and tax</b>		<b>(66,164,018)</b>	<b>(25,333,993)</b>
Exceptional Items		-	-
<b>Profit/(loss) before tax</b>		<b>(66,164,018)</b>	<b>(25,333,993)</b>
<b>Tax expense:</b>			
Current Tax		-	-
Deferred Tax		8,166,539	7,496,352
Income tax expense earlier year		-	-
<b>Profit/(loss) for the period</b>		<b>(57,997,479)</b>	<b>(17,837,641)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(57,997,479)</b>	<b>(17,837,641)</b>
Earnings per equity share:			
(1) Basic		-1,159.95	-356.75
(2) Diluted		-1,159.95	-356.75

Corporate information

Summary of significant accounting policies

The accompanying notes are an integral part of financial statements  
As per our report of even date.

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

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

Place: New Delhi  
Date: 20 April, 2017



For and on behalf of the board of directors

*Raja Vaidyanathan*  
**Raja Vaidyanathan**  
Director  
**DIN:02896045**

Place: New Delhi  
Date: 20 April, 2017

*M. Gopal Rao*  
**M. Gopal Rao**  
Director  
**DIN:06766151**



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**  
**Statement of changes in equity**

	Attributable to the equity holders of the parent			Total equity
	Equity share capital	Equity component of preference share	Reserves and Retained earnings Total	
<b>As at 1 April 2015</b>	500,000	45,703,947	28,874,021	29,374,021
Profit for the period/ additions	-	(339,259)	(18,176,900)	(18,176,900)
Other comprehensive income	-	-	(17,837,641)	-
<b>At 31 March 2016</b>	500,000	45,364,688	10,697,121	11,197,121
Profit for the period	-	-	(57,997,479)	(57,997,479)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-
<b>At 31 March 2017</b>	500,000	45,364,688	(47,300,358)	(46,800,358)



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**

Notes to Financial Statements at 31st March 2017

**3 Capital Work-in Progress**

	(Amount in INR )		
	At 31 March 2017	At 31 March 2016	At 1 April 2015
Interest Others	-	59,02,501	59,02,501
Staff Welfare Expenses	-	866	866
Rent	-	2,77,08,059	2,77,08,059
Rates & Taxes	-	39,06,587	39,06,587
Repairs & Maintenance - Others	-	18,14,373	18,14,373
Consultancy & Professional Charges	-	22,30,384	22,30,384
Meetings & Seminars	-	6,215	6,215
Travelling and Conveyance	-	61,368	61,368
Printing & Stationery	-	20,041	20,041
Business Promotion Expenses	-	3,500	3,500
Security charges	-	40,37,460	40,37,460
Miscellaneous Expenses	-	71,968	71,968
	-	<b>4,57,63,322</b>	<b>4,57,63,322</b>





GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)  
Notes to Financial Statements at 31st March 2017

4 Financial assets

(i) Loans

	Non Current		Current	
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-16
<b>Carried at amortised cost</b>				
Loans & Advances to Related Parties	15,00,00,000	2,12,67,000	2,81,42,000	-
Security deposits	3,76,000	-	-	-
Other Receivables	-	-	-	1,68,91,000
<b>Total</b>	<b>15,03,76,000</b>	<b>2,12,67,000</b>	<b>2,81,42,000</b>	<b>1,68,91,000</b>

(ii) Other Financial assets

	Non Current		Current	
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-16
<b>Carried at amortised cost</b>				
Interest accrued on fixed deposits	-	-	-	-
Interest accrues on Inter Corporate Deposit	-	-	-	59,26,315
<b>Total other financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,26,315</b>

Break up of financial assets

	Non-current		Current	
	31-Mar-17	01-Apr-15	31-Mar-17	01-Apr-15
<b>Carried at amortised cost</b>				
Loans & Advances to Related Parties	15,00,00,000	2,12,67,000	-	-
Security Deposits	3,76,000	-	-	-
Other Receivables	-	-	1,68,91,000	-
Interest accrues on Inter Corporate Deposit	-	-	59,26,315	-
<b>Total</b>	<b>15,03,76,000.00</b>	<b>2,12,67,000</b>	<b>2,28,17,315</b>	<b>-</b>



GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)  
Notes to Financial Statements at 31st March 2017

5 Other assets

	(Amount in INR)				
	31-Mar-17	Long Term 31-Mar-16	01-Apr-15	Short Term 31-Mar-16	01-Apr-15
Capital Advances	-	14,60,00,000	14,60,00,000	-	-
Balance with statutory / government Authorities	-	-	-	6,58,479	-
<b>Total other assets</b>	<b>-</b>	<b>14,60,00,000</b>	<b>14,60,00,000</b>	<b>6,58,479</b>	<b>-</b>



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**  
**Notes to Financial Statements at 31st March 2017**

**6 Trade receivables**

	(Amount in INR )	
	At 31 March 2017	At 1 April 2015
Trade receivables	-	-
Secured, considered good	-	-
Unsecured, considered good	-	-
Related parties	-	-
Others	-	-
Less: Allowances for doubtful receivables	-	-
	-	-



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**

**Notes to Financial Statements at 31st March 2017**

**7 Cash and Cash Equivalent**

Particulars	(Amount in INR)	
	At 31 March 2017	At 1 April 2015
<b>Cash and cash equivalents</b>		
-Balances with Banks	21,60,584	-
-In current accounts	-	4,68,777
<b>Total</b>	<b>21,60,584</b>	<b>4,68,777</b>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	(Amount in INR)	
	At 31 March 2017	At 1 April 2015
Balances with banks:		
- On current accounts	21,60,583.61	4,68,776.61
Cash on hand	-	-
<b>Total</b>	<b>21,60,583.61</b>	<b>4,68,776.61</b>



## 8 Share Capital

Particulars	(Amount in INR.)			
	31 March 2017	31 March 2016	1 April 2016	1 April 2015
<b>Authorised :</b>				
50,000 Equity Shares of Rs. 10 each	500,000.00	500,000.00	500,000.00	500,000.00
	500,000.00	500,000.00	500,000.00	500,000.00
<b>Issued :</b>				
50,000 ( March 31, 2016 : 50,000) Equity Shares of Rs. 10 each	500,000.00	500,000.00	500,000.00	
<b>Subscribed and Paid-up</b>				
50,000 ( March 31, 2016 : 50,000) Equity Shares of Rs. 10 each	500,000.00	500,000.00	500,000.00	
<b>Total</b>	500,000.00	500,000.00	500,000.00	

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

	31 March 2017		31 March 2016		1 April 2015	
	In Numbers	Amounts in INR crores	In Numbers	Amounts in INR crores	In Numbers	Amounts in INR crores
At the beginning of the year	50,000	500,000.00	50,000	500,000.00	50,000	500,000.00
Issued during the year						
<b>Outstanding at the end of the year</b>	<b>50,000</b>	<b>500,000.00</b>	<b>50,000</b>	<b>500,000.00</b>	<b>50,000</b>	<b>500,000.00</b>

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

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

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

Name of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares held	Amount	No. of Shares held	Amount	No. of Shares held	Amount
GMR Generation Assets Limited (including its nominees), the immediate holding company	50,000	500,000.00	50,000	500,000.00	-	-
GMR Energy Limited (including its nominees), the immediate holding company	-	-	-	-	50,000	500,000.00
	<b>50,000</b>	<b>500,000</b>	<b>50,000</b>	<b>500,000</b>	<b>50,000</b>	<b>500,000</b>

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

Name of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
GMR Generation Assets Limited (including its nominees), the immediate holding company	50,000.0	100.0	50,000.0	100.0	-	-
GMR Energy Limited (including its nominees), the immediate holding company	-	-	-	-	50,000.0	100.0

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



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**  
**Notes to Financial Statements as at 31 March 2017**  
**9 Other Equity**

Particulars	(Amount in INR)
<b>-Equity component of Related Party Loan**</b>	
At 1 April 2015 (a.)	45,703,947
Movements during the year	-339,259
<b>At 31 March 2016 (b.)</b>	<b>45,364,688</b>
Movements during the year	
<b>At 31 March 2017 (c.)</b>	<b>45,364,688</b>
<b>Surplus in the statement of profit and loss</b>	
At 1 April 2015 (d.)	
Add: Profit / (loss) for the year	-16,829,926
Add: Other comprehensive income / (expense) for the year	-17,837,641
<b>At 31 March 2016 (e.)</b>	<b>-34,667,568</b>
Add: Net profit for the year	-57,997,479
Add: Other comprehensive income / (expense) for the year	-
<b>At 31 March 2017 (f.)</b>	<b>-92,665,047</b>
<b>Total as at 1 April 2015 (a+d)</b>	<b>28,874,021</b>
<b>Total as at 31 March 2016 (b+e)</b>	<b>10,697,121</b>
<b>Total as at 31 March 2017 (c+f)</b>	<b>-47,300,358</b>





GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)  
Notes to Financial Statements at 31st March 2017

11 Financial liabilities - Trade payables

Particulars	(Amount in INR)		
	31 March 2017	31 March 2016	1 April 2015
Trade Payable			
- Others			
<b>TOTAL</b>			







**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**  
**Notes to Financial Statements at 31st March 2017**

**13 Other Liabilities**

	(Amount in INR)				
	Non Current		Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2016	1 April 2015
<b>Statutory liabilities</b>					
Tax deducted at source/Tax Collected at source payable	-	-	-	2,000	875
<b>Total</b>	-	-	-	<b>2,000</b>	<b>1,625</b>
					<b>875</b>



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**  
**Notes to Financial Statements at 31st March 2017**

**14 Income Tax**

(Amount in INR )

A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed

**An explanation of changes in the applicable tax rate(s) compared to the previous accounting period**

**In 2016-17, the Government enacted a change in the national income tax rate from 30% to 25%.**

**Deferred tax:**

	Balance Sheet		Statement of profit and loss	
	As at 31-Mar-17 INR crores	As at 31-Mar-16 INR crores	As at 01-Apr-15 INR crores	31-Mar-16 INR crores
<b>Deferred tax liability:</b>				
Borrowings	-2,02,86,091	-2,02,86,091	-2,04,37,800	-
<b>Total deferred tax liability (A)</b>	<b>-2,02,86,091</b>	<b>-2,02,86,091</b>	<b>-2,04,37,800</b>	<b>-</b>
<b>Deferred tax assets:</b>				
Borrowings	2,02,86,091	1,19,64,519	44,83,338	81,66,539
Brought Forward Losses	-	1,55,032	1,39,861	-
<b>Total deferred tax assets (B)</b>	<b>2,02,86,091</b>	<b>1,21,19,551</b>	<b>46,23,199</b>	<b>81,66,539</b>
<b>Deferred Tax Liability (Net) (A - B)</b>	<b>-0</b>	<b>-81,66,539</b>	<b>-1,58,14,601</b>	<b>-81,66,539</b>
				<b>-74,96,352</b>

**-83,18,249**

**Reconciliations of deferred tax liabilities/assets(net) /**

	31-Mar-17	31-Mar-16
<b>Opening balance as of 1 April 2016</b>	<b>-81,66,540</b>	<b>-1,58,14,601</b>
Tax income/(expense) during the period recognised in profit or loss	81,66,539	74,96,352
Tax income/(expense) during the period recognised in OCI	-	-
Amount recognised directly in equity	-	1,51,709
Deferred taxes acquired in business combinations	-	-
<b>Closing balance as at 31 March 2017</b>	<b>-0</b>	<b>-81,66,540</b>

**Amount recognised directly in equity:**

	31-Mar-17	31-Mar-16
<b>Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to equity:</b>		
Deferred tax in convertible preference shares/related party loans	-	1,51,709



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**

**Notes to Financial Statements at 31st March 2017**

**15 Revenue From Operations**

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

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
<b>Revenue from operations</b>		
Sale of products (including excise duty)	-	-
<b>Grand Total</b>	-	-



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**  
**Notes to Financial Statements at 31st March 2017**

**16 Other income**

	(Amount in INR)	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16
<b>Other income</b>		
<u>Interest on:</u>		
Interest Income	65,84,795	9,967
	<b>65,84,795</b>	<b>9,967</b>



**19 Finance Costs**

**(Amount in INR )**

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Interest expense:		
Interest on Inter Corporate Deposit	26,930,651	24,804,434
Finance Charges	12	113
	<u>26,930,663</u>	<u>24,804,547</u>



**20 Other expenses**

(Amount in INR )

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Payment to auditor (Refer details below)	40,319	40,006
Logo Fees	1,115	1,113
Rates & Taxes	12,450	6,499
Stamp Duty Charges	-	489,290
Printing & Stationery	944	165
Legal and Professional Fees	-	1,200
Capital Work in Progress Written Off	45,763,322	-
Interest on Delayed Payment of Income Tax	-	1,140
<b>Total</b>	<b>45,818,150</b>	<b>539,413</b>

(Amount in INR )

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
<b>Payment to Auditors (Included in other expenses above)</b>		
<b>As Auditor</b>		
Audit fee	17,319	17,156
Limited Review	23,000	22,850
	<b>40,319</b>	<b>40,006</b>



GMR Hosur Energy Limited				Amount in Rs.
Reconciliation of Equity as at 31 st March 2016				
Particulars	IGAAP	Ind AS adjustments	Ind AS	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	-	-	-	
Capital work-in-progress	4,57,63,322	-	4,57,63,322	
Financial Assets				
Loans	16,72,67,000	-14,60,00,000	2,12,67,000	
Other non-current assets	-	14,60,00,000	14,60,00,000	
	<b>21,30,30,322</b>	<b>-</b>	<b>21,30,30,322</b>	
<b>Current assets</b>				
Inventories	-	-	-	
Financial Assets				
Cash and cash equivalents	22,20,600	-	22,20,600	
	<b>22,20,600</b>	<b>-</b>	<b>22,20,600</b>	
<b>Total Assets</b>	<b>21,52,50,922</b>	<b>-</b>	<b>21,52,50,922</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	5,00,000		5,00,000	
Other Equity	-80,66,991	1,87,64,111	1,06,97,119	
<b>Total equity</b>	<b>-75,66,991</b>	<b>1,87,64,111</b>	<b>1,11,97,119</b>	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities (Net)		81,66,540	81,66,540	
	<b>-</b>	<b>81,66,540</b>	<b>81,66,540</b>	
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings	22,27,67,192	-2,69,30,651	19,58,36,541	
Other financial liabilities	-	49,096	49,096	
Other current liabilities	50,721	-49,096	1,625	
	<b>22,28,17,913</b>	<b>-2,69,30,651</b>	<b>19,58,87,263</b>	
<b>Total Equity and Liabilities</b>	<b>21,52,50,922</b>	<b>0</b>	<b>21,52,50,922</b>	





**GMR Hosur Energy Limited****Reconciliation of Equity as at 01st April 2015 (date of Transition of IND AS)**

Amount in Rs.

Particulars	IGAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capital work-in-progress	4,57,63,322	-	4,57,63,322
Financial Assets			
Loans	17,41,42,000	-14,60,00,000	2,81,42,000
Other non-current assets	-	14,60,00,000	14,60,00,000
	<b>21,99,05,322</b>	-	<b>21,99,05,322</b>
<b>Current assets</b>			
Financial Assets			
Cash and cash equivalents	4,68,777	-	4,68,777
	<b>4,68,777</b>	-	<b>4,68,777</b>
<b>Total Assets</b>	<b>22,03,74,099</b>	-	<b>22,03,74,099</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	5,00,000		5,00,000
Other Equity	-69,43,941	3,58,17,962	2,88,74,021
<b>Total equity</b>	<b>-64,43,941</b>	<b>3,58,17,962</b>	<b>2,93,74,021</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	-	-	-
Trade and other payables	-	-	-
Other financial liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities (Net)		1,58,14,601	1,58,14,601
	-	<b>1,58,14,601</b>	<b>1,58,14,601</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	22,67,67,192	-5,16,32,563	17,51,34,629
Other financial liabilities		49,973	49,973
Other current liabilities	50,848	-49,973	875
	<b>22,68,18,040</b>	<b>-5,16,32,563</b>	<b>17,51,85,477</b>
<b>Total Equity and Liabilities</b>	<b>22,03,74,099</b>	-	<b>22,03,74,099</b>



**GMR Hosur Energy Limited**  
**Reconciliation of profit or loss for the year ended 31 March 2016**

(Amount in INR )

	March 31, 2016 (IGAAP)	Ind AS adjustments	March 31, 2016 (Ind AS)
<b>CONTINUING OPERATIONS</b>			
Revenue from operations	9,967	-	9,967
Other income	9,967	-	9,967
<b>Total Revenue</b>			
Employee benefit expenses	-	-	-
Depreciation and amortisation expenses	-	-	-
Finance costs	5,93,604	2,42,10,943	2,48,04,547
Other expenses	5,39,413	-	5,39,413.25
<b>Total Expenses</b>	<b>11,33,017</b>	<b>2,42,10,943</b>	<b>2,53,43,961</b>
<b>Profit/(loss) before exceptional items and tax from continuing operations</b>	<b>-11,23,050</b>	<b>-2,42,10,943</b>	<b>-2,53,33,994</b>
Exceptional items	-	-	-
<b>Profit/(loss) before and tax from continuing operations</b>	<b>-11,23,050</b>	<b>-2,42,10,943</b>	<b>-2,53,33,994</b>
(1) Current tax	-	-	-
(3) Deferred tax	-	-74,96,352	-74,96,352
<b>Income tax expense</b>	<b>-</b>	<b>-74,96,352</b>	<b>-74,96,352</b>
<b>Profit/(loss) for the year from continuing operations</b>	<b>-11,23,050</b>	<b>-1,67,14,591</b>	<b>-1,78,37,642</b>
<b>Attributable to:</b>			
Equity holders of the parent	-	-	-
Non-controlling interests	-	-	-
<b>Profit for the year</b>	<b>-11,23,050</b>	<b>-1,67,14,591</b>	<b>-1,78,37,642</b>
Other comprehensive income	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>-11,23,050.25</b>	<b>-1,67,14,591.27</b>	<b>-1,78,37,641.52</b>



## 21 Significant accounting judgements, estimates and assumptions

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

### 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 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.



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**  
**Notes to Financial Statements at 31st March 2017**

**22 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. There is no dilutive potential ordinary shares as at March 31, 2017, March 31, 2016 and April 1, 2015. Thus, diluted EPS equals basic EPS.

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

Particulars	(Amount in INR )	
	31-Mar-17	31-Mar-16
Profit attributable to equity holders of the parent		
Continuing operations	-5,79,97,479	-1,78,37,641
Discontinued operation	-	-
<b>Profit attributable to equity holders of the parent for basic earnings</b>	<b>-5,79,97,479</b>	<b>-1,78,37,641</b>
Interest on convertible preference shares	-	-
<b>Profit attributable to equity holders of the parent adjusted for the effect of dilution</b>	<b>-</b>	<b>-</b>
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	50,000.00	50,000.00
Effect of dilution:	-	-
Convertible preference shares	-	-
<b>Weighted average number of Equity shares adjusted for the effect of dilution *</b>	<b>50,000.00</b>	<b>50,000.00</b>
Earning Per Share (Basic) (Rs)	-1,159.95	-356.75
Earning Per Share (Diluted) (Rs)	-1,159.95	-356.75
Face value per share (Rs)	10	10

To calculate the EPS for discontinued operation, the weighted average number of Equity shares for both the basic and diluted EPS is as per the table above. The following table provides the profit/(loss) amount used:

Particulars	Amounts in INR	
	31-Mar-17	31-Mar-16
Profit/(loss) attributable to equity holders of the parent from discontinued operation for the basic and diluted EPS	-	-



## Financial risk management objectives and policies

### Financial risk

The Company's principal financial liabilities comprise of trade and other payables, security deposits, borrowings and employee liabilities. 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 short-term deposits 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 Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the company's senior management that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### Market risk

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

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 2017.

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

The 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 including the effect of hedge accounting

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a

### Foreign currency risk

#### Applicability

The applicability in relation to foreign currency risk lies in the fact that the company has material borrowings, imports obligations and export considerations in foreign currencies.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases and 24-month period for net investment hedges.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps and forwards.

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

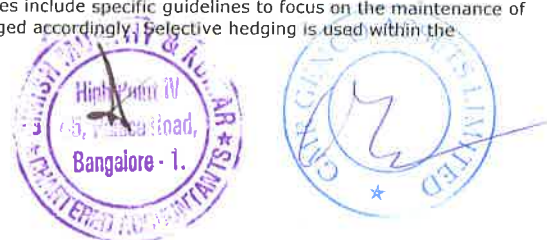
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs
<b>Year ended 31-Mar-17</b>						
Borrowings	-	-	2,227.67	-	-	2,227.67
Trade payables	-	-	0.44	-	-	0.44
Other financial liabilities	-	-	-	-	-	-
	-	-	2,228.11	-	-	2,228.11
<b>Year ended 31-Mar-16</b>						
Borrowings	-	-	2,227.67	-	-	2,227.67
Trade payables	-	-	0.49	-	-	0.49
Other financial liabilities	-	-	-	-	-	-
	-	-	2,228.16	-	-	2,228.16
<b>As at 1 April 2015</b>						
Borrowings	-	-	2,227.67	-	-	2,227.67
Trade payables	-	-	0.47	-	-	0.47
Other financial liabilities	-	-	-	-	-	-
	-	-	2,228.14	-	-	2,228.14

### Excessive risk concentration

The Company needs to assess the risks in relation to excessive risk concentration and the measures adopted by the Company to mitigate such risks.

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

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



**GMR GENCO ASSETS LIMITED (Formerly Known as GMR Hosur Private Limited)**  
**Notes to Financial Statements at 31st March 2017**

**24 Capital management**

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents.

The Company needs to draw its capital management policies and assess its gearing ratio.

	At 31 March 2017	At 31 March 2016	At 1 April 2015	Amounts in INR
Borrowings	22,27,67,191.87	19,58,36,540.66	17,51,34,629.32	
<b>Total debt</b>	<b>22,27,67,191.87</b>	<b>19,58,36,540.66</b>	<b>17,51,34,629.32</b>	
<b>Capital Components</b>				
Share Capital	5,00,000.00	5,00,000.00	5,00,000.00	
Reserves & Surplus	(9,26,65,047)	(3,46,67,568)	2,88,74,021	
General Reserve				
<b>Total equity</b>	<b>(9,21,65,047)</b>	<b>(3,41,67,568)</b>	<b>2,93,74,021</b>	
<b>Total debt and equity</b>	<b>13,06,02,145</b>	<b>16,16,68,973</b>	<b>20,45,08,650</b>	
<b>Gearing ratio (%)</b>	<b>171%</b>	<b>121%</b>	<b>86%</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.



## 25. Related Party Disclosures

### Names of the Related Parties & Related Party Relationship

#### Related Parties where control exists

Enterprises that controls the company.	GMR Generation Assets Limited (GGAL) formerly known as GMR Renewable Energy Limited GMR Infrastructure Limited (GIL)
Ultimate Holding Company	GMR Holdings Private Limited (GHPL)
Fellow Subsidiaries	<p>GMR Infrastructure Limited GMR Sports Private Limited GMR League Games Private Limited GMR Infratech Private Limited Cadence Enterprises Private Limited PHL Infrastructure Finance Company Private Limited GMR Energy Limited (GEL)</p> <p>Geokno India Private Limited GMR Projects 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 Holding (Malta) Limited GMR Infrastructure (Malta) Limited GMR Holdings (Overseas) Limited GMR Holdings (Mauritius) Limited Crossridge Investments Ltd. Interzone Capital Limited GMR Holdings Overseas (Singapore) Pte Limited GMR Energy Limited GMR Power Corporation Limited GMR Vemagiri Power Generation Limited GMR Energy Trading Limited GMR (Badrinath) Hydro Power Generation Private Limited GMR Mining and Energy Private Limited GMR Kamalanga Energy Limited GMR Consulting Services Limited (formerly known as GMR Consulting Services Private Limited) GMR Rajahmundry Energy Limited SJK Powergen Limited GMR Coastal Energy Private Limited GMR Bajoli Holi Hydropower Private Limited GMR Chhattisgarh Energy Limited</p>



GMR Londa Hydropower Private Limited  
GMR Kakinada Energy Private Limited (Erstwhile Londa Hydro Power Private Limited)  
GMR Warora Energy Limited (Formerly known as EMCO Energy Limited)  
GMR Gujarat Solar Power Private Limited  
Himtal Hydro Power Co. Private Limited  
GMR Upper Karnali Hydro Power Public Limited  
GMR Energy (Mauritius) Limited  
GMR Lion Energy Limited  
GMR Energy (Cyprus) Ltd  
GMR Energy (Netherlands) BV  
PT Dwikarya Sejati Utma  
PT Duta Sarana Internusa  
PT Barasentosa Lestari  
PT Unsoco  
Karnali Transmission Company Pvt. Ltd.  
Marsyangdi Transmission Company Pvt. Ltd.  
GMR Maharashtra Energy Limited  
GMR Bundelkhand Energy Private Limited  
GMR Rajam Solar Power Pvt Ltd (formerly known as GMR Uttar Pradesh Energy Private Limited)  
GMR Indo-Nepal Energy Links Limited  
GMR Indo-Nepal Power Corridors Limited  
Aravali Transmission Service Company Limited  
Maru Transmission Service Company Limited  
GMR Renewable Energy Limited  
GMR Power Infra Limited  
GMR Coal Resources PTE. Limited  
GMR Krishnagiri SEZ Limited  
Advika Properties Private Limited  
Aklima Properties Private Limited  
Amartya Properties Private Limited  
Baruni Properties Private Limited  
Camelia Properties Private Limited  
Eila Properties Private Limited  
Gerbera Properties Private Limited  
Lakshmi Priya Properties Private Limited  
Honeysuckle Properties Private Limited  
Idika Properties Private Limited  
Krishnapriya Properties Private Limited  
Nadira Properties Private Limited  
Prakalpa Properties Private Limited  
Purnachandra Properties Private Limited  
Shreyadita Properties Private Limited  
Sreepa Properties Private Limited  
Bougainvillea Properties Private Limited





GMR SEZ & Port Holdings Private Limited (erstwhile GMR Oil & Natural Gas Private Limited)

Deepesh Properties Pvt Ltd  
Padmapriya Properties Pvt Ltd  
Kakinada SEZ Private Limited  
Larkspur Properties Private Limited  
Pranesh Properties Private Limited  
Radhapriya Properties Private Limited  
Asteria Real Estates Private Limited  
GMR Hosur Industrial City Private Limited  
(formerly known as Lantana Properties Private Limited)  
GMR Hosur EMC Limited  
Honeyflower Estates Private Limited  
Namitha Real Estates Private Limited  
East Godavari Power Distribution Company Private Limited  
Suzone Properties Private Limited  
Lilliam Properties Private Limited  
GMR Highways Limited  
GMR Tuni Anapalli Expressways Limited  
GMR Tambaram Tindivanam Expressways Limited  
GMR Ambala Chandigarh Expressways Private Limited  
GMR Pochanpalli Expressways Limited  
GMR Hyderabad Vijayawada Expressways Private Limited  
GMR Chennai Outer Ring Road Private Limited  
GMR Highways Projects Private Limited  
GMR Kishangarh Udaipur Ahmedabad Expressways Limited  
Delhi International Airport Private Limited  
Delhi Aerotropolis Private Limited  
GMR Airports Limited  
GMR Airport (Global) Limited  
GMR Airports (Mauritius) Limited  
GMR Airports (Malta) Limited  
Delhi Duty free Services Private Limited  
Delhi Airport Parking services Private Limited  
GMR Hyderabad International Airport Ltd  
Gateways for India Airports Private Limited  
GMR Hyderabad Aerotropolis Limited  
GMR Hyderabad Airport Resource Management Limited  
GMR Hyderabad Aviation SEZ Limited  
GMR Hyderabad Multiproduct SEZ Limited  
Hyderabad Airport Security Services Limited  
Hyderabad Duty Free Retail Limited



	<p>GMR Hotels and Resorts Limited  GMR Airport Handling Services Company Limited  GMR Airport Developers Limited  GADL (Mauritius) Limited  GADL International Limited  GMR Hyderabad Airport Power Distribution Limited  GMR Aerospace Engineering Limited (Formerly known as MAS GMR Aerospace Engineering Company Limited)  GMR Aero Technic Limited (Formerly known as MAS GMR Aero Technic Limited)  GMR Male International Airport Private Limited  GMR Malé Retail Private Limited  Dhruvi Securities Private Limited  GMR Corporate Center Limited  GMR Aviation Private Limited  GMR Corporate Affairs Private Limited  GMR Business Process And Services Private Limited  Raxa Security Services Limited  GMR Infrastructure ( Mauritius) Limited  GMR Infrastructure ( UK) Limited  GMR Infrastructure (Singapore) PTE. Limited  GMR Infrastructure (Cyprus) Limited  GMR Infrastructure (Global) Limited  GMR Energy (Global) Limited  GMR Infrastructure Overseas (Malta)Limited (Formerly known as GMR Infrastructure Overseas Sociedad Limitada)  GMR Energy Projects (Mauritius) Limited  GMR Infrastructure (Overseas) Limited  GMR Utilities Private Limited</p>
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**Related Parties with whom transactions are taken place during the year**

Holding Company	GMR Energy Limited (GEL) GMR Generation Assets Limited (GGAL)
Subsidiaries	Advika Properties Private Limited Akilma Properties Private Limited Camelia Properties Private Limited Gerbera Properties Private Limited Honeysuckle Properties Private Limited Purnachandra Properties Private Limited Sreepa Properties Private Limited Bougainvillea Properties Private Limited Shreyadita Properties Private Limited Padma Priya Properties Private Limited GMR Bannerghatta Properties Private Limited Kakinada SEZ Private Limited



**Related Party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

**Transactions with related parties during the year: : ( Amt. in Rupees)**

Particulars	For the year ended 31 <sup>st</sup> Mar 2017	For the year ended 31 <sup>st</sup> Mar 2016
I) Fellow Subsidiary		
a) Interest on ICD-GMR Energy Ltd	-	-
b) ICD Received GMR Energy Ltd	-	2,22,767,192
II) Enterprise that control the company		
a) Logo fee & trade mark fee-GMR Holdings Pvt Ltd	1,113	1,055
B) ICD-GMR Generation Assets Limited	2,22,767,192	0
III) Enterprise where key management personnel and their relatives exercise significant influence -GMR Family Fund trust		
a) Rent paid	-	-
IV) Fellow Subsidiary-Kakinada SEZ Private Limited		
c) Interest accrued on ICD	59,26,315	0
d) ICD Given during the year	150,000,000	0
e)Interest Income on ICD	65,84,795	0

**Closing balances with the above related parties: ( Amt. in Rupees)**

Particulars	For the year ended 31 <sup>st</sup> Mar 2017	For the year ended 31 <sup>st</sup> Mar 2016
I) GMR Generation Assets Limited(formerly known as GMR Renewable Energy Limited)		
a) Share Capital	5,00,000	5,00,000
b) ICD	2,22,767,192	-
II) GMR Energy Ltd		
a) Share Capital	-	-
b) ICD	-	222,767,192
c) ICD Interest payable	-	-
III) Kakinada SEZ Private Limited		
a) Interest Income on ICD	65,84,795	-
b) ICD	150,000,000	-
c) ICD Interest accrues on ICD	59,26,315	-
III) GMR Holdings Private Limited		
a) Logo fee payable	1,115	1,113
IV) Sreepa Properties Pvt Ltd- Lease deposit	20,38,000	20,38,000
V) Bougainvillea Properties Pvt Ltd- Lease deposit	31,82,000	31,82,000



VI) Camelia Properties Pvt Ltd- Lease deposit	27,80,000	27,80,000
VII) Gerbera Properties Pvt Ltd- Lease deposit	18,56,000	18,56,000
VIII) Honeysuckle Properties Pvt Ltd-Lease deposit	13,84,000	13,84,000
IX) Purnachandra Properties Pvt Ltd-Lease Deposit	27,10,000	27,10,000
X) Shreyadita Properties Pvt Ltd- Lease deposit	23,19,000	63,19,000
XI) Advika Properties Pvt Ltd-Lease deposit	2,52,000	2,52,000
XII) Aklima Properties Pvt Ltd- Lease Deposit	3,70,000	3,70,000
XIII) Raxa Securities Services Ltd- Security Deposit	3,76,000	3,76,000
XIV) Padama Priya Properties Pvt Ltd-Capital Advance	0	14,60,00,000

### Compensation of Key Management personnel

Details of Key Managerial Personnel	Remuneration				Interest & Furniture Hire Charges	O/S loans/advances receivables
	Short-term employee benefits	Post employment benefits	Other long-term employee benefits	Termination benefits		
NA	NA	NA	NA	NA	NA	NA

### Liquidity risk

**2) In IND AS, Interest free Loan from Holding Company is measured at amortised cost considering increment rate of borrowing of 13.79%. Difference recorded in Other Equity.**

**26.**Expenditure in Foreign Currency – Nil

**27.Pending Litigations:** the Company does not have any pending litigations which would impact its financial position.



- Impairment of financial assets based on expected credit loss in the model

The estimates used by the company to present these amounts in accordance with IND AS reflect conditions at 1<sup>st</sup> April 2015, the date of transition of IND AS as of 31<sup>st</sup> March'2016.

DE recognition of financial assets and financial liabilities.

The company has elected to apply the DE recognition requirements for financial assets and financial liabilities in IND as 109 prospectively for transactions occurring on after the date of transition to IND AS.

### **Classification and measurement of financial assets**

The Company has clarified the financial assets in accordance with IND as 109 on the basis of the facts and circumstances that exist at the date of transition to IND As.

### **Impairment of financial assets (Trade Receivables and other financial assets)**

At the date of transition to IND ASs, the company has determined that there significant increase in the credit Risk since the initial recognition of the financial instrument would require undue cost or effort, the company has recognized a loss amount equal to lifetime expected credit losses at each reporting date until the financial instrument is derecognized (unless the financial instrument is low credit risk at a reporting date.)

### **Optional Exemption**

#### **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 its PPE and intangible assets as recognized in its Indian GAAP financial deemed cost at the transition date after making necessary adjustments for de-commissioning liabilities.

### **Investment in Associates**

The company has elected to apply previous GAAP carrying amount of its investment in associate as deemed cost as on date of transition of IND AS.

**For Girish Murthy & Kumar      For and on behalf of Board of Directors**  
**Chartered Accountants**



**A V Satish Kumar**  
Partner  
M.No.26526

Place: New Delhi  
Date: 20 April, 2017



**Raja Vaidyanathan**      **M. Gopal Rao**  
Director                      Director  
DIN: 02896054              DIN: 06766151

Place: New Delhi  
Date: 20 April, 2017

