

**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2017**

**1. Corporate Information**

GMR Generation Assets Limited ("the Company") is domiciled in India and incorporated under the provisions of Companies Act 1956. GMR Generation Assets Limited is promoted as a Special Purpose Vehicle (SPV) by GMR Infrastructure Limited. The main objective of company is setting up of 2.1 MW wind power project in Moti Sindhodi, Gujarat.

The project has been developed by Suzlon Energy on turnkey basis and was commissioned on 04.07.2011. Generation of power has started from the above project, and the entire power is being sold to Gujarat Urja Vikas Nigam Ltd as per PPA terms.

The registered office of the company is located at 701, 7th Floor, Naman Centre, Plot No. C-31, Bandra Kurla Complex, Bandra East, Mumbai Maharashtra.

The Company's Holding Company is GMR Infrastructure Limited/GMR Holdings Private Limited.

The financial statements were approved for issue in accordance with a resolution of the directors on 24<sup>th</sup> May, 2017.

**2. Summary of Significant Accounting Policies**

**a. Basis of Preparation of Financial Statements:**

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

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company's has prepared in accordance with Ind AS. Refer to note 39 for information on how the Company's adopted Ind AS.

The 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).

The financial statements are presented in INR Crores and all values are rounded to the nearest Rupee (INR 0.00) 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:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realized within twelve months after the reporting period, or
- iv) 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:

- i) It is expected to be settled in normal operating cycle



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- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities as non-current.

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

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

### **Property, plant and equipment**

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

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

#### **Recognition:**

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

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

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

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

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

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

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

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

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.

All Project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / attributable to construction of project, borrowing cost incurred prior to the date of commercial operation and trial



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run expenditure are shown under Capital Work-in-Progress. These expenses are net of recoveries and income from surplus funds arising out of project specific borrowings after taxes.

**Intangible assets**

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

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

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

The above periods also represent the management estimated economic useful life of the respective intangible assets.

**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. Assets individually costing less than Rs. 5,000, which are fully depreciated in the year of acquisition.

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

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

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 amortised over the primary period of the lease or estimated useful life whichever is shorter.



## **Foreign currency translation**

### **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.

### **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:

- i) 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.
- ii) 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 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 if 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.

**Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after 1 April 2015:**

The exchange differences pertaining to long term foreign currency working capital loans obtained or re-financed on or after 1 April 2015 is charged off or credited to profit & loss account under Ind AS.

**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**

**Impairment of non-financial assets**

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or



declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which 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**

Re-measurements, 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. Re-measurements 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.

**Short term employee benefits**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.



### **Defined benefit plans**

Gratuity is a defined benefit scheme which is funded through policy taken from Life insurance Corporation of India and Liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service. The cost of providing benefits under the scheme is determined on the basis of actuarial valuation under projected unit credit (PUC) method.

Re-measurements, 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. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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



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- 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 AS103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.



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

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

### **De-recognition**

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 recognize 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



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

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

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

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

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

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 analyzed. On that basis, the Company estimates the following provision matrix at the reporting date:

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

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

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



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

### **Financial liabilities**

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

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

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

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

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

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

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

#### **Subsequent measurement**

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

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

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

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

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

#### **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 Equivalent**

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

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

#### **Foreign currencies**

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



Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company uses an average rate if the average approximates the actual rate at the date of the transaction.

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

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

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

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

#### **Fair value measurement**

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

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

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

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

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



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2017**

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2017**

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
- b) Contingent consideration
- c) Quantitative disclosures of fair value measurement hierarchy
- d) Investment in unquoted equity shares (discontinued operations)

**Revenue recognition**

Revenue from sale of energy is recognized on accrual basis in accordance with the provisions of the Power Purchase Agreement (PPA), after Commercial Operation Date 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.

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.

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

**Interest income:**

For all debt instruments measured either at amortised cost or at fair value through 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**

#### **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. Unrecognized 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.



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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 realized are recognized 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.

### **Earnings per share**

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

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



**Significant accounting judgments, estimates and assumptions:**

The preparation of the company's financial statements requires management to make judgments, 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.

**Taxes**

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

**Contingencies**

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

**Fair value measurement of financial instruments**

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

**24. Contingent Liability-**

Company has given corporate Guarantee to IDBI Bank Limited in 2016-17 for on behalf of GMR Rajahmundry Energy Limited (GREL) for 2367 cr.(March 31,2016:- NIL)



**25. Capital commitments/ other commitments:**

Company as a major shareholder of GMR Chhattisgarh Energy Limited and GMR Rajahmundry Energy Limited will provide financial support to the Company, as required by the SDR Scheme, to enable the Company to meet its liabilities as and when they fall due, operational expense and losses if any for a period of not less than 12 months. As the amount of loss/commitment is not quantifiable, it not being mentioned here.

**26. Employee Benefits:**

The disclosures as required as per the Ind AS 19 are as under:

The company has determined the liability for gratuity and long term compensated absences in accordance with Ind AS 19.

Disclosures as envisaged in revised Ind AS 19 in respect of Gratuity and leave encashment are given below:

**a) Defined Contribution Plans :**

The Company's Contribution to Provident and Pension Fund and Superannuation Fund charged to Statement of Profit and Loss are as follows :

<b>Particulars</b>	<b>Amount in Rupees</b>	
	<b>2016-17</b>	<b>2015-16</b>
Provident and pension fund	162,747	167,087
Superannuation fund	115,437	191,877
<b>Total</b>	<b>278,183</b>	<b>358,964</b>



**b) Defined Benefit Plan**

The following tables summaries the components of net benefit expense recognized in the Profit & Loss and the funded status and amounts recognized in the Balance Sheet for gratuity benefit

Particulars	Amount in Rupees	
	Year Ended 31 <sup>st</sup> March 2017	Year Ended 31 <sup>st</sup> March 2016
<b><u>Change in Obligations</u></b>		
<b>Obligation at the beginning of the year</b>	582,258	548,681
Current Service Cost	2,675	9,466
Interest Cost	45,416	42,797
Acquisition (Cost) / Credit	(584,739)	-
Actuarial Gain/ (Loss) Financial Assumption	1,040	-
Actuarial gain/loss	(36,064)	(18,686)
<b>Obligation at the end of the period</b>	<b>10,586</b>	<b>582,258</b>
<b><u>Amounts recognized in the balance sheet</u></b>		
<b>Obligation at the end of the period</b>	(10,586)	(582,258)
Fair value of plan assets at the end of the period	-	-
<b>Funded status of the plans-asset/(liability)</b>	<b>(10,586)</b>	<b>(582,258)</b>
Effect of Asset ceiling	-	-
<b>Assets/(Liability) recognized in the balance sheet</b>	<b>(10,586)</b>	<b>(582,258)</b>
<b>Current</b>	(37)	(52,956)
<b>Non-current</b>	(10,549)	(529,302)
<b>Expenses recognized in CWIP / PL</b>		
Current service cost	2,675	9,466
Net interest on net defined benefit liability / (asset)	45,416	42,797
<b>Expenses recognized in Other Comprehensive Income (OCI)</b>		
Actuarial (gain)/loss arising during period	(35,024)	(18,686)
<b>Assumption</b>		
Discount Rate	7.10%	7.80%
Expected rate of salary increase	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement expectancy - Years	60	60

**Notes:**

- The estimates of future salary increases, considered in actuarial valuation, take into consideration for inflation, seniority, promotion and other relevant factors.

The Company is expected to contribute Nil (31 March 2016: Nil ; 1 April 2015: NIL) towards gratuity fund in 2016-2017



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2017**

vii) Data for defined Gratuity benefit obligation and fair value of planned assets are as under:

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Present value of defined benefit obligations at the end of the year	-10,586	-582,258
Fair value of plan assets at the end of the year	-	-
<b>Net assets / (liability) at the end of the year</b>	<b>-10,586</b>	<b>-582,258</b>
Experience adjustments on plan liabilities	-	-
Experience adjustments on plan assets	-	-
Actuarial Gain / (Loss) due to change on assumptions	1,040	-

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

	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Assumptions	<b>Discount rate</b>		<b>Future salary increases</b>		<b>Withdrawal Rate</b>	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>
Impact on defined benefit obligation	-1,446	37,888	1760	-434	-321	-17,049

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



GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)  
Balance Sheet as at 31 March 2017

Particulars	Notes	Rs in crores		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant & Equipment	3	53.59	-	-
Other Intangible Assets	4	8.41	9.00	9.60
<b>Financial Assets</b>				
Investments	5	7,316.53	2,600.46	2,600.41
Others	5	18.83	20.00	0.00
Other non-current assets	6	0.15	0.17	0.18
<b>Current assets</b>				
<b>Financial Assets</b>				
Investments	5	0.91	-	1.50
Trade Receivables	7	0.25	0.21	0.11
Cash and cash equivalents	8	0.57	0.17	0.30
Loans	5	76.14	5.00	2.00
Others	5	78.48	1.71	0.06
Current tax assets (Net)		0.22	0.10	0.14
Other current assets	6	0.02	0.07	0.10
<b>Total Assets</b>		<b>7,554.10</b>	<b>2,636.89</b>	<b>2,614.40</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	9	6,323.25	1.00	1.00
Other Equity	10	(79.19)	1,072.77	1,162.48
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	11	142.60	1,059.42	930.67
Provisions	15	0.00	0.14	0.11
Deferred tax liability	16	0.13	479.98	520.04
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Trade payables	12	-	-	0.02
Borrowings	11	675.33	22.83	-
Other financial liabilities	13	487.25	0.61	0.01
Other current liabilities	14	1.81	0.09	0.01
Provisions	15	2.90	0.04	0.03
Current tax liabilities (net)		-	-	0.03
<b>Total Equity and Liabilities</b>		<b>7,554.10</b>	<b>2,636.89</b>	<b>2,614.40</b>

The accompanying notes are an integral part of financial statements

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

A V Satish Kumar  
Partner  
Membership No. 26526



Place: Bengaluru  
Date: 24th May 2017

For and on behalf of the Board of Directors  
GMR Generation Assets Limited

Ashis Basu  
Director  
DIN : 01872233



Mahesh Aggarwal  
CFO

Place: New Delhi  
Date: 24th May 2017

S N Barde  
Director  
DIN : 03140784

Simple Jain  
Company Secretary

**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Statement of Profit and Loss for the period ended 31 March 2017**

Particulars	Notes	Rs in crores	
		For the period ended 31 March 2017	For the period ended 31 March 2016
<b>REVENUE</b>			
Revenue From Operations	17	2.13	1.55
Other Income	18	37.28	2.53
<b>Total Revenue</b>		<b>39.40</b>	<b>4.08</b>
<b>EXPENSES</b>			
Employee Benefits Expense	19	0.32	0.53
Finance Costs	21	110.11	132.19
Depreciation and amortization expense	20	1.58	0.59
Other Expenses	22	0.54	0.45
<b>Total expenses (II)</b>		<b>112.56</b>	<b>133.76</b>
Profit before exceptional items and tax (I-II)		<b>-73.15</b>	<b>-129.68</b>
Exceptional Items		574.82	-
Profit/(loss) before tax		<b>-647.97</b>	<b>-129.68</b>
Tax expense:			
Current Tax		-	-
Adjustment of tax relating to earlier periods		-	0.09
Deferred Tax		-92.45	-40.06
Profit/(loss) for the period (V-VI)		<b>-555.52</b>	<b>-89.70</b>
Other Comprehensive Income		0.00	0.00
<b>A Items that will be reclassified to profit or loss</b>			
<b>B Items that will not be reclassified to profit or loss</b>			
Re-measurement gains (losses) on defined benefit plans	23	0.00	0.00
Income tax effect		-0.00	-0.00
Total Comprehensive Income for the period (VII + VIII)		<b>-555.53</b>	<b>-89.70</b>
(Comprising Profit (Loss) and Other Comprehensive Income for the period)			
Earnings per equity share:			
(1) Basic			
(2) Diluted			

The accompanying notes are an integral part of financial statements

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

For and on behalf of the Board of Directors  
 GMR Generation Assets Limited



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



**Ashis Basu**  
 Director  
 DIN : 01872233



**S N Barde**  
 Director  
 DIN :03140784





**Mahesh Aggarwal**  
 CFO



**Simple Jain**  
 Company Secretary

Place: Bengaluru  
 Date: 24th May 2017

Place: New Delhi  
 Date: 24th May 2017



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Statement of Cash Flows for the year ended 31 March 2017**

Particulars	Rs in crores	
	31-Mar-17	31-Mar-16
<b>A Cash Flow from Operating Activities</b>		
Profit / (loss) before tax	(647.97)	(129.68)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation	1.58	0.59
Finance Cost	110.11	132.19
Provision for diminution in value of investments	574.82	
Adj of tax related to previous years	-	(0.09)
	<u>686.51</u>	<u>132.69</u>
<b>Operating Profit before Working Capital changes</b>	<b>38.54</b>	<b>3.01</b>
Movements in working capital : (Excluding Cash & Bank Balances)		
Increase/(Decrease) in Short Term provisions	2.86	0.01
Increase/(Decrease) in Long Term provisions	(0.14)	0.03
Increase / (Decrease) in Other Current Liabilities	1.72	0.08
Increase / (Decrease) in Other Current Financial Liabilities	486.64	0.60
Increase / (Decrease) in Trade Payables	-	(0.02)
(Increase)/Decrease in Trade Receivables	(0.04)	(0.10)
(Increase)/Decrease in Current Financial Assets-Loans	(147.91)	(4.66)
Decrease / (increase) in Other Current Assets	0.06	0.03
Decrease / (increase) in Other Non current Assets	0.02	0.01
(Increase)/ decrease in Current Tax Assets (Net)	(0.12)	0.04
Increase/ (decrease) in Current tax liabilities	-	(0.03)
	<u>343.09</u>	<u>(4.00)</u>
Cash Generated From Operations	381.63	(0.99)
Less : Direct Tax paid ( net of refunds)	-	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>381.63</b>	<b>(0.99)</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of fixed assets, including intangible assets	(54.58)	-
(Investments)/Redemption in Fixed Deposits	20.00	(20.00)
Decrease/(Increase) in Other Financial Assets	(18.83)	-
Investments/(redemption) in Mutual Funds	(0.91)	1.50
Investments in Subsidiaries	(5,290.89)	(0.05)
<b>Net cash flow (used in) investing activities (B)</b>	<b>(5,345.21)</b>	<b>(18.55)</b>
<b>C Cash Flow from Financing Activities:</b>		
Proceeds from issue of equity shares	6,322.25	-
Repayment of long term borrowings	(916.82)	128.75
Equity component of preference shares & related party loan	(983.84)	-
Proceeds from short term borrowings	652.50	22.83
Finance Cost	(110.11)	(132.19)
<b>Net cash flow (used in) in financing activities ( C )</b>	<b>4,963.98</b>	<b>19.40</b>
<b>D Net (decrease ) / In cash and cash equivalents ( A + B + C )</b>	<b>0.40</b>	<b>-0.13</b>
Cash and cash equivalents (Opening)	0.17	0.30
Cash and cash equivalents (Closing)	0.57	0.17
Cash on hand	-	-
Balances with banks	-	-
- on current accounts	0.57	0.17
- deposit accounts	-	-
Total cash and cash equivalents	<u>0.57</u>	<u>0.17</u>

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.
- The Previous year figures have been regrouped wherever necessary to confirm to current year classification.

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

*A. V. Satish Kumar*

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



Place: Bengaluru  
 Date: 24th May 2017

For and on behalf of the Board of Directors  
 GMR Generation Assets Limited

*Ashis Basu*

**Ashis Basu**  
 Director  
 DIN : 01872233

*S N Barde*

**S N Barde**  
 Director  
 DIN : 03140784



*Mahesh Aggarwal*

**Mahesh Aggarwal**  
 CFO

*Simple Jain*

**Simple Jain**  
 Company Secretary

Place: New Delhi  
 Date: 24th May 2017

**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Statement of changes in equity for the period ended 31 March 2017**

Rs in crores

Particulars	Issued capital	Equity component of preference share & Related Party Loan	Reserves and surplus		Total equity
			Share premium	Retained earnings	
<b>As at 1 April 2015</b>	<b>1.00</b>	<b>1,247.41</b>	<b>1.53</b>	<b>(86.46)</b>	<b>1,163.48</b>
Profit for the period	-	-	-	(89.70)	(89.70)
Other comprehensive income	-	-	-	0.00	0.00
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 March 2016</b>	<b>1.00</b>	<b>1,247.41</b>	<b>1.53</b>	<b>(176.16)</b>	<b>1,073.78</b>
Profit for the period	-	-	-	(555.52)	(555.52)
Other comprehensive income	-	-	-	0.00	0.00
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Issue of share capital	6,322.25	(596.44)	-	-	5,725.81
<b>At 31 March 2017</b>	<b>6,323.25</b>	<b>650.97</b>	<b>1.53</b>	<b>(731.68)</b>	<b>6,244.07</b>



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**3 Property, plant and equipment**

**Rs in crores**

<b>Particulars</b>	<b>Buildings</b>	<b>Computers</b>	<b>Total</b>
<b>Cost</b>			
As at 01.04.2015	-	-	-
Additions	-	-	-
Disposals	-	-	-
Adjustments	-	-	-
<b>As at 31.03.2016</b>	-	-	-
Additions	54.57	0.00	54.58
Disposals	-	-	-
<b>As at 31.03.2017</b>	<b>54.57</b>	<b>0.00</b>	<b>54.58</b>
<b>Depreciation</b>			
As at 01.04.2015	-	-	-
Charge for the year	-	-	-
Deductions	-	-	-
<b>As at 31.03.2016</b>	-	-	-
Charge for the year	0.99	0.00	0.99
Deductions	-	-	-
<b>As at 31.03.2017</b>	<b>0.99</b>	<b>0.00</b>	<b>0.99</b>
<b>Net block</b>			
As at 31.03.2017	<b>53.58</b>	<b>0.00</b>	<b>53.59</b>
As at 31.03.2016	-	-	-
As at 1.04. 2015	-	-	-



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**4 Intangible Assets**

Particulars	Rs in crores	
	Intangible	Total
<b>Gross block</b>		
<b>Deemed cost as at 01.04.2015</b>	9.60	9.60
Additions	-	-
Disposals	-	-
<b>As at 31.03.2016</b>	<b>9.60</b>	<b>9.60</b>
Additions	-	-
Disposals	-	-
<b>As at 31.03.2017</b>	<b>9.60</b>	<b>9.60</b>
<b>Amortization</b>		
<b>As at 1.04.2015</b>	-	-
Charge for the year	0.59	0.59
Disposals	-	-
<b>As at 31.03.2016</b>	<b>0.59</b>	<b>0.59</b>
Charge for the year	0.59	0.59
Disposals	-	-
<b>As at 31.03.2017</b>	<b>1.18</b>	<b>1.18</b>
<b>Net block</b>		
As at 31.03.2017	8.41	8.41
As at 31.03.2016	9.00	9.00
As at 31.03.2015	9.60	9.60



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**5 Financial assets**

**Investments**

	Rs in crores					
	31-Mar-17	Non - current 31-Mar-16	1-Apr-15	31-Mar-17	Current 31-Mar-16	1-Apr-15
<b>Investments at cost</b>						
<b>Investment in subsidiaries</b>						
<b>Unquoted Equity Instruments</b>						
50,000 (April 1, 2015:Nil) Equity shares of Rs.10 each fully paid-up in GMR Genco Assets Limited	0.05	0.05	-	-	-	-
10,000 (March 31, 2016:Nil) Equity shares of Rs.10 each fully paid-up in GMR Londa Hydro Power Limited	0.01	-	-	-	-	-
9,900 (March 31, 2016:Nil) Equity shares of Rs.10 each fully paid-up in GMR Coastal Energy Private Limited	0.00	-	-	-	-	-
9,900 (March 31, 2016:Nil) Equity shares of Rs.10 each fully paid-up in GMR Kakinada Energy Private Limited	0.00	-	-	-	-	-
20,000 (March 31, 2016:NIL) Equity shares of Rs.10 each fully paid-up in GMR Mining & Energy Limited	0.02	-	-	-	-	-
3,49,989 (March 31, 2016:NIL) Equity shares of Rs.10 each fully paid-up in SJK Powergen Limited	0.00	-	-	-	-	-
<b>Investment in Associates</b>						
<b>Unquoted Equity Instruments</b>						
117,79,03,116 (April 1, 2016: 89,13,16,557) Equity shares of Rs.10 each fully paid-up in GMR Energy Limited <sup>1</sup>	2,686.21	1,518.22	1,518.22	-	-	-
272,05,38,500 (March 31, 2016:NIL) Equity shares of Rs.10 each fully paid-up in GMR Chhattisgarh Energy Limited <sup>2</sup>	3,368.00	-	-	-	-	-
12,62,25,000 (March 31, 2016:Nil) Equity shares of Rs.10 each fully paid-up in GMR Power Corporation Limited	458.00	-	-	-	-	-
115,70,00,000 (March 31, 2016:Nil) Equity shares of Rs.10 each fully paid-up in GMR Rajahmundry Power Limited <sup>3</sup>	1,157.00	-	-	-	-	-
<b>Investment in subsidiaries</b>						
<b>Unquoted Compulsory Convertible preference shares</b>						
46,50,000 Compulsorily Convertible Preference shares (Cumulative) in GMR Energy Ltd of Rs. 1000 each carrying a coupon rate of 0.0001% <sup>4</sup>	-	788.82	788.82	-	-	-
17,50,000 Compulsorily Convertible Preference shares (Cumulative) In GMR Energy Ltd of Rs. 1000 each carrying a coupon rate of 0.0001% <sup>5</sup>	-	293.37	293.37	-	-	-
<b>Additional Investment in Subsidiary</b>						
GMR Rajahmundry Energy Limited <sup>6</sup>	53.21	-	-	-	-	-
GMR Chhattisgarh Energy Limited <sup>7</sup>	168.86	-	-	-	-	-
<b>Total Investments</b>	<b>7,891.35</b>	<b>2,600.46</b>	<b>2,600.41</b>	-	-	-
Less:- Provision for Impairment						
GMR Energy Limited <sup>8</sup>	500.00	-	-	-	-	-
GMR Rajahmundry Energy Limited <sup>9</sup>	53.21	-	-	-	-	-
GMR Chhattisgarh Energy Limited	21.61	-	-	-	-	-
<b>Net Investments</b>	<b>7,316.53</b>	<b>2,600.46</b>	<b>2,600.41</b>	-	-	-



<b>Investments at fair value through profit and loss</b>						
510 (April 1, 2015:510) Equity shares of Rs.10 each fully paid-up In GMR Power Infra Limited	0.00	0.00	0.00			
<b>Quoted mutual funds</b>						
IDFC Cash Fund -Regular Growth (4625.65 Units)				0.91		
Birla Sunlife Cash Plus Institutional - Growth (66,923.355 Units of Rs. 100 each)						1.50
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.91</b>		<b>1.50</b>
Aggregate book value of quoted investments				0.91		0
Aggregate market value of quoted Investments (refer Note ___& ___)						
Aggregate value of unquoted Investments	0.00	0.00	0.00			1.50
Aggregate amount of impairment in value of Investments						

<sup>1</sup>GMR Energy Ltd:-Out of the above equity shares, 50,84,99,068 shares have been pledged with IDBI Trusteeship Services. 32,20,49,411 shares are with ICICI bank under NDU.The shares have been pledged for loan taken by the respective company from the lenders

<sup>2</sup>GMR Chhattisgarh Energy Ltd:-Out of the above equity shares, 10,88,21,540 shares have been pledged with Axis Bank, 1,81,85,50,040 shares have been pledged with Axis Trustee, 49,75,20,000 shares have been pledged with IDBI Trusteeship. Further, 15,96,20,000 shares are with ICICI Bank under NDU. 13,60,26,865 shares are with IIFC (UK) under NDU. The shares have been pledged/ Under NDU for loanS taken by the respective company from the lenders

<sup>3</sup>GMR Rajahmundry Energy Limited:- Out of the above equity shares, 1,15,69,99,400 shares have been pledged with Axis Bank.The shares have been pledged for loan taken by the respective company from the lenders

<sup>4</sup>Compulsory Convertible Preference shares issued by GMR Energy Limited have been converted into equity shares in Financial Year 2016-17

<sup>5</sup>Compulsory Convertible Preference shares issued by GMR Energy Limited have been converted Into equity shares in Financial Year 2016-17

<sup>6</sup>Additional Investment In GMR Rajahmundry represents fair value of ICD given of Rs.11.10 cr and value of Financial Guarantee given for Rs.42.11cr

<sup>7</sup>Additional Investment In GMR Chhattisgarh Energy Limited represents fair value of interest receivable of Rs.147.25 cr and value of Equity component of Investment in preference share for Rs.21.61 cr

<sup>8</sup>During the year the company's holding In GMR Energy Limited had diluted from 52.59% to 32.66% due to additional shares Issued to Tenaga Nasional Berhad by GMR Energy Limited. Based on the Implied fair valuation of the subscription for the issue of new shares, the management of the Company had assessed the fair value of the Company's investment In GMR Energy Limited.

<sup>9</sup>Impairment Provision of Rs.53 crores on additional Investment resulting from notional income on Corporate Guarantee and Fair Value of ICD given

<sup>10</sup>Impairment Provision of Rs.21 crores on additional Investment resulting from notional interest on Preference shares Invested



Loans	(Amount in INR crores)					
	31-Mar-17	Non-current 31-Mar-16	1-Apr-15	31-Mar-17	Current 31-Mar-16	1-Apr-15
<b>Loan to related parties</b>						
Unsecured, considered good						
- GMR Power Infra Limited	-	-	-	5.82	0.00	-
- GMR Energy Limited	-	-	-	-	-	2.00
- GMR Vemagiri Power Generation Limited	-	-	-	9.67	5.00	-
-GMR Ambala Chandigarh Expressway	-	-	-	7.72	-	-
-GMR Enterprises Private Limited	-	-	-	2.40	-	-
-GMR Kakinada Energy Private Limited	-	-	-	0.00	-	-
-GMR Rajahmundry Energy Limited	-	-	-	1.04	-	-
-GMR GENCO Assets Limited	-	-	-	17.70	-	-
-GMR Mining & Energy Pvt Limited	-	-	-	0.00	-	-
-GMR Coastal Energy Private Limited	-	-	-	0.00	-	-
-GMR Londa Hydropower Private Limited	-	-	-	8.08	-	-
-GMR Badrinath Power Generation Limited	-	-	-	23.72	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76.14</b>	<b>5.00</b>	<b>2.00</b>

Other Financial assets	(Amount in INR crores)					
	31-Mar-17	Non-current 31-Mar-16	1-Apr-15	31-Mar-17	Current 31-Mar-16	1-Apr-15
<b>Carried at amortised cost</b>						
Deposits - Government Authorities	0.00	0.00	0.00	-	-	-
Fixed deposits with bank	-	20.00	-	2.35	-	-
Interest accrued on fixed deposits	-	-	-	0.06	1.49	-
Interest accrued on Intercompany Deposit	-	-	-	-	0.14	-
GMR Tuni- Anakapalli Expressways Limited	-	-	-	0.05	-	-
GMR Tambaram Tindivanam Expressways Limited	-	-	-	0.06	-	-
GMR Power Infra Limited	-	-	-	0.25	-	-
GMR Vemagiri Power Generation Limited	-	-	-	0.22	-	-
GMR Badrinath Power Generation Limited	-	-	-	0.69	-	-
Other Receivables						
GMR Tuni- Anakapalli Expressways Limited	-	-	-	0.84	-	-
GMR Tambaram Tindivanam Expressways Limited	-	-	-	1.35	-	-
GMR Power Infra Limited	-	-	-	0.55	-	-
GMR Chattishgarh Energy Limited	18.83	-	-	22.07	-	-
GMR Rajahmundry Energy Limited	-	-	-	49.54	-	-
GMR Infrastructure Limited	-	-	-	0.01	-	-
GMR Energy Limited	-	-	-	0.36	-	-
Unbilled revenue *	-	-	-	0.08	0.08	0.06
SAM in GMR Chhattisgarh Energy Limited	-	-	-	0.00	-	-
Advances recoverable in cash or kind	-	-	-	0.00	-	-
<b>Total</b>	<b>18.83</b>	<b>20.00</b>	<b>0.00</b>	<b>78.48</b>	<b>1.71</b>	<b>0.06</b>

\* Unbilled revenue as per March 2017 provisional figures

Break up of financial assets	(Amount in INR crores)					
	31-Mar-17	Non-current 31-Mar-16	1-Apr-15	31-Mar-17	Current 31-Mar-16	1-Apr-15
<b>Financial asset carried at cost</b>						
Investment in subsidiaries (Unquoted Equity Instruments)	0.08	0.05	-	-	-	-
Investment in Associate (Unquoted Equity Instruments)	7,669.20	1,518.22	1,518.22	-	-	-
Investment in subsidiaries (Unquoted Compulsory Convertible preference shares)	-	1,082.19	1,082.19	-	-	-
Additional Investment in subsidiaries	222.07	-	-	-	-	-
Less:-Impairment	-574.82	-	-	-	-	-
<b>Carried at amortised cost</b>						
Loans to related parties	-	-	-	76.14	5.00	2.00
Trade Receivable	-	-	-	0.25	0.21	0.11
Other financial assets	18.83	20.00	0.00	78.48	1.71	0.06
Cash and cash equivalence	-	-	-	0.57	0.17	0.30
<b>Carried at fair value through profit and loss account</b>						
Investment in unquoted mutual funds	0.00	0.00	0.00	0.91	-	1.50
<b>Total</b>	<b>7,335.36</b>	<b>2,620.46</b>	<b>2,600.41</b>	<b>156.35</b>	<b>7.09</b>	<b>3.97</b>



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**6 Other assets**

Rs in crores

	Non-current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Advances against services		-	-	-	0.06	0.08
Prepaid expenses	0.15	0.17	0.18	0.02	0.02	0.02
<b>Total</b>	<b>0.15</b>	<b>0.17</b>	<b>0.18</b>	<b>0.02</b>	<b>0.07</b>	<b>0.10</b>





**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**7 Trade receivables**

	Rs in crores		
	At 31 March 2017	At 31 March 2016	At 1 April 2015
<b>Trade receivables</b>			
<b>Unsecured, considered good</b>			
Related parties			
Others	0.25	0.21	0.11
	<b>0.25</b>	<b>0.21</b>	<b>0.11</b>

Trade Receivable Represents amount to be received from GUVNL of Jan & Feb month and REC Invoice from GMR Energy Trading Limited for March'2017

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 15 to 30 days



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**8 Cash and Cash Equivalent**

Particulars	Rs in crores		
	At 31 March 2017	At 31 March 2016	At 1 April 2015
<b>Cash and cash equivalents</b>			
-Balances with Banks			
-In current accounts	0.57	0.17	0.30
<b>Total</b>	<b>0.57</b>	<b>0.17</b>	<b>0.30</b>



9 Share Capital

Particulars	Rs in crores		
	31 March 2017	31 March 2016	1 April 2015
<b>Authorised :</b>			
Equity share capital: 750,00,00,000 (March 31, 2016: 1,00,00,000) equity shares of Rs. 10 each	7,500.00	10.00	10.00
Preference Shares capital: 1,516,000,000 (March 31, 2016: 1,516,000,000) Preference Shares of Rs. 10 each	1,516.00	1,516.00	1,516.00
11,800,000 (March 31, 2016: 11,800,000) Preference shares of Rs. 1000 each	1,180.00	1,180.00	1,180.00
	<b>10,196.00</b>	<b>2,706.00</b>	<b>2,706.00</b>
<b>Issued, subscribed and fully paid-up</b>			
632,32,50,226 (March 31, 2016: 9,99,800) equity shares of Rs.10 each fully paid up	6,323.25	1.00	1.00
<b>Total</b>	<b>6,323.25</b>	<b>1.00</b>	<b>1.00</b>

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

Equity Shares	31 March 2017		31 March 2016		1 April 2015	
	In Numbers	Amounts in INR Crores	In Numbers	Amounts in INR Crores	In Numbers	Amounts in INR Crores
At the beginning of the year	999,800	1.00	999,800	1.00	999,800	1.00
Issued during the year	6,322,250,426	6,322.25				
Outstanding at the end of the year	<b>6,323,250,226</b>	<b>6,323.25</b>	<b>999,800</b>	<b>1.00</b>	<b>999,800</b>	<b>1.00</b>

b. Terms/Rights Attached to equity Shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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	Amount (in Crores)	No. of Shares	Amount (in Crores)	No. of Shares	Amount (in Crores)
<b>GMR Infrastructure Limited, the Ultimate holding company, (including its Nominees) effective March 31, 2016</b>						
6,17,27,50,426 ( March 31, 2016: 5,00,000) equity shares of Rs.10 each fully paid up	6,172,750,426	6,172.75	500,000	0.50	500,000	0.50
<b>Dhruvi Securities Private Limited</b>						
15,00,00,000 ( March 31, 2016: NIL) equity shares of Rs.10 each fully paid up	150,000,000	150.00				
<b>GMR Energy Projects ( Mauritius ) Limited, ( the Subsidiary of GMR Infrastructure Limited, the Ultimate holding company), effective March 31, 2015</b>						
4,99,800 (March 31, 2016: 4,99,800) equity shares of Rs.10 each fully paid up	499,800	0.50	499,800	0.50	499,800	0.50
<b>Total</b>	<b>6,323,250,226</b>	<b>6,323.25</b>	<b>999,800</b>	<b>1.00</b>	<b>999,800</b>	<b>1.00</b>

d. 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
<b>GMR Infrastructure Limited, the Ultimate holding company, (including its Nominees) effective March 31, 2016</b>						
6,17,27,50,426 ( March 31, 2016: 5,00,000) equity shares of Rs.10 each fully paid up	6,172,750,426	98%	500,000.00	50.01%	500,000.00	50.01%
<b>Dhruvi Securities Private Limited</b>						
15,00,00,000 ( March 31, 2016: NIL) equity shares of Rs.10 each fully paid up	150,000,000	2%				
<b>GMR Energy Projects ( Mauritius ) Limited, ( the Subsidiary of GMR Infrastructure Limited, the Ultimate holding company), effective March 31, 2016</b>						
4,99,800 Equity shares of Rs.10 each fully paid up	499,800	0%	499,800.00	49.99%	499,800.00	49.99%

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.

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



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**10 Other Equity**

Particulars	Rs in crores
<b>Surplus in the statement of profit and loss</b>	
At 1 April 2015	-86.46
Add: Profit / (loss) for the year	-89.71
Add: Other comprehensive income / (expense) for the year	0.00
<b>At 31 March 2016</b>	<b>-176.17</b>
Add: Net profit for the year	-555.52
Add: Other comprehensive income / (expense) for the year	0.00
<b>At 31 March 2017</b>	<b>-731.69</b>
<b>Equity component of convertible preference shares , Related Party Loans</b>	
At 1 April 2015	1,247.41
Movements during the year	-
<b>At 31 March 2016</b>	<b>1,247.41</b>
Movements during the year	-596.44
<b>At 31 March 2017</b>	<b>650.97</b>
<b>Share premium</b>	
At 1 April 2015	1.53
Movements during the year	-
<b>At 31 March 2016</b>	<b>1.53</b>
Movements during the year	-
<b>At 31 March 2017</b>	<b>1.53</b>
<b>Total reserves and surplus</b>	<b>-79.19</b>



11 Financial liabilities - Borrowings

Particulars	Non - Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
<b>Loan from Bank/ Financial Institution</b>						
SREI Infrastructure Finance Limited*	101.45	-	-	20.83	-	-
<b>Loans from related parties</b>						
Intercorporate deposit						
GMR Energy Limited	-	-	-	-	18.83	-
GMR Infrastructure Limited	-	-	-	83.89	-	-
GMR Airport Developers Limited	-	-	-	24.00	-	-
GMR Energy Trading Limited	-	-	-	228.64	-	-
GMR Power Corporation Limited	-	-	-	265.03	-	-
SJK Powergen Limited	-	-	-	69.77	-	-
Short term loan from group companies (Refer Note b below)	-	-	-	4.00	4.00	-
<b>Liability component of compound financial instrument issued to related parties</b>						
101,34,40,000 8% Compulsory Convertible Preference Shares of 10 each fully paid up	-	410.89	360.96	-	-	-
11,039,649 0.01% Compulsory Convertible Preference Shares of Rs. 1000 each fully paid up	-	447.59	383.16	-	-	-
495,602,500 0.01% Compulsory Convertible Preference Shares of Rs. 10 each fully paid up	-	200.94	186.56	-	-	-
Financial Guarantee given to GREL for Rupee Loan Facility	41.15	-	-	-	-	-
<b>Total</b>	<b>142.60</b>	<b>1,059.42</b>	<b>930.67</b>	<b>696.17</b>	<b>22.83</b>	<b>-</b>
Less :- Amount shown under other Financial Liabilities	-	-	-	20.83	-	-
				<b>675.33</b>	<b>22.83</b>	<b>-</b>

\*Company has taken loan from Srei Infrastructure Finance Limited of Rs. 125 cr on 23rd Dec'2016 @13% rate of interest. Loan is repayable in 54 equal monthly installment starting from 31st July 2016 till 31st Dec 2021



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**12. Financial liabilities - Trade payables**

**Rs in crores**

Particulars	31 March 2017	31 March 2016	1 April 2015
Trade Payable (including acceptances)			
- Micro, Small and Medium Enterprises	-	-	0.01
- Related parties	-	-	0.01
- Others	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>0.02</b>



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**13. Other Financial Liabilities**

Rs in crores

	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
<b>Carried at amortised cost</b>						
Current Maturities of Long term Borrowings				20.83		
Non Trade Payable				424.91	0.01	0.01
Non Trade Payables - Group Companies					0.01	
GMR Power Corporation Limited				12.96		
GMR Airport Developers Limited				1.05		
GMR Enerov Tradino Limited				1.19		
GMR Kamlanada Enerov Limited				0.02		
GMR Enerov Limited				0.01		
Interest accrued but not due on Inter Corporate Deposits						
Dhruvi Securities				1.01	0.56	
GMR Enerov Limited					0.02	
GMR Airport Developers Limited				1.20		
GMR Power Corporation Limited				9.13		
GMR Enerov Tradino Limited				10.13		
SJK Powergen Limited				3.30		
GMR Infrastructure Limited				1.50		
<b>Total</b>				<b>487.25</b>	<b>0.61</b>	<b>0.01</b>

**Break up of financial liabilities**

(Amount in INR crores)

	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
<b>Carried at amortised cost</b>						
Loans from related parties				4.00	22.83	-
Liability component of preference shares issued to related parties	-	1,059.42	930.67	-	-	-
Trade payables						0.02
Non Trade Payables-Group Companies				15.24		
Interest accrued but not due on Inter Corporate Deposits				26.26	0.59	
Other payable balances				424.91	0.02	0.01
<b>Total</b>		<b>1,059.42</b>	<b>930.67</b>	<b>470.42</b>	<b>23.45</b>	<b>0.03</b>
	142.60			692.17		



GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)  
Notes to financial statements for the period ended March 31, 2017

14. Other Liabilities

	Non Current			Current			Rs in crores
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	
Statutory liabilities	-	-	-	0.57	0.09	0.01	
Other liabilities	-	-	-	0.01	0.00	-	
Interest accrued but not due on Term Loan	-	-	-	1.24	-	-	
<b>Total</b>	-	-	-	<b>1.81</b>	<b>0.09</b>	<b>0.01</b>	





**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**15. Provisions**

	Rs in crores					
	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
<b>Provision for employee benefits</b>						
Provision for Compensated Absences	0.00	0.09	0.06	0.00	0.00	0.03
Provision for Gratuity	0.00	0.05	0.05	0.00	0.01	-
Provision for superannuation	-	-	-	0.00	0.00	-
Provision for bonus	-	-	-	0.01	0.03	-
Other Provisions	-	-	-	2.90	-	-
<b>Total</b>	<b>0.00</b>	<b>0.14</b>	<b>0.11</b>	<b>2.90</b>	<b>0.04</b>	<b>0.03</b>



GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)  
Notes to financial statements for the period ended March 31, 2017

16. Income Tax

Rs in crores

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

Deferred tax:

	As at 1-Apr-15	Provided during the year	As at 31-Mar-16	Provided during the year	As at 31-Mar-17
<b>Deferred tax liability:</b>					
Reclassification of Preference shares into Equity Component	557.81	-	557.81	-	557.81
DTL on account of difference between Tax Base and IGAAP Books	0.20		0.20		0.20
<b>Total deferred tax liability (A)</b>	<b>558.01</b>	<b>-</b>	<b>558.01</b>	<b>-</b>	<b>558.01</b>
<b>Deferred tax assets:</b>					
Notional Interest on reclassification of Preference shares into Liability and interest thereon	37.97	39.78	77.76	480.05	557.81
DTA on account of difference between Tax Base and IGAAP Books	-	0.28	0.28	-0.20	0.08
<b>Total deferred tax assets (B)</b>	<b>37.97</b>	<b>40.06</b>	<b>78.04</b>	<b>479.85</b>	<b>557.88</b>
<b>Deferred Tax Liability (Net) (A - B)</b>	<b>520.04</b>	<b>-40.06</b>	<b>479.98</b>	<b>-479.85</b>	<b>0.13</b>



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**17 Revenue From Operations**

	Rs in crores	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16
<b>Revenue from operations</b>		
Sale of Products		
Power: Power:		
Income from sale of electrical energy	1.30	1.18
Less: Reactive Energy charges	(0.01)	0.00
Income from sale of REC	0.59	0.37
Income from Generation Based Revenue	0.25	-
<b>Total</b>	<b>2.13</b>	<b>1.55</b>

	(Units - Kwh)	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16
<b>Detail of products sold</b>		
<b>Particulars</b>		
<b>Finished Goods sold</b>		
Electricity units	4,384,939	4,529,546
Sale of REC	1,561	2,542
<b>Total</b>	<b>4,386,500</b>	<b>4,532,088</b>



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**18 Other income**

	Rs in crores	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16
<b>Other income</b>		
Interest income from inter corporate deposits	1.56	0.18
Profit on sale of current investments (other than trade)	-	0.01
Interest on Fixed Deposit	0.75	2.33
Miscellaneous Income	0.02	0.00
Interest on Income Tax Refund	0.01	0.01
Notional Interest Income from Financial Guarantee & Others	23.60	-
Foreign Exchange Income	11.20	-
Provisions Written back	0.13	-
	<b>37.28</b>	<b>2.53</b>



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**19 Employee Benefits**

Rs in crores

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Salaries, wages and bonus	0.29	0.48
Contribution to provident and other funds	0.03	0.04
Gratuity expenses	-	0.00
Professional Tax	0.00	0.00
Staff welfare expenses	0.00	0.00
	<b>0.32</b>	<b>0.53</b>



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**20 Depreciation and amortization expense**

Rs in crores

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Depreciation on Tanqiable Assets	0.99	-
Amortization of intanqible assets	0.59	0.59
	<b>1.58</b>	<b>0.59</b>



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**21 Finance Costs**

	Rs in crores	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Interest on ICD	105.48	132.19
Interest on Term Loan	4.61	-
Bank and other finance charges	0.02	0.00
	<b>110.11</b>	<b>132.19</b>



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**22. Other expenses**

	Rs in crores	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Rates and taxes	0.01	0.01
Logo fees	0.00	0.00
Insurance	0.02	0.02
REC processing fees	0.02	0.01
Repairs and maintenance	0.00	
Land lease rentals	0.02	0.02
O&M expenses	0.30	0.27
Communication costs	0.00	0.00
Printing and stationery	0.00	0.00
Consultancy charges	0.03	0.01
Management Service fee	-	0.01
Travelling and conveyance	0.05	0.03
Payment to auditors# (refer details below)	0.02	0.01
Directors' sitting fees	0.02	0.03
Miscellaneous expense	0.02	0.00
Corporate social responsibility expenditure	-	0.02
Interest on late payment of tax	0.02	0.00
<b>Total</b>	<b>0.54</b>	<b>0.45</b>

	Amounts in INR	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16
<b>Payment to Auditors (Included in other expenses above)</b>		
<b>As Auditor</b>		
Audit fee	0.01	0.00
Tax audit fee	0.00	0.00
Limited Review	0.01	0.00
	<b>0.02</b>	<b>0.01</b>





**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the period ended March 31, 2017**

**23. Other expenses**

Rs in crores

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

**During the year ended 31 March 2017**

	Cash flow hedge reserve	FVTOCI reserve	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	-	-	-	-	0.00	0.00
	-	-	-	-	0.00	0.00

**During the year ended 31 March 2016**

	Cash flow hedge reserve	FVTOCI reserve	Foreign currency translation reserve	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	-	-	-	0.00	0.00
	0	0	0	0.00	0.00



**27. Earnings per Share (EPS)**

<b>Sl.</b>	<b>Particulars</b>	<b>As on March 31, 2017</b>	<b>As on March 31, 2016</b>
a.	Nominal Value of Equity Shares	10	10
b.	Total Number of Equity Shares outstanding at the beginning of the period	999,800	999,800
c.	Add: Shares Allotted during the period	6,322,250,426	-
d.	Total Number of Equity Shares outstanding at the end of the period	6,323,250,226	999,800
e.	Weighted average No. of Equity shares	6,323,250,226	999,800
f.	Add: Potential Equity Shares on allotment of share application money	-	-
g.	Weighted average No. of Equity shares for Diluted earnings per Share	6,323,250,226	999,800
h.	Profit/(Loss) as per Profit and Loss Account (Amount in Rupees)	-5,555,251,100	-897,046,865
i.	Basic Earnings per share of Rs.10 each (in Rupees) [h/g]	(0.88)	(897.23)
j.	Basic and Diluted Earnings per share of Rs.10 each (in Rupees)	(0.88)	(897.23)

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:

<b>Particulars</b>	<b>31st March 2017</b>	<b>31st March 2016</b>
Profit/(loss) attributable to equity holders of the parent from discontinued operation for the basic and diluted EPS calculations	-	-



**28. Related Party Disclosures**

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

**Related Parties where control exists**

Enterprises that controls the company.	GMR Infrastructure Limited (GIL)
Ultimate Holding Company	GMR Enterprises Private Limited (GEPL)
Subsidiaries/Associate	GMR Energy Limited (GEL) GMR Power Corporation Limited GMR Rajahmundry Energy Limited SJK Powergen Limited GMR Chhattisgarh Energy Limited GMR Londa Hydropower Private Limited GMR Mining and Energy Private Limited GMR Coastal Energy Private Limited GMR Kakinada Energy Private Limited GMR Power Infra Limited GMR Genco Assets Limited (Formerly known as GMR Hosur Energy Limited)
Fellow Subsidiaries with which transactions took place during the year/previous year or there is an outstanding balance at the end of the year.	GMR Vemagiri Power Generation Limited GMR Airport Developers Limited GMR Energy Trading Limited GMR (Badrinath) Hydro Power Generation Private Limited GMR Kamalanga Energy Limited GMR Maharashtra Energy Limited GMR Bundelkhand Energy Private Limited GMR Airport Developers Limited GMR Tuni Anakapalli Expressways Limited GMR Tambaram Tindivanam Expressways Limited GMR Ambala Chandigarh Expressways Private Limited Dhruvi Securities Private Limited



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2017**

**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

**a) Expenditure:**

	Amount in Crores	
	31 March 2017	31 March 2016
Corporate cost allocation- GMR Infrastructure Limited	0.02	0.01
Logo fee - GMR Enterprises Private Limited	0.00	0.00
<b>ICD interest</b>		
GMR Energy Limited	0.89	2.87
GMR Infrastructure Limited	1.67	-
GMR Airport Developers Limited	1.33	-
GMR Energy Trading Limited	9.54	-
Dhruvi Securities Pvt Ltd	0.49	0.56
GMR Power Corporation Limited	10.25	-
SJK Powergen Limited	3.67	-
GMR Varalaxmi Foundation-CSR	-	0.02

**b) Income:**

	Amount in Crores		
	Year Ended	Sale of Energy Certificates	Interest on Inter Corporate Deposit
GMR Energy Trading Limited	31.03.2017	0.58	-
	31.03.2016	0.36	-
GMR Energy Limited	31.03.2017	-	-
	31.03.2016	-	0.03
GMR Vemagiri Power Generation Limited	31.03.2017	-	0.40
	31.03.2016	-	0.16
GMR Tuni- Anakapalli Expressways Limited	31.03.2017	-	0.05
	31.03.2016	-	-
GMR Tambaram Trindivanam Expressways Limited	31.03.2017	-	0.07
	31.03.2016	-	-
GMR Power Infra Limited	31.03.2017	-	0.28
	31.03.2016	-	-
GMR Badrinath Power Generation Limited	31.03.2017	-	0.77
	31.03.2016	-	-



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2017**

**c). Amount payable to creditors/Deposit Received/Interest Accrued:**

	Amount in Crores	
	<b>31 March 2017</b>	<b>31 March 2016</b>
<b>Interest Payable on ICD:-</b>		
GMR Infrastructure Limited	1.50	-
GMR Airport Developers Limited	1.20	-
GMR Energy Trading Limited	9.13	-
GMR Power Corporation Limited	10.13	-
SJK Powergen Limited	3.30	-
Dhruvi Securities Pvt Ltd	1.01	0.56
GMR Energy Limited	-	0.02
GMR Holdings Private Limited- Logo Fees	0.00	0.00
GMR Infrastructure Limited - Management Service Fees	-	0.01
<b>Non Trade Payables</b>		
GMR Power Corporation Limited	12.96	-
GMR Airport Developers Limited	1.05	-
GMR Energy Trading Limited	1.19	-
GMR Kamalanga Energy Limited	0.02	-
GMR Energy Limited	0.01	-
Equity Component of Preference shares- GMR Infrastructure Limited	622.44	1247.41
Liability Component of Preference shares- GMR Infrastructure Limited	-	1059.42
Equity Component of GIL Loan up to conversion to Equity- GMR Infrastructure Limited	28.53	-
Financial Guarantee Obligation given to GMR Rajahmundry Energy Limited	41.15	-

**d) Inter Corporate Deposit Taken:**

	Amount in Crores	
	<b>31 March 2017</b>	<b>31 March 2016</b>
GMR Infrastructure Limited	83.89	-
GMR Airport Developers Limited	24.00	-
GMR Energy Trading Limited	228.64	-
GMR Power Corporation Limited	265.03	-
SJK Powergen Limited	69.77	-
Dhruvi Securities Pvt Ltd	4.00	4.00
GMR Energy Limited	-	18.83

**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2017**

**e.) Receivables - Sy. Debtors / Interest accrued but not due / Deposits Paid:**

	Amount in Crores	
	<b>31 March 2017</b>	<b>31 March 2016</b>
GMR Energy Trading Limited-Sale of Renewable Energy Certificate	0.11	0.10
GMR Tuni- Anakapalli Expressways Limited-Interest Accrued on ICD/Loan Given	0.05	-
GMR Tambaram Tindivanam Expressways Limited-Interest Accrued on ICD/Loan Given	0.06	-
GMR Power Infra Limited-Interest Accrued on ICD/Loan Given	0.25	0.00
GMR Vemagiri Power Generation Limited-Interest Accrued on ICD/Loan Given	0.22	0.14
GMR Badrinath Power Generation Limited-Interest Accrued on ICD/Loan Given	0.69	-
GMR Tuni- Anakapalli Expressways Limited-Other Receivables	0.84	-
GMR Tambaram Tindivanam Expressways Limited-Other Receivables	1.35	-
GMR Power Infra Limited-Other Receivables	0.55	-
GMR Chhattisgarh Energy Limited-Other Receivables	40.90	-
GMR Rajahmundry Energy Limited -Other Receivables	49.54	-
GMR Infrastructure Limited-Other Receivables	0.01	-
GMR Energy Limited-Other Receivables	0.36	-

**f) Intercorporate deposit given & Share Application Money:**

	Amount in Crores	
	<b>31 March 2017</b>	<b>31 March 2016</b>
<b>a. ICD Given</b>		
GMR GENCO Assets Limited (Formerly known as GMR Hosur Energy Limited)	17.70	-
GMR Enterprises Private Limited	2.40	-
GMR Vemagiri Power Generation Limited	9.67	5.00
GMR Ambala-Chandigarh Expressways Limited	7.72	-
GMR Power Infra Limited	5.82	-
GMR Londa Hydro Power Private Limited	8.08	-
GMR Kakinada Energy Private Limited	0.00	-
GMR Coastal Energy Private Limited	0.00	-
GMR Mining & Energy Private Limited	0.00	-
GMR Badrinath Power Generation Limited	23.72	-
GMR Rajahmundry Energy Limited	1.04	-
<b>b. Share Application Money- GMR Chhattisgarh Energy Limited</b>	0.00	-

**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2017**

**g) Investment in subsidiaries/ Associate / Group Company**

Amount  
in Crores

	Year Ended	Investment in Equity shares ( during the year)	Investment in Preference shares ( during the year)	Others
<b>Subsidiaries</b>				
GMR Energy Limited	31.03.2017	2,686.21		-
	31.03.2016	1,518.22	1,082.19	-
GMR Power Infra Limited	31.03.2017	0.00	-	-
	31.03.2016	0.00	-	-
GMR Genco Assets Limited (Formerly known as GMR Hosur Energy Limited)	31.03.2017	0.05	-	-
	31.03.2016	0.05	-	-
GMR Chhattisgarh Energy Private Limited	31.03.2017	3,368.00	-	-
	31.03.2016	-	-	-
GMR Mining & Energy Private Limited	31.03.2017	0.02	-	-
	31.03.2016	-	-	-
GMR Londa Hydro Power Private Limited	31.03.2017	0.01	-	-
	31.03.2016	-	-	-
GMR Coastal Energy Private Limited	31.03.2017	0.00	-	-
	31.03.2016	-	-	-
GMR Kakinada Energy Private Limited	31.03.2017	0.00	-	-
	31.03.2016	-	-	-
SJK Powergen Limited	31.03.2017	0.00	-	-
	31.03.2016	-	-	-
GMR Rajahmundry Energy Limited	31.03.2017	1,157.00	-	-
	31.03.2016	-	-	-
GMR Power Corporation Limited	31.03.2017	458.00	-	-
	31.03.2016	-	-	-
Equity Component of ICD given to GMR Rajahmundry Energy Limited	31.03.2017	-	-	11.10



**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2017**

	31.03.2016	-	-	-
Equity Component of Interest receivable from GMR Chhattisgarh Energy Limited	31.03.2017	-	-	147.25
	31.03.2016	-	-	-
Equity Component of Preference shares to GMR Chhattisgarh Energy Limited	31.03.2017	-	-	21.61
	31.03.2016	-	-	-
Equity Component of Corporate Guarantee given to GMR Rajahmundry Energy Limited	31.03.2017	-	-	42.11
	31.03.2016	-	-	-

**h) Share capital infused and outstanding at the end of the year**

	Year Ended	Share Premium	Amount in Crores	
			Amount owed to related parties (Preference shares)	Amount owed to related parties (Equity shares)
GMR Infrastructure Ltd	31.03.2017	-	-	6,172.75
	31.03.2016	-	-	0.50
GMR Energy Projects (Mauritius) Limited	31.03.2017	1.53	-	0.50
	31.03.2016	1.53	-	0.50
Dhruvi Securities Private Limited	31.03.2017	-	-	150.00
	31.03.2016	-	-	-

No compensation has been provided to key management personnel.

**29. Financial risk management objectives and policies**

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

The Company is exposed to credit risk & liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.. The Board of Directors





**GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2017**

reviews and agrees policies for managing each of these risks, which are summarized below.

**Credit Risk:**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

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

**Liquidity Risk:**

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

Maturity profile of the company's financial liabilities based on contractual undiscounted payments as on 31<sup>st</sup> March 2017

Amount in Crores.

Year ended	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>31-Mar-17</b>						
Borrowings (other than convertible preference shares)	-	2.31	693.85	104.17	-	800.33
Convertible preference shares	-	-	-	-	492	492.10
Other financial liabilities	-	-	466.62	-	-	466.62
Trade and other payables	-	-	1.24	-	-	1.24
Financial guarantee contracts*	-	-	-	-	2352.39	2,352.39
	-	<b>2.31</b>	<b>1,161.71</b>	<b>104.17</b>	<b>2,844.49</b>	<b>4,112.68</b>

Maturity profile of the company's financial liabilities based on contractual undiscounted payments as on 31<sup>st</sup> March 2016

Amount in Crores.

Year ended	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>31-Mar-16</b>						
Borrowings (other than convertible preference shares)	-	22.83	-	-	-	22.83
Convertible preference shares	-	-	-	-	2,613.01	2,613.01
Other financial liabilities	-	-	0.59	-	-	0.59
Trade and other payables	-	-	0.02	-	-	0.02
	-	<b>22.83</b>	<b>0.61</b>	-	<b>2,613.01</b>	<b>2,636.46</b>

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Maturity profile of the company's financial liabilities based on contractual undiscounted payments as on 1<sup>st</sup> April 2015.

Amount in Crores.

As at	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>1-Apr-15</b>						
Borrowings (other than convertible preference shares)	-	-	-	-	-	-
Convertible preference shares	-	-	-	-	2,613.01	2,613.01
Trade and other payables	-	0.02	-	-	-	0.02
Other financial liabilities	-	0.01	-	-	-	0.01
	-	<b>0.03</b>	-	-	<b>2,613.01</b>	<b>2,613.04</b>

**30.** The Company has entered into certain cancelable operating lease agreements. The lease rentals considered is shown under the statement of profit or loss for the period as per the agreement are as follows:

(Amount in Rs.)

Particulars	For year ended 31 <sup>st</sup> March 2017	For year ended 31 <sup>st</sup> March 2016
Lease Rentals under cancelable leases	156,250	156,250
Lease Rentals under non-cancelable leases	-	-

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

**32. Deferred Tax Assets and Deferred Tax Liability -**

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(Amount in Crores)

Particulars	As at		
	31-Mar-17	31-Mar-16	1-Apr-15
<b>Deferred income tax Liabilities</b>			
Preference Share Capital	557.81	557.81	557.81
DTL on account of difference between Tax Base and IGAAP Books	0.20	-	0.20
<b>Total deferred income tax assets</b>	<b>558.01</b>	<b>557.81</b>	<b>558.01</b>
<b>Deferred income tax Assets</b>			
Notional Interest on reclassification of Preference shares into Liability and interest thereon	557.81	77.79	37.97
DTA on account of difference between Tax Base and IGAAP Books	0.08	0.08	-
<b>Total deferred income tax Assets</b>	<b>557.88</b>	<b>77.87</b>	<b>37.97</b>
Deferred Tax Liability after set off	<b>0.13</b>	<b>479.95</b>	<b>520.04</b>

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.



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The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the Net Deferred tax assets has not been recognized because there is no probability/convincing or other evidence that sufficient taxable profits will be available against which DTA will be adjusted.

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

**34. Foreseeable losses:** the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**35.** There are no micro and small enterprises to which the company owes dues which are outstanding for more than 45 days as at March 31, 2017 and March 31 2016. This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

**36. Segment Reporting**

The company is engaged primarily in the business of setting and running of Power Plants. As the basic nature of the activities is governed by the same set of risk and returns these have been grouped as a single business segment. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Accounting Standard (AS-17) on Segmental Reporting issued by the ICAI are not applicable to the present activities of the company.

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

**38. First Time Adoption of Ind As**

These financial statements, for the year ended 31 March 2017, are the first, the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

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



**Exemptions applied:-**

**Mandatory exceptions:**

The estimates at 01 April 2016 and as at 31<sup>st</sup> March'2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in the accounting policies) apart from the following items where application of Indian GAAP did not require estimation.

- Impairment of financial assets based on expected credit loss 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.

**Service concession**

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

Company had entered into Purchase Power Agreement ('PPA') with Gujarat Urja Vikas Nigam Ltd ('GUVNL'), which gives GGAL an exclusive right to operate, maintain, develop, modernize and manage the 2.1 MW wind power project in Moti Sindhodi, Gujarat on a revenue sharing model for an initial term of 25 years.



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Under Ind AS, such arrangement is covered under the scope of Appendix A to Ind AS 11 - Service Concession Arrangement (SCA). Intangible asset model is applicable on this arrangement. On the transition date, the company has reclassified the existing carrying value of plant and machinery as Intangible assets amounting to INR 9.60 cr. Accordingly such intangible asset is amortised over the life of service concession arrangement. As at 31 March 2017, the carrying value of property plant and equipment is reduced to NIL and Intangible asset has been recognised with carrying value of INR 8.41 cr.

**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.

**Provision for decommissioning liability**

The company while computing the decommissioning liability as at the date of transition to Ind AS has assumed that the same liability (adjusted only for the time value for money) existed when the asset was first constructed. The Company has not estimated what provision would have been calculated at earlier reporting dates.

**Long term Foreign Currency Monetary Items: (Long term foreign currency borrowings)**

The company has elected to continue policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in financial statements for period ending immediately before beginning of first IND as financial reporting period as per previous GAAP i.e. 01<sup>st</sup> April/2016

**39. Disclosure on Specified Bank Notes (SBN'S)\*:-**

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

**(Amount in Rupees.)**

Particulars	SBN'S	Other denomination notes	Total
<b>Closing cash in hand as on November 8, 2016</b>	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	-	-	-
<b>Closing cash in hand as on December 30, 2016</b>	-	-	-

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs.



#### 40. 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 maximize the shareholder value.

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

	Amounts in INR Crores		
	<b>At 31 March 2017</b>	<b>At 31 March 2016</b>	<b>At 1 April 2015</b>
Borrowings	1,065.81	1,082.26	930.67
Trade payables	-	-	0.02
Less: Cash & Cash Equivalents	0.57	0.17	0.30
<b>Net debts</b>	<b>1,065.2</b>	<b>1,082.1</b>	<b>930.4</b>
<b>Capital Components</b>			
share Capital	6,323.25	1.00	1.00
Reserves & Surplus	(295.78)	(174.40)	1,162.48
Equity component of preference share	65.98	1,247.41	-
<b>Total Capital</b>	<b>6,093.44</b>	<b>1,074.01</b>	<b>1,163.48</b>
<b>Capital and net debt</b>	<b>7,158.68</b>	<b>2,156.10</b>	<b>2,093.87</b>
<b>Gearing ratio (%)</b>	<b>14.88%</b>	<b>50.19%</b>	<b>44.43%</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 31st March 2017 and 31st March 2016.

#### 41. Convertible Preference Shares

The company has issued compulsory convertible preference shares. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, convertible preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

#### **42.Deferred tax**

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

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. Accordingly, company has recognised net deferred tax liabilities as at 31 March 2017 by INR 0.13 crores (31 March 2016: 479.98 cr).

#### **43.Re-measurements of post-employment benefit plans**

Under Ind AS, re-measurements i.e. actuarial gain and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these measurements were forming part of the profit or loss for the year.

#### **44.Other comprehensive income**

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

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

