

Independent Auditor's Report

To the members of GMR Pochanpalli Expressways Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of GMR Pochanpalli Expressways Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), Cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigation on its financial position in its Ind AS financial statement- Refer note 27 to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 39 to the Ind AS financial statements.

Place: New Delhi
Date: May 02, 2017

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

Akhilesh Gupta
Partner
M.No. 089909



Annexure - A to the Independent Auditors' Report

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

1.
 - a. The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and no discrepancy was noticed.
 - c. According to the information and explanations given to us, the Company does not own any freehold immovable properties and lease/sub-lease deeds of leasehold land are registered with Appropriate Authorities
2. As per the information and explanations given to us, inventories have been physically verified at reasonable interval during the year by the Management. The discrepancies noticed on verification between the physical stock and book records are not material and have been properly dealt with in the books of accounts.
3. The Company has granted loans to Companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act')
 - a) In our opinion terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act
4. In our opinion and according to the information and explanations given to us, the Company has been complied with provisions of section 185 and 186 of the Act in respect of loans and investments made.
5. According to the information and explanations given to us the company has not accepted deposits.
6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.



7. a. According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities during the year.

There were no undisputed amounts payable on account of the above dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us, there is no due on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of dispute.
8. As per the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to banks and financial institutions during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



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

Place: New Delhi
Date: May 02, 2017

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

Akhilesh Gupta
Partner
M.No: 089909



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Place: New Delhi
Date: May 02, 2017

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N



Akhilesh Gupta
Partner
M.No: 089909

GMR Pochanpalli Expressways Limited
CIN : U45200KA2005PLC049327

Balance Sheet as at March 31, 2017

Amount in INR Lakhs

	Note	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
ASSETS				
Non-Current Assets				
(a) Property, plant and equipment	3	48.37	55.17	68.55
(b) Other Intangible assets	4	0.00	0.00	0.00
(c) Financial Assets				
(i) Investments	5 (i)	0.00	0.00	0.00
(ii) Other Financial Assets	8 (i)	38,588.73	41,473.91	44,104.41
(d) Other Non-Current Assets	10 (i)	1,180.33	1,180.33	-
Total Non-Current Assets		39,817.43	42,709.41	44,172.96
Current Assets				
(a) Inventories	11	6.87	9.86	6.82
(b) Financial Assets				
(i) Investments	5 (ii)	6,631.93	5,654.07	730.13
(ii) Cash & Cash Equivalents	5	430.29	1,940.31	8,373.87
(iii) Other Bank Balance	6	2,800.01	7,546.01	5,196.01
(iv) Loans	7	16,280.00	8,660.00	7,800.00
(v) Other Financial Assets	8 (ii)	6,006.85	5,126.18	4,183.67
(c) Current Tax assets	9	84.90	85.51	160.32
(d) Other Current Assets	10 (ii)	906.39	120.19	112.48
Total Current Assets		33,147.26	29,142.09	26,803.29
TOTAL ASSETS		72,964.69	71,851.50	70,976.25
EQUITY AND LIABILITIES				
Equity				
(a) Share Capital	12	13,800.00	13,800.00	13,800.00
(b) Other Equity	13	6,918.03	5,166.47	2,746.44
Total Equity		20,718.03	18,966.47	16,546.44
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	42,496.08	45,667.37	48,664.04
(b) Provisions	18 (i)	3,715.33	1,692.05	12.92
Total Non-Current Liabilities		46,211.41	47,359.42	48,676.96
Current Liabilities				
(a) Financial Liabilities				
(i) Trade payables	15	104.40	50.85	122.73
(ii) Other Financial Liabilities	16	5,411.86	5,385.93	5,553.42
(b) Other current liabilities	17	14.91	16.53	24.44
(c) Provisions	18 (ii)	504.08	72.30	52.25
Total Current Liabilities		6,035.25	5,525.61	5,752.85
TOTAL EQUITY AND LIABILITIES		72,964.69	71,851.50	70,976.25
Notes forming part of the financial statements	1-43			

Intents of our report attached
For Luthra & Luthra
Chartered Accountants
Reg. No. 002061W

Aadhlesh Gupta
Partner
(M.No. 89909)



For and on behalf of
GMR Pochanpalli Expressways Limited

Mohar Rao M
Director
DIN 02506274

Amit Kumar
Chief Financial Officer

Arun Kumar Sharma
Director
DIN 02281905

Pargajest Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Statement of Profit & Loss for the Year ended March 31, 2017

Amount in INR Lakhs

	Note	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operation	19	8,090.11	8,204.31
Other Income	20	1,895.27	1,772.26
Total Income		9,985.38	9,976.57
Expenses			
Operating expenses	21	2,179.74	1,988.07
Employee benefits expense	22	445.09	317.38
Finance costs	23	4,836.75	4,842.96
Depreciation and amortization expense	24	8.43	13.37
Other expenses	25	389.57	389.21
Total Expenses		7,859.58	7,550.99
Profit for the year before taxation		2,125.80	2,425.58
Tax Expense:			
(1) Current Tax	26	375.30	-
(2) Deferred Tax	26	-	-
		375.30	-
Profit for the year after tax		1,750.50	2,425.58
Other Comprehensive Income			
Actuarial (gain)/loss in respect of defined benefit plan		1.06	(5.55)
		1.06	(5.55)
Total comprehensive Income for the period		1,751.56	2,420.03
Earning per Equity Share:			
- Basic	27	1.27	1.76
- Diluted	27	1.27	1.76
Notes forming part of the financial statements	1-43		

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

Akhilesh Gupta
Partner
(M.No.89909)



For and on behalf of
GMR Pochanpalli Expressways Limited

Mohan Rao M
Director
DIN 02506274

Arun Kumar Sharma
Director
DIN.02281905

Amit Kumar
Amit Kumar
Chief Financial Officer

Paramjeet Singh
Paramjeet Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Cash Flow Statement for the Year ended March 31, 2017

Amount in INR Lakhs

	Year ended March 31, 2017 Rupees	Year ended March 31, 2016 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the period	2,175.80	2,425.58
Adjustments For :		
Depreciation and Amortisation	8.43	13.37
Interest and Finance Charges	4,836.75	4,842.96
Overlay Expenses	1,841.74	1,668.54
Profit on Sale of Investment	(130.35)	(60.89)
Reameasurements of defined Benefit plans	1.06	(5.55)
Interest Income on Bank deposit and others	(1,730.83)	(1,675.14)
	6,952.59	7,208.88
Adjustments for Movement in Working Capital:		
Decrease / (Increase) in Financial Assets and other non Current Assets	(1.74)	(1,182.26)
Decrease / (Increase) in Inventories, Financial Assets and other Current Assets	(785.69)	(3.30)
Increase / (Decrease) in Trade Payables	53.55	(71.88)
Increase / (Decrease) in Provision	60.66	30.64
Increase / (Decrease) in Other Current Liabilities and Retention Money	(36.06)	65.85
Cash From/(Used In) Operating activities	6,243.30	6,047.93
Tax (Paid)/Refund	(0.27)	14.81
Net Cash From/(Used In) Operating activities	6,243.04	6,062.74
D. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase / Addition to Fixed Assets	(1.63)	
Interest Income on Bank deposit and others	788.27	1,008.06
Profit on Sale of Investment	130.35	60.89
Decrease/(Increase) in Loan to Related Parties	(7,620.00)	(954.81)
Decrease/(Increase) in Other Bank Balance	4,746.00	(2,350.00)
Decrease/(Increase) in Receivable under SCA	2,745.89	2,631.69
Decrease/(Increase) in Investment	(977.91)	(4,923.89)
Cash From/(Used In) Investing Activities	(189.02)	(4,528.06)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Loan portion of Preference Shares		
Interest paid on Debenture	(4,368.83)	(4,681.99)
Other Finance Charges Paid	(20.20)	(13.24)
Repayment of Debenture	(3,175.00)	(3,273.00)
Cash From/(Used In) Financing Activities	(7,564.04)	(7,968.23)
Net Increase / Decrease in Cash and Cash Equivalents	(1,510.02)	(6,433.55)
Cash and Cash Equivalents as at beginning of the period	1,940.31	8,373.87
Cash and Cash Equivalents as at end of the period	430.29	1,940.31
Components of Cash and Cash Equivalents as at:	March 31, 2017	March 31, 2016
Cash in hand	0.06	0.09
Balances with the scheduled banks:		
- In Current accounts	355.24	70.22
Balances in Deposit die within 3 months	75.00	1,870.00
	430.29	1,940.31

In terms of our report attached
For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N



Akhilesh Gupta
Partner
(M.No.89909)

For and on behalf of
GMR Pochanpalli Expressways Limited

Mohan Rao M
Director
DIN D2506274

Arun Kumar Sharma
Director
DIN.07281905

(Signature)
Amit Kumar
Chief Financial Officer

(Signature)
Paramjeet Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017



GMR Pochanpalli Expressways Limited
CIN : U45200KA2005PLC049327

Statement of Change in Equity for the Year ended March 31, 2017

A. Equity Share Capital	Amount in INR Lakhs
	Equity Share Capital
As at 1 April 2015	13,800.00
Share Capital Issued during the year	-
As at March 31, 2016	13,800.00
Share Capital Issued during the period	-
As at March 31, 2017	13,800.00

B. Other Equity	Amount in INR Lakhs				
	Equity component of Preference shares	Debenture redemption reserve	Retained Earning	Other Comprehensive Income	Equity
As at 1 April 2015	3,620.95	5,414.82	(6,289.33)	-	2,746.44
Net Profit/(Loss)	-	-	2,425.58	-	2,425.58
Actuarial (gain)/loss in respect of defined benefit plan	-	-	-	(5.55)	(5.55)
As at March 31, 2016	3,620.95	5,414.82	(3,863.75)	(5.55)	5,166.47
Net Profit	-	-	1,750.50	-	1,750.50
Actuarial (gain)/loss in respect of defined benefit plan	-	-	-	1.06	1.06
As at March 31, 2017	3,620.95	5,414.82	(2,113.25)	(4.49)	6,918.03

In terms of our report attached
For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

For and on behalf of
GMR Pochanpalli Expressways Limited

Akhilesh Gupta
Partner
(M.No.89909)



Mohan Rao M
Director
DIN 02506274

Arun Kumar Sharma
Director
DIN.02281905

Amit Kumar
Amit Kumar
Chief Financial Officer

Paramjeet Singh
Paramjeet Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017



Reconciliations

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

1. Equity as at April 1, 2015, March 31, 2016.

2. Net profit for the year ended March 31, 2016

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

Amount in INR

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non Current Assets							
(a) Property, plant and equipment		72	-	72	58	-	58
(b) Other Intangible assets	A	46,572	(46,572)	0	42,512	(42,512)	0
(c) Financial Assets							
(i) Investments	B	20	-	20	20	-	20
(ii) Other Financial Assets	A	4,205,058	4,406,236,110	4,410,441,169	4,240,161	4,143,150,658	4,147,390,819
(d) Other Non Current Assets		-	-	-	118,033,033	-	118,033,033
Total Non-Current Assets		4,251,722	4,406,189,539	4,410,441,260	122,315,784	4,143,108,146	4,265,423,930
Current Assets							
(a) Inventories		682,454	-	682,454	986,255	-	986,255
(b) Financial Assets							
(i) Investments	B	72,960,000	52,590	73,012,590	564,131,569	1,270,465	565,402,054
(ii) Cash & Cash Equivalents		837,386,624	-	837,386,624	194,031,212	-	194,031,212
(iii) Other Bank Balance		519,601,192	-	519,601,192	754,601,192	-	754,601,192
(iv) Loans	C	780,000,000	-	780,000,000	866,000,000	-	866,000,000
(v) Other Financial Assets	A	180,160,372	268,206,302	448,366,674	253,818,106	258,799,935	512,618,041
(c) Current Tax assets		10,031,654	-	10,031,654	8,550,524	-	8,550,524
(d) Other Current Assets		11,247,848	-	11,247,848	12,019,409	-	12,019,409
Total Current Assets		2,412,070,194	268,258,892	2,680,329,035	2,654,138,267	260,070,421	2,914,208,687
TOTAL ASSETS		2,416,321,866	4,674,448,431	7,090,770,295	2,776,454,051	4,403,178,567	7,179,632,617
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		1,380,000,000	-	1,380,000,000	1,380,000,000	-	1,380,000,000
(b) Other Equity	L	(510)	3,256	2,746	(91)	5,257	5,165
Total Equity		1,379,999,490	3,256	1,380,002,746	1,379,999,909	5,257	1,380,005,165
Liabilities							
Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	D	4,750,404,450	115,999,169	4,866,403,619	4,432,904,450	133,832,190	4,566,736,640
(b) Provisions		1,291,952	-	1,291,952	252,219,134	(83,014,054)	169,205,081
Total Non-Current Liabilities		4,751,696,402	115,999,169	4,867,695,571	4,685,123,584	50,818,136	4,735,941,721
Current Liabilities							
(a) Financial Liabilities							
(i) Trade payables		12,273,408	-	12,273,408	5,085,087	-	5,085,087
(ii) Other Financial Liabilities	D	552,466,493	2,875,846	555,342,339	535,912,374	2,680,506	538,592,830
(b) Provisions		5,225,224	-	5,225,224	7,230,296	-	7,230,296
(c) Other current liabilities		2,444,187	-	2,444,187	1,652,955	-	1,652,955
Total Current Liabilities		572,409,312	2,875,846	575,285,159	549,880,662	2,680,506	552,561,168
TOTAL EQUITY AND LIABILITIES		6,704,105,204	118,878,271	6,822,983,476	6,615,004,155	53,503,899	6,668,508,054

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

A. Property, plant and equipment and Other Financial Assets

1. In IND AS, Carriageway and Unbilled Revenue has been reclassified as Financial Asset as per Financial Asset Note-4

B. Investment

1. Equity portion of Deposit paid to GMR Highways Limited. Further under IGAAP, quoted investments measured at cost while in IND AS, the same have been classified as available-for-sale financial assets and re-measured at fair value.

C. Loans

1. Modification loss recognised due to change in terms of Loans given

D. Borrowings

1. In IND AS, Preference Share are classified as financial liability and measured at amortised cost considering increment rate of borrowing. Difference recorded in Other Equity.

2. In IND AS, Upfront cost paid on loan is amortised over the period of loan

E. Other equity

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



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

Amount in INR

	Note	Year ended March 31 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS
Revenue from Operation	A	10,836	820,420,241	820,431,077
Other Income	B	174,064,578	3,161,232	177,225,810
Total Income		174,075,414	823,581,473	997,656,888
Expenses				
Operating expenses	C	781,820,932	(83,014,054)	198,806,878
Employee benefits expense	D	32,292,482	(554,707)	31,737,775
Finance costs	E	455,392,184	28,903,913	484,296,097
Depreciation and amortization expense	F	4,073	(4,060)	13
Other expenses		38,921,254	-	38,921,254
Total Expenses		808,430,925	(54,668,908)	753,762,017
Profit for the year before taxation		(634,355,511)	878,250,381	243,894,870
Tax Expense:				
(1) Current Tax		-	-	-
(2) Deferred Tax		-	-	-
Profit for the year after tax		(634,355,511)	878,250,381	243,894,870
Other Comprehensive Income				
Actuarial (gain)/loss in respect of defined benefit plan		-	(6)	(6)
		-	(6)	(6)
Total comprehensive Income for the period		(634,355,511)	878,250,376	243,894,865

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

A. Revenue from operation

1. As per Financial Asset Model, Annuity receipt is considered as received against financial asset and hence not recorded as Income

2. Income from O&M Activities recorded at fair value of services i.e. O&M Expenses plus margin @ 10%

3. Interest on financial asset receivable from NHAI at effective Interest rate is recognised as Interest Income

B. Other Income

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

2. Interest Income on Financial Assets at amortised Cost using incremental rate of borrowing

C. Operating Expenses

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

D. Employee benefits expense

1. Actuarial Gain/Loss is reclassified to Other Comprehensive Income

E. Finance Cost

1. Interest on financial liability portion of preference Shares and amortisation of Upfront fee paid on long term borrowing.

F. Depreciation and amortization expense

1. As carriageway has been derecognised, no amortisation under IND AS



Reconciliation between Previous GAAP and Ind AS

(i) Equity Reconciliation	Note	As At	As At
		March 31, 2016	March 31, 2015
Equity under Previous GAAP		18,159	17,740
Liability portion of Preference Share	1	(829)	(829)
Interest on Liability portion of Preference Shares	2	(696)	(549)
Reversal of Annuity Income	3	(10,836)	
Operation & Maintenance Income Recognised	4	2,964	
Interest Income on Financial Assets	5	5,240	
Reversal of Amortisation on Intangible Assets (Carriageway)	6	4,060	
Upfront fee on Debenture	7	160	189
Reversal of Major maintenance Expense (Excess Provision)	8	1,334	
Unrealised Gain on Investment	9	13	1
Interest Income on Loan to Related parties	10	18	
Loss due to change in terms of Loan to related parties	10	(113)	
Equity under Ind AS		19,474	16,552

(ii) Profit Reconciliation	Note	Year Ended	
		March 31, 2016	
Net Income/(Loss) under Previous GAAP			419
Interest on Liability portion of Preference Shares	2		(148)
Reversal of Annuity Income	3		(10,836)
Operation & Maintenance Income	4		2,964
Interest Income on Financial Assets	5		5,240
Reversal of Amortisation on Carriageway	6		4,060
Amortisation of Upfront fee paid on Debentures	7		(29)
Reversal of Major Maintenance Provision (Excess provision)	8		1,334
Interest on Provision for Major Maintenance	8		
Unrealised Gain on Investment	9		12
Loss on Modification in terms of Loan to Related Parties	10		(113)
Interest Income on Loan to Related Parties	10		18
Net Income under Ind AS			2,927

1) Under IGAAP, Preference share capital was classified as shareholder's fund while under Ind AS, financial liability portion has been segregated and reclassified from Shareholder's fund.

2) Under Ind AS, on segregation of preference share capital into financial liability portion, Interest on Liability portion of Preference Shares is recorded through the statement of Profit & Loss Account.

3) Under IGAAP, Annuity receivable from NHAI is recorded as Income from operation while under Ind AS, Annuity receivable is considered as receipt against financial Assets.

4) Under Ind AS, O&M Income is recognised as an addition to Financial Assets.

5) Under Ind AS, Interest on Financial Assets is recognised as Income at effective rate of Interest.

6) Under Ind AS, carriageway has been recognised as Financial Assets and accordingly Amortisation charged under IGAAP is now being reversed.

7) Under Ind AS, Upfront cost paid on Debenture is amortised over the tenure of Debenture.

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

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

10) Under Ind AS, due to Change in terms of Loan to related parties, Modification loss is recognised and accordingly Interest is charged on the renewed period of loan.



GMR Pochanpalli Expressways Limited
CIN : U45200KA2005PLC049327

Amount in INR Lakhs

Statement of Audited Financial Results for the Year Ended 31/03/2017			
	Particulars (Refer Notes Below)	Year ended	
		31-Mar-17 Audited	31-Mar-16 Audited
1	Income from operations (a) Sales/Income from operations (b) Other operating income Total income from operations	8,090.11 8,090.11	8,204.31 8,204.31
2	Expenses (a) Sub-contracting expenses (b) Employee benefits expense (c) Depreciation and amortisation expense (d) Other expenses Total expenses	2,179.74 445.09 8.43 389.57 3,022.83	1,988.07 317.38 13.37 389.21 2,708.03
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	5,067.28	5,496.28
4	Other income	1,695.27	1,772.26
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	6,962.55	7,269.54
6	Finance costs	4,836.79	4,842.96
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)	2,125.80	2,425.58
8	Exceptional items	-	-
9	Profit / (Loss) from ordinary activities before tax (7 + 8)	2,125.80	2,425.58
10	Tax expense / (credit)	375.30	-
11	Net Profit / (Loss) from ordinary activities after tax (9 + 10)	1,750.50	2,425.58
12	Other Comprehensive Income/ (expenses) (net of tax)	1.06	(5.55)
13	Total Comprehensive Income for the period (11 + 12)	1,751.56	2,420.03

In terms of our report attached
For Luthra & Luthra
Chartered Accountants
Reg. No. 002081M



Akhilesh Gupta
Partner
(M.No.89909)

For and on behalf of
GMR Pochanpalli Expressways Limited

Moham Rao M
Director
DIN 02506274

Amit Kumar Sharma
Director
DIN 02281905

Amit Kumar
Amit Kumar
Chief Financial Officer

Parajit Singh
Parajit Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017



3. Property, Plant and Equipment

Amount in INR Lakhs

Sr.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As At 1-4-2016	Additions	Deductions	As At 31-03-2017	As At 1-4-2016	For the period	Deductions	As At 31-03-2017	As At 31-03-2017 ^{1/}	As At 31-03-2016
1	Plant & Machinery	77.57	-	-	77.57	27.97	5.62	-	13.59	43.98	49.60
2	Electrical Fittings	6.97	-	-	6.97	6.35	0.62	-	6.97	0.00	0.62
3	Computers	4.44	-	-	4.44	4.44	-	-	4.44	0.00	0.00
4	Office Equipments	13.13	1.47	-	14.60	12.64	0.61	-	13.25	1.35	0.49
5	Vehicles	32.70	-	-	32.70	28.63	1.22	-	29.85	2.85	4.07
6	Furniture & Fixtures	3.91	0.16	-	4.07	3.85	0.35	-	3.99	0.07	0.26
7	Lab Equipment	0.14	-	-	0.14	0.02	0.01	-	0.03	0.11	0.32
	Total	138.86	1.63		140.49	83.69	8.43		92.32	48.37	55.17

Sr.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As At 1-4-2015	Additions	Deductions	As At 31-03-2016	As At 1-4-2015	For the year	Deductions	As At 31-03-2016	As At 31-03-2016	As At 01-04-2015
1	Plant & Machinery	77.57	-	-	77.57	22.35	5.62	-	27.97	49.60	55.22
2	Electrical Fittings	6.97	-	-	6.97	4.56	1.78	-	6.35	0.62	2.41
3	Computers	4.44	-	-	4.44	4.44	-	-	4.44	0.00	0.00
4	Office Equipments	13.13	-	-	13.13	11.90	0.74	-	12.64	0.49	1.23
5	Vehicles	32.70	-	-	32.70	24.00	4.62	-	28.63	4.07	8.70
6	Furniture & Fixtures	3.91	-	-	3.91	3.05	0.59	-	3.65	0.26	0.86
7	Lab Equipment	0.14	-	-	0.14	0.01	0.01	-	0.02	0.12	0.14
	Total	138.86			138.86	70.32	13.37		83.69	55.17	68.55



4. Other Intangible Assets

Amount in INR Lakhs

Sr.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As At 1-4-2016	Additions	Deductions	As At 31-03-2017	As At 1-4-2016	For the period	Deductions	As At 31-03-2017	As At 31-03-2017	As At 31-03-2016
1	Software	36.78	-	-	36.78	36.78	-	-	36.78	0.00	0.00
	Total	36.78	-	-	36.78	36.78	-	-	36.78	0.00	0.00

Sr.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As At 1-4-2015	Additions	Deductions	As At 31-03-2016	As At 1-4-2015	For the year	Deductions	As At 31-03-2016	As At 31-03-2016	As At 01-04-2015
1	Software	36.78	-	-	36.78	36.78	-	-	36.78	0.00	0.00
	Total	36.78	-	-	36.78	36.78	-	-	36.78	0.00	0.00



5. Investments Amount in INR Lakhs

Particulars	As At	As At	As At
	March 31, 2017	March 31, 2016	April 1, 2015
(i) Non Current Investments			
Investments in associates	0.00	0.00	0.00
1 (March 2016: 1) shares of Rs. 10 each fully paid up in GMR Tambaram Hindivanam Expressways Limited			
1 (March 2016: 1) shares of Rs. 10 each fully paid up in GMR Tuni Anakapalli Expressways Limited			
	0.00	0.00	0.00
(ii) Current Investments at fair value through P&L			
Unquoted investment in Mutual Fund	6,631.93	5,654.02	730.13
2352665.544 (Previous Year : 2525762.57) units of @ 232.3752 (Previous Year : 223.854)			
	6,631.93	5,654.02	730.13
Aggregate book value of unquoted investments	6,625.20	5,641.82	729.60
Aggregate market value of unquoted investments	6,631.93	5,654.02	730.13

6. Cash and cash equivalents Amount in INR Lakhs

Particulars	As At	As At	As At
	March 31, 2017	March 31, 2016	April 1, 2015
(i) Balances with Local banks			
- In Current Account	355.24	70.22	53.24
- In Fixed Deposit Account (due within 3 months)	75.00	1,870.00	8,320.00
(ii) Cash on hand	0.06	0.09	0.63
	430.29	1,940.31	8,373.87
Other Bank Balances			
- In Fixed Deposit Account (more than 3 months but less than 12 months)	2,800.01	7,546.01	5,196.01
	2,800.01	7,546.01	5,196.01

7. Loans (Unsecured, Considered Good)-Current Amount in INR Lakhs

Particulars	As At	As At	As At
	March 31, 2017	March 31, 2016	April 1, 2015
Loan to Group Companies	16,280.00	8,660.00	7,800.00
	16,280.00	8,660.00	7,800.00

8. Other Financial Assets Amount in INR Lakhs

Particulars	As At	As At	As At
	March 31, 2017	March 31, 2016	April 1, 2015
(i) Non Current			
Security Deposit	40.47	38.73	36.80
Receivable under SCA	38,548.26	41,435.18	44,067.62
	38,588.73	41,473.91	44,104.41
(ii) Current			
Security Deposit	2.52	2.52	2.52
Interest accrued on fixed deposit	46.13	214.11	248.78
Claim recoverable	2.47		7.45
Receivable under SCA	2,323.84	1,682.81	2,482.06
Interest accrued on loan to group com.	3,888.90	2,255.76	1,542.85
	6,006.85	5,126.18	4,483.67



Particulars	Amount in INR Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
Breakup of financial assets			
At amortised cost			
Cash & Cash Equivalent (including other bank balance)	9,230.31	9,486.32	13,569.88
Interest accrued on fixed deposit	46.13	214.11	248.76
Loan to Group Companies including Interest	19,411.90	10,886.74	9,342.85
Receivable under SCA	41,372.10	44,117.99	46,749.68
Investment	0.00	0.00	0.00
Other Financial Assets	45.46	41.25	46.77
At Fair Value through P&L			
Investment	6,631.93	5,654.07	730.13
	70,737.81	70,400.43	70,688.08

9. Current Tax Assets

Particulars	As At	As At	As At
	March 31, 2017	March 31, 2016	April 1, 2015
Advance income tax (net of provision for current tax)	84.90	85.51	100.32
	84.90	85.51	100.32

10. Other Current Assets

Particulars	As At	As At	As At
	March 31, 2017	March 31, 2016	April 1, 2015
(i) Other Non Current Assets (Considered Good)			
Mobilisation Advance	1,180.33	1,180.33	-
	1,180.33	1,180.33	-
(ii) Other Current Assets (Considered Good)			
Advances recoverable in cash or kind	840.50	76.71	70.63
Prepaid Expenses	65.42	43.01	41.38
Balances with statutory / government authorities	0.47	0.47	0.47
	906.39	120.19	112.48

11. Inventories

Particulars	As At	As At	As At
	March 31, 2017	March 31, 2016	April 1, 2015
Stores & Spares	6.89	9.86	6.82
	6.89	9.86	6.82



12. Share capital

	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Authorised			
(i) 138,100,000 equity shares of Rs. 10 each (March 31, 2017: 138,100,000 equity shares of Rs. 10 each (March 31, 2016: 138,100,000 equity shares of Rs. 10 each (April 1, 2015: 138,100,000 equity shares of Rs. 10 each	13,810.00	13,810.00	13,810.00
(ii) 4,590,000 preference shares of Rs. 100 each (March 31, 2017: 4,590,000 preference shares of Rs. 100 each (March 31, 2016: 4,590,000 preference shares of Rs. 100 each (April 1, 2015: 4,590,000 preference shares of Rs. 100 each)	4,590.00	4,590.00	4,590.00
	18,400.00	18,400.00	18,400.00
Issued, Subscribed & Paid-Up			
(i) 13,800,000 equity shares of Rs. 10 each (March 31, 2017: 13,800,000 equity shares of Rs. 10 each (March 31, 2016: 13,800,000 equity shares of Rs. 10 each (April 1, 2015: 13,800,000 equity shares of Rs. 10 each	13,800.00	13,800.00	13,800.00
	13,800.00	13,800.00	13,800.00

NOTES:

(i) Terms to Equity Shares

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

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

(ii) Terms to Preference Shares

8% Redeemable, Non-convertible and Non-Convertible preference shares of Rs. 100 each. Preference Shares are redeemable at premium at the option of the Board of Directors of the Company on October 15, 2016, with one day prior notice to the preference shareholders. Refer note 12 and 14 for equity and liabilities portion of Preference Shares.

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

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number of Shares in Lakhs	Rupees in Lakhs	Number of Shares in Lakhs	Rupees in Lakhs	Number of Shares in Lakhs	Rupees in Lakhs
Shares outstanding at the beginning of the year	1,381.00	13,800.00	1,381.00	13,800.00	1,380.00	13,800.00
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	1,381.00	13,800.00	1,381.00	13,800.00	1,380.00	13,800.00

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

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number of Shares in Lakhs	Rupees in Lakhs	Number of Shares in Lakhs	Rupees in Lakhs	Number of Shares in Lakhs	Rupees in Lakhs
Shares outstanding at the beginning of the year	44.50	445.00	44.50	445.00	44.50	445.00
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	44.50	445.00	44.50	445.00	44.50	445.00

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

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number of Shares in Lakhs	%	Number of Shares in Lakhs	%	Number of Shares in Lakhs	%
GMR Highways Limited, the immediate holding Company	13,593.00	98.50%	13,593.00	98.50%	13,593.00	98.50%

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number of Shares in Lakhs	%	Number of Shares in Lakhs	%	Number of Shares in Lakhs	%
GMR Highways Limited, the immediate holding Company	44.50	100.00%	44.50	100.00%	44.50	100.00%

(vi) Shares held by holding/ultimate holding company and/ or their subsidiaries/ associates

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number of Shares in Lakhs	Rupees in Lakhs	Number of Shares in Lakhs	Rupees in Lakhs	Number of Shares in Lakhs	Rupees in Lakhs
GMR Highways Limited, the immediate holding Company	13,593.00	13,593.00	13,593.00	13,593.00	13,593.00	13,593.00
GMR Infrastructure Limited, the ultimate holding Company	13.80	138.00	13.80	138.00	13.80	138.00
GMR Energy Limited, a subsidiary of GIL and an associate company	6.90	69.00	6.90	69.00	6.90	69.00
Preference Share						
GMR Infrastructure Limited, the ultimate holding Company	44.50	445.00	44.50	445.00	44.50	445.00

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

13. Other Equity

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number of Shares in Lakhs	Rupees in Lakhs	Number of Shares in Lakhs	Rupees in Lakhs	Number of Shares in Lakhs	Rupees in Lakhs
(i) Equity component of Preference shares						
Opening Balance	-	3,620.95	-	3,620.95	-	3,620.95
Add - Adjustment for the year	-	-	-	-	-	-
(ii) Debenture redemption reserve						
Opening Balance	-	5,414.82	-	5,414.82	-	5,414.82
Add - Adjustment for the year	-	-	-	-	-	-
(iii) Profit & Loss Account (Credit balance)						
Opening Balance	-	(3,863.75)	-	(6,249.31)	-	(6,249.31)
Add - Profit/(Loss) for the year	-	1,750.50	-	2,025.58	-	2,025.58
(iv) Other Comprehensive Income						
Opening Balance	-	(5.55)	-	(4.90)	-	(5.55)
Add - Addition during the year	-	1.06	-	(4.90)	-	(5.55)
		6,318.03		5,366.47		5,366.47



GMR Pochanpalli Expressways Limited
Notes forming part of Financial Statements for the Year ended March 31, 2017

Amount in INR Lakhs

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
14. Borrowings			
(i) Secured			
4,500 (March 31, 2016: 4,251) 9.38% secured debentures of face value ₹ 1,000,000 each fully paid	40,807.00	44,141.85	47,286.14
Unsecured			
Liabilities Portion of Preference Shares	1,688.48	1,525.52	1,377.90
	<u>42,495.08</u>	<u>45,667.37</u>	<u>48,664.04</u>

(a) During the financial year 2009-2010, the company has issued 9.38% Non Convertible Debentures for value of ₹ 6,500,000,000 [6,500 Debentures of Face Value of 10,00,000 each] which are secured by way of first charge on all the assets of the Company both movable (including future annuity receivable) and immovable properties, both present and future but excluding project assets (unless permitted by National Highways Authority of India (NHAI) under the Concession agreement).

Debentures are repayable in 34 half yearly unequal installments commencing from April 15, 2010 to October 15, 2026

(b) The Company had issued 44,50,000 8% Redeemable, Non-cumulative and Non-Convertible preference shares of Rs.100 each. Preference Shares are redeemable at premium at the option of the Board of Directors of the Company on October 15, 2026, with one day prior notice to the preference shareholders. Refer note 13 and 14 for equity and liabilities portion of Preference Shares.

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

15. Trade Payables	104.40	50.85	122.73
	<u>104.40</u>	<u>50.85</u>	<u>122.73</u>

Terms and conditions of the above financial liabilities:

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

16. Other Current Financial Liability			
(a) Current maturities of long term secured debt	3,387.86	3,201.81	3,301.76
(b) Interest accrued but not due	1,925.24	2,050.92	2,192.23
(c) Retention Money	15.72	56.10	56.19
(d) Non trade payables	83.03	77.10	3.25
	<u>5,411.86</u>	<u>5,385.93</u>	<u>5,553.42</u>

Breakup of financial liabilities category wise

	March 31, 2017	March 31, 2016	April 1, 2015
At amortised cost			
Debentures including Interest o/s	46,120.70	49,294.58	52,780.14
Liability component of Preference Shares	1,688.48	1,525.52	1,377.90
Trade Payables	104.40	50.85	122.73
Non Trade Payables	83.03	77.10	3.25
Retention Money	15.72	56.10	56.19
	<u>48,012.33</u>	<u>51,104.15</u>	<u>54,340.19</u>

17. Other current liabilities			
Advances from others			10.69
Statutory dues	14.91	16.53	13.76
	<u>14.91</u>	<u>16.53</u>	<u>24.44</u>

18. Provisions			
(i) Non Current			
(a) Provision for Employee Benefits	26.81	23.51	12.92
(b) Provision for Major Maintenance	3,688.52	1,668.54	-
	<u>3,715.33</u>	<u>1,692.05</u>	<u>12.92</u>
(ii) Current			
(a) Provision for Employee Benefits	102.06	44.39	37.06
(b) Provision for Operation and Maintenance	27.60	27.92	15.20
(c) Provision for taxation	374.42	-	-
	<u>504.08</u>	<u>72.30</u>	<u>52.25</u>

Provision for Major Maintenance

The Company has a contractual obligation to maintain, replace or restore infrastructure, except for any enhancement element. Cost of such obligation is measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and recognised over the period at the end of which the overlay is estimated to be carried out. Major Overlay activities have been completed and next major overlay is expected to be carried out in FY 2019-20, 2020-21.

	March 31, 2017		March 31, 2016	
	Rs. Non-Current	Rs. Current	Rs. Non-Current	Rs. Current
Opening Balance	1,668.54	-	1,668.54	-
Accretion during the year	2,019.98	-	-	-
Utilised during the year	-	-	-	-
Closing Balance	<u>3,688.52</u>	-	<u>1,668.54</u>	-



GMR Pochanpalli Expressways Limited
 Notes forming part of Financial Statements for the Year ended March 31, 2017

	Amount in INR Lakhs	
	Year ended March 31, 2017	Year ended March 31, 2016
19. Revenue from operations		
(a) Operation & Maintenance Income	3,315.84	2,964.12
(b) Interest Income of Financial Assets	4,774.27	5,240.39
	8,090.11	8,204.31
20. Other Income		
(a) Interest Income on Bank Deposit	611.53	864.81
(b) Interest Income on Others	1,117.57	801.77
(c) Interest on Income Tax Refund	1.73	8.56
(d) Net gain on sale of Investments	130.35	60.89
(e) Excess provision written back	6.50	24.19
(f) Other non-operating income	27.59	12.05
	1,895.27	1,772.26



GMR Pochanpalli Expressways Limited
Notes forming part of Financial Statements for the Year ended March 31, 2017

Amount in INR Lakhs

	Year ended March 31, 2017	Year ended March 31, 2016
21. Operating expenses		
Highway Maintenance Expenses	269.40	223.71
Major Maintenance expenses	1,841.74	1,707.71
Toll/Highway Management Services	68.60	56.65
	2,179.74	1,988.07
22. Employee benefit expense		
Salaries, Perquisites & Allowance	399.31	287.33
Contribution to provident and other funds	31.18	23.99
Gratuity expense	6.44	1.27
Staff welfare expenses	8.15	4.80
	445.09	317.38
23. Finance costs		
Interest on Debentures	4,243.15	4,540.68
Interest on Financial Liabilities	546.60	260.28
(c) Other Finance Charges	47.01	42.00
	4,836.75	4,842.96
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		
(a) Interest on Debentures	4,243.15	4,540.68
(b) Interest on Loan portion of Preference Shares	162.96	147.62
(c) Interest on Overlay Provision	178.74	-
(d) Interest loss on Modification of Loan to related parties	205.39	112.66
	4,789.74	4,800.96
24. Depreciation and amortization expense		
Depreciation of tangible assets (note 3)	8.43	13.37
	8.43	13.37
25. Other expenses		
Consumption of Stores & Spares	17.47	13.88
Utility Expenses (including Electricity charges)	58.37	68.91
Rent	4.57	4.56
Rates and taxes	4.74	5.50
Insurance	10.20	36.74
Repairs and maintenance (including vehicle maintenance)	28.28	58.74
Travelling and conveyance	56.62	41.01
Communication costs	3.14	3.57
Printing and stationery	0.60	0.59
Legal and professional fees	105.84	129.50
Manpower Outsourcing	10.87	9.09
Directors' sitting fees	3.16	5.96
Payment to auditor	6.25	6.43
Advertisement	0.44	0.34
Office Maintenance	0.20	0.16
Meeting & Seminar	0.77	0.72
Books & Periodicals	0.03	0.06
Business Promotions	-	1.14
Donations	38.60	0.05
Membership & Subscriptions	-	0.13
Other Establishment Costs	8.29	2.14
	389.57	389.21

Payment to auditors

Particulars	March 31, 2017 in INR Lakhs	March 31, 2016 in INR Lakhs
As auditor:		
Audit fee	3.45	3.39
Tax audit fee	0.86	0.86
Other services (certification fees)	2.75	2.17
Reimbursement of expenses	0.22	-
Total	6.28	6.43



26. Income Tax

The Company, being Infrastructure Company, enjoys the benefit of tax holiday period for 10 years out of first 20 years of operations. In initial years of operations, the Company has incurred losses and hence not claimed benefit of tax holiday period. The Management expects that all temporary differences as well as unused tax losses will reverse in tax holiday period and accordingly has not recognised resulting deferred tax.



27 Earning/ (Loss) Per Share

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

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

	Year ended March 31, 2017	Year ended March 31, 2016
Profit attributable to equity holders of the parent	1,751.56	2,420.03
Profit attributable to equity holders of the parent for basic earnings	1,751.56	2,420.03
Profit attributable to equity holders of the parent for diluted earnings	1,751.56	2,420.03
Weighted Average number of equity shares for computing Earning Per Share (Basic)	1,380.00	1,380.00
Weighted average number of Equity shares adjusted for the effect of dilution	1,380.00	1,380.00
Earning Per Share (Basic) (Rs)	1.27	1.76
Earning Per Share (Diluted) (Rs)	1.27	1.76
Face value per share (Rs)	10.00	10.00

28 First Time Adoption of Ind AS

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

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

Exemptions applied:-

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

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

Service concession (Ind AS 101.D22)

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

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

Under a Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements".

The value of a financial Asset covered under a SCA includes the fair value estimate of the construction services which is estimated at the inception of the contract and is based on the fair value of the constructed asset and comprises of the actual construction cost, a margin as per the SCA, estimates of the future operating and maintenance costs, including overlay / renewal costs.

The cash flows from a Financial Asset commences from the Provisional / Final Commercial Operations Date as certified by the granting authority for the SCA. The cash flow from a Financial Asset is accounted using the effective interest rate method. The intrinsic interest element in each Annuity receipt is accounted as finance income and the balance amount is accounted towards recovery of costs from the "Receivable against Service Concession Arrangements."

29 Significant accounting judgements, estimates and assumptions

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

Judgements

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

ii. Provision for overlay:

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

30 Capital Commitments

Estimated amount of Contracts remaining to be executed on capital account and not provided, as on March 31, 2017 for Rs. Nil (March 31, 2016: Rs. Nil).

31 Contingent liabilities

The Contingent liabilities as on March 31, 2017 is Nil (March 2016: Rs. Nil).



32 Leases

The Company has entered into certain cancellable operating lease agreements and an amount of Rs. 4.57 Lakhs (March 2016: Rs. 4.56 Lakhs) paid during the period under such agreements.

33 Litigation

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

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

35 Gratuity and other post-employment benefit plans:

(a) Defined Contribution Plans

Contributions paid / payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc., in accordance with the applicable laws and regulations are recognised as expenses during the period when the contributions to the respective funds are due. A sum of Rs. 31.18 Lakhs (previous year Rs. 23.98 Lakhs) has been charged to the Statement of Profit & Loss in this respect.

(b) Defined Benefit Plans

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

36 List of Related parties and Transactions / Outstanding Balances:

a) Name of Related Parties and description of relationship:

Enterprises that control the Company / exercise significant influence	GMR Enterprises Private Limited (GEPL) (formerly known as GMR Holdings) GMR Infrastructure Limited (GIL) GMR Highways Limited (GHWL)
Fellow Subsidiaries	GMR Energy Ltd (GEL) GMR Ambala Chandigarh Expressways Private Limited (GACEPL) Dhruv Securities Private Limited (DSPL) Raza Security Services Limited (RSSL)
Enterprise where Key Management Personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVF) GMR Projects Private Limited, (GPPL)
Key Management Personnel	Mrs Ragini Kiran Grandhi , Whole Time director (from May 1, 2016) Mr. O Bangaru Raju, President Mr. B.L. Gupta, Independent Director (from September 1, 2016) Mr Arun Kumar Sharma, Director (from April 11, 2014) Mr.K.A.Somayajulu, Independent Director (from March 31, 2015) Dr. Kavitha Gudapati, Independent Director (Mar 31, 2015 to Sep 8, 2016) Mr. Mohan Rao M, Additional Director (from October 16, 2015) Mr T Govindarajulu, Director (Resigned on October 1, 2015) Mr. H C Sarabeswaran, Independent Director (Resigned on May 03, 2015) Mr Venkata Satya Sarabha Srikanth (upto May 31, 2016)

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

Name of Entity	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Transaction with Enterprises that control the Company / exercise significant influence			
GIL	Interest on Liability portion of Preference Shares Share of Corporate Common expense	167.96 65.33	147.62 69.58
GHWL	Interest Income on Inter Corporate Deposit/Unsecured Loan Interest Income on Security Deposit Charges for Regular Maintenance of Highways Monthly Maintenance of Highways Charges for Periodic Maintenance of Highways (Provision) Mobilisation Advance Given Modification Loss on Loan given to related parties Unsecured Loan given / (refunded)	198.72 1.74 - 252.69 2,689.98 - 10.47 4,026.66	36.33 1.58 37.85 229.23 1,669.86 1,180.31 - 860.00
Transaction with Fellow Subsidiaries			
GPPL	Interest Income on Inter Corporate Deposit/Unsecured Loan Modification Loss on Loan given to related parties	121.83 26.21	100.00 -
DSPL	Interest Income on Inter Corporate Deposit/Unsecured Loan Unsecured Loan Given / Refunded Modification Loss on Loan given to related parties	795.26 2,700.00 168.71	663.85 - 112.66
RSSL	Charges for Security & Toll management services	63.60	55.56
GVF	CSR Expenses	38.55	40.65

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

Transaction with Key Management Personnel

Details of Key Managerial Personnel	Remuneration						Outstanding loans/advances receivables
	Short-term employee benefits	Post employment benefits	Other long-term employee benefits	Termination benefits	Sitting Fee	Others	
Dr. Kavitha Gudapati	-	-	-	-	0.80	-	-
Mr. BAJRANG DAL GUPTA	-	-	-	-	0.75	-	-
Mr.K.A.Somayajulu	-	-	-	-	1.61	-	-
Mrs Ragini Kiran Grandhi	49.36	-	-	-	-	-	-
Mr. O Bangaru Raju	184.90	-	-	-	-	-	-
Mr Venkata Satya Sarabha Srikanth	3.30	-	-	-	-	-	-
Mr Janagani pothlalah	9.07	-	-	-	1.61	-	-



Name of Entity	Particulars	As At	As At
		March 31, 2017	March 31, 2016
Closing Balances with Enterprises that control the Company / exercise significant influence			
GIL	Equity Shares Outstanding	138.00	138.00
	Equity Part of Preference Shares	3,620.95	3,620.95
	Liability Portion of Preference Shares	1,688.48	1,525.52
	Mobilisation Advance Paid	775.00	-
	Trade and Other Payables	66.24	66.91
GHWL	Equity Shares Outstanding	13,593.00	13,593.00
	Trade and Other Payables	62.44	40.00
	Unsecured Loan Given	5,780.00	860.00
	Interest Receivable on Loan Given	836.11	650.32
	Provision for Major Maintenance	3,688.52	1,668.54
	Mobilisation Advance Paid	1,180.33	1,180.33
	Security/Other Deposit Recoverable	18.06	16.33
Closing Balances with Fellow Subsidiaries			
GEL	Equity Shares Outstanding	69.00	69.00
GHVEPL	Trade and Other Payables	0.06	-
DSPL	Unsecured Loan Given	9,500.00	6,800.00
	Interest Receivable on Loan Given	1,928.56	1,304.81
GACEPL	Trade and Other Payables	0.20	-
GPPL	Unsecured Loan Given	1,000.00	1,000.00
	Interest Receivable on Loan Given	367.23	271.61
GTAE	Trade and Other Payables	0.05	-
RSSL	Trade and Other Payables	9.98	4.64
	Security/Other Deposit Recoverable	16.67	16.67
GVF	Trade and Other Payables	4.25	-

Commitments with related parties: As at year end March 31, 2017, there is no commitment outstanding with any of the related parties.

Terms and conditions of transactions with related parties

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

For terms and condition related to Preference Share please refer Note no 14

37 Capital Management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company includes within net debt, external borrowings.

Particulars	Amounts in INR Lakhs		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
External Borrowings	46,120.70	49,394.58	52,780.13
Net debts	46,120.70	49,394.58	52,780.13
Capital Components			
Share Capital	13,800.00	13,800.00	13,800.00
Other Equity	6,918.03	5,166.47	2,746.44
Borrowings- Related party	1,688.48	1,525.52	1,377.90
Total Capital	22,406.51	20,491.99	17,924.34
Capital and net debt	68,527.21	69,886.57	70,704.47
Gearing ratio (%)	67%	71%	75%

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

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



38 Financial Instrument by Category

Particulars	As at March 31, 2017			As at March 31, 2016		
	At Amortised Cost	At FVTPL		At Amortised Cost	At FVTPL	
		Cost	Fair Value		Cost	Fair Value
Assets						
Investment in Mutual Funds	0.00	6,625.20	6,631.93	0.00	5,641.32	5,654.02
Loans to group companies	19,411.90	-	-	10,886.74	-	-
Receivable under SCA	41,372.10	-	-	44,117.99	-	-
Interest accrued on fixed deposit	45.13	-	-	214.11	-	-
Other Financial Assets	45.46	-	-	41.25	-	-
Cash and cash equivalents	3,230.31	-	-	9,486.32	-	-
Total	64,105.89	6,625.20	6,631.93	64,746.41	5,641.32	5,654.02
Liabilities						
Borrowings (including interest)	46,320.70	-	-	49,394.58	-	-
Trade Payable	104.40	-	-	50.85	-	-
Other Financial Liability	1,767.24	-	-	1,658.72	-	-
Total	48,012.33			51,104.15		

39 SPECIFIED BANK NOTES DISCLOSURE (SBN'S)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	INR Lakhs		
	SBNs	ODNs	Total
Closing cash on hand as on 08 Nov 2016	0.09	0.06	0.15
(+) Non Permitted receipts -	-	-	-
(+) Permitted receipts -	-	1.64	1.64
(-) Permitted payments -	-	1.11	1.11
(-) Amounts Deposited in Banks	0.09	-	0.09
Closing cash on hand as on 30 Dec 2016	-	0.59	0.59

40 Fair values

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

Particulars	Carrying value			Fair value		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Assets					
Investment in Mutual Funds (Refer note 5)	6,625.20	5,641.32	729.60	6,631.93	5,654.02	730.13
Total	6,625.20	5,641.32	729.60	6,631.93	5,654.02	730.13

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

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

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

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

Fair Value Hierarchy

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

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

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

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

Particulars	As at March 31, 2017	Fair Value (INR Lakhs) measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investment in Mutual Funds (Refer note 5)	6,631.93	6,631.93	-	-

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

Particulars	As at March 31, 2016	Fair Value (INR Lakhs) measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investment in Mutual Funds (Refer note 5)	5,654.02	-	-	-



41 Financial Risk Management Objectives and Policies

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

The Company's exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

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

Interest rate risk

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

The Company's policy is to manage its interest cost using only interest free/ fixed rate debts from related parties

Credit risk

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

Liquidity risk

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

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

	On Demand	Within 1 year	1-2 years	2-3 years	3-5 years	More than 5 Years	Total
Year ended							
March 31, 2017							
Debentures	-	3,363.00	3,689.00	4,059.00	9,509.00	23,575.46	44,195.46
Interest Payable	-	1,925.24	-	-	-	-	1,925.24
Preference Shares at amortised cost	-	-	-	-	-	1,688.48	1,688.48
Trade payables	-	104.40	-	-	-	-	104.40
Other financial liabilities	-	98.75	-	-	-	-	98.75
	-	5,491.39	3,689.00	4,059.00	9,509.00	25,263.94	48,012.33
	On Demand	Within 1 year	1-2 years	2-3 years	3-5 years	More than 5 Years	Total
Year ended							
March 31, 2016							
Debentures	-	3,175.00	3,363.00	3,689.00	8,784.00	28,332.61	47,343.61
Interest Payable	-	2,050.92	-	-	-	-	2,050.92
Preference Shares at amortised cost	-	-	-	-	-	1,525.52	1,525.52
Trade payables	-	50.85	-	-	-	-	50.85
Other financial liabilities	-	133.20	-	-	-	-	133.20
	-	5,409.97	3,363.00	3,689.00	8,784.00	29,858.17	51,104.15



Excessive risk concentration

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

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

42 Segment Reporting

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

43 Salient aspects of Service Concession Arrangement

NHAI has granted the exclusive right and authority during the concession period for designing, engineering, financing, procurement, construction, completion, operation and maintenance of the Project Highway. It shall include Improvement, Operation and Maintenance of NH-7 in the state of Andhra Pradesh.

The Concession period is 20 year commencing from the commencement date i.e. 27th Sep 2006

NHAI has further granted the exclusive right and authority during the concession period in accordance with terms and condition of the agreement to:

- to develop, design, engineer, finance, procure, construct, operate and maintain the Project Highway during the Concession Period.
- upon Completion of the Project Highway and during the Operation Period to manage, operate & maintain the Project Highway and regulate the use thereof by third parties.
- to allow NHAI to levy, demand, collect and appropriate the Fees from vehicles and persons liable to payment of Fees for using the Project Highway or any part thereof.
- perform and fulfill all of the obligations under this agreement.
- bear and pay all expenses, costs and charges incurred in the fulfillment of all the obligations under this Agreement
- not assign or create any lien or Encumbrance on the Concession hereby granted on the whole or any part of the Project Highway nor transfer, lease or part possession therewith

Annuity

Subject to the provisions of the Concession Agreement and in consideration of the Company accepting the Concession and undertaking to perform and discharge its obligations in accordance with the terms, conditions and covenants set forth in this agreement, NHAI agrees and undertake to pay to the Concessionaire, on each Annuity Payment Date, the sum of Rs. 54.18 Crores.

The Company should not levy, demand or collect from or in respect of any vehicle or Person, for the use of Project Facilities, any sum whatsoever in the nature of a toll or fee.

The Company should not permit or allow any advertisement/hoarding or other commercial activity and should not be entitled to charge, collect or receive any sums on account of any such activity. The Company agrees that unless otherwise provided in this Agreement, the project revenue shall consist of Annuity only.

Concession Fee

In consideration of the grant of Concession under this Agreement, the Concession fee payable by the Company to the NHAI is Rs. 1 per year during the terms of the concession agreement.

Operation and Maintenance

The Company shall operate and maintain the Project Highway by itself or through O&M Contractor and if required, modify, repair or otherwise make improvement to the Project Highway to comply with Specifications and Standards, and other requirements set forth in this Agreement, Good Industry Practice, Applicable laws and Applicable Permits and manufacturer's guidelines and instructions with respect to toll systems and more specifically:

- i) permitting safe, smooth and uninterrupted flow of traffic during normal operating conditions.
- ii) to allow NHAI to levy, demand, collect and appropriate the Fees from vehicles and persons liable to payment of Fees for using the Project Highway or any part thereof as per Article VII of the Concession Agreement
- iii) minimizing disruption to traffic in the event of accidents or other incidents affecting the safety and use of the Project Highway by providing a rapid and effective response and maintaining liaison procedures with emergency services.
- iv) undertaking routine maintenance including prompt repairs of potholes, cracks, Concrete joints, drains, line marking, lighting and signage.
- v) undertaking major maintenance such as resurfacing of pavements, repairs to structures and hardware and other equipment.
- vi) carrying out periodic preventive maintenance to Project Highway.
- vii) preventing with the assistance of concerned law enforcement agencies unauthorised entry to and exit from the Project Highway.
- viii) preventing with the assistance of the concerned law enforcement agencies encroachments on the Project Highway including site and preserve the right of way of the Project Highway
- ix) maintaining a public relations unit to interface with and attend to suggestions from users of the Project Highway, the media, Government Agencies, and other external agencies.
- x) adherence to the safety standards



Monitoring and Supervision during Operation

The Company is required to undertake periodic inspection of the Project Highway to determine the condition of the Project Highway including its compliance or otherwise with the Maintenance Manual, the Maintenance Programme, Specifications and Standards and the maintenance required and shall submit report of such inspection ("Maintenance Report") to NHAI and the Independent Consultant.

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

In terms of our report attached
For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N



Akhlesh Gupta
Partner
(M.No.89909)

GMR Pochanpalli Expressways Limited

Mohan Rao M
Director
DIN 02506274


Anil Kumar
Chief Financial Officer

Arun Kumar Sharma
Director
DIN 02281905


Paranjit Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017

