GIRISH
MURTHY & KUMAR
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SJK Powergen Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

(c) The Balance Sheet, the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of changes in equity dealt with by this Reports are in agreement with the books of account.

(d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules, 2015 as amended.

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

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. the Company does not have any pending litigations to be discussed on its financial position in its financial statements

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

   c. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. The company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified bank notes during the period from 08th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company.

for **GIRISH MURTHY & KUMAR**
Chartered Accountants
Firm's registration number: 000934S

A.V.SATISH KUMAR
Partner
Membership number: 26526
Bangalore

24th April 2017

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

SJK Powergen Limited

i. a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

b. The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As the Company has capitalized most of its assets during the year, no physical verification is carried out during the year.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company has not commenced its operation and therefore had no stocks of finished goods, stores spares parts and raw material during/ at the end of the year. Hence it does not have any stock of finished goods, raw material, stores and spare parts. Thus, paragraph 3(ii) of the order is not applicable to the Company.

iii. The company has granted any loans, to the companies, listed in the register maintained under section 189 of the companies Act 2013;

a. According to the information and explanation given to us and based on audit procedures conducted by us, we are of the opinion that, the terms and conditions of loan granted by the company to the parties covered in the register maintained under section 189 of the Companies Act 2013 are not prejudicial to the interests of the Company.

b. The receipt of interest and principal during the year is regular and there are no overdue of interest as at balance sheet date.

c. There are no overdue amount exceeding Rs. 1,00,000/- in respect of interest and principle as at balance sheet date.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The company has not accepted deposits from the public during the year and as such this clause is not applicable.

vi. The Company is yet to commence commercial operation, and hence maintenance of cost record under section 148(1) of the Act, for the electricity generated by the Company, does not apply to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion the Company is generally regular in payment of undisputed statutory dues including Provident Fund, income tax, sales tax, Customs Duty, Wealth tax and service tax Value added tax and cess as applicable with appropriate authorities. We are informed by the company that the provisions of Employee state insurance scheme, Investor education and protection fund, and excise duty are not applicable.

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

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

viii Based on the audit procedure and as per the information and explanation given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution or banks

ix The Company did not raise any money by way of initial public offer or further offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were obtained.

x According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.

xi According to the information and explanations given to us, and based on our examination of records of the Company, No managerial remuneration paid or provided by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us we are of the opinion that, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

PLACE: Bangalore

DATE: 24th April 2017

FOR GIRISH MURTHY & KUMAR
Chartered Accountants

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

Annexure B to Auditors' Report of even date

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

SJK Powergen Limited

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

PLACE: Bangalore

DATE: 24th April 2017

FOR GIRISH MURTHY & KUMAR
Chartered Accountants

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

High Point IV, 45, Palace Road, Bangalore - 1.

SJK Powergen Limited
Balance Sheet as at 31 March 2017

(Amount in INR)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	153,624,967	153,962,884	155,550,467
Capital work-in-progress		1,146,107,941	1,146,107,941	1,146,107,941
Other Intangible assets		9,930	9,930	61,294
Financial Assets	4			
Investments		-	-	-
Loans		102,168	4,165,168	4,165,168
Others		-	-	-
Other non-current assets	5	58,374,945	58,374,945	58,374,945
Current assets				
Financial Assets				
Trade Receivables	6	-	-	-
Cash and cash equivalents	7	1,151,263	179,440	642,365
Loans	4	697,791,501	3,679,549,493	2,970,189,493
Others	4	36,702,955	218,608,026	-
Other current assets	5	31,936,935	32,739,855	24,960,041
Total		**2,125,802,604**	**5,293,697,681**	**4,360,051,715**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	8	4,999,840	4,999,840	4,999,840
Other Equity	9	-2,549,288,916	-244,119,440	-130,100,805
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	10	624,900,000	1,729,200,000	-
Other financial liabilities	12	-	-	-
Provisions	14	4,769	3,640	22,014
Other non-current liabilities	13	-	-	-
Current liabilities				
Financial Liabilities				
Borrowings	10	-	-	-
Trade Payables	11	-	-	-
Other financial liabilities	12	4,033,615,998	3,797,902,024	4,481,670,014
Provisions	14	3,553	100,935.00	97,007.00
Other current liabilities	13	11,567,359	5,610,682	3,363,645
Total		**2,125,802,604**	**5,293,697,681**	**4,360,051,715**

Corporate Information 1
Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Girish Murthy & Kumar
Chartered Accountants

A V Satish Kumar
Partner
Membership No.26526
Firm Registration Number: 000934S

Place: Bangalore
Date :- 24th April 2017

For and on behalf of the Board of directors

Raja Vaidyanathan
Director
DIN-02896045

S. N. Barde
Director
DIN-03140784

SJK POWERGEN LIMITED
GMR

SJK Powergen Limited
Statement of Profit and Loss for the period ended 31 March 2017

(Amount in INR)

Particulars	Notes	For the period ended 31 March 2017	For the period ended 31 March 2016
REVENUE			
Revenue From Operations	15	-	-
Other Income	16	261,955,306	285,966,866
Total Revenue		**261,955,306**	**285,966,866**
EXPENSES			
Employee Benefits Expense	17	110,796	138,749
Finance Costs	19	457,630,986	393,201,174
Depreciation and amortization expense	18	337,919	1,638,950
Other Expenses	20	9,045,083	5,006,628
Total expenses		**467,124,782**	**399,985,501**
Profit before exceptional items and tax		**-205,169,476**	**-114,018,635**
Exceptional Items		-	-
Profit/(loss) before tax		**-205,169,476**	**-114,018,635**
Tax expense:			
Current Tax		-	-
Deferred Tax		-	-
Income tax expense earlier year		-	-
Profit/(loss) for the period		**-205,169,476**	**-114,018,635**
Other Comprehensive Income			
A Items that will be reclassified to profit or loss			
B Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		-	
Income tax effect		-	
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**-205,169,476**	**-114,018,635**
Earnings per equity share:			
(1) Basic		**-410.35**	**-228.04**
(2) Diluted		**-410.35**	**-228.04**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Girish Murthy & Kumar
Chartered Accountants

A V Satish Kumar
Partner
Membership No.26526
Firm Registration Number: 000934S

Place: Bangalore
Date :- 24th April 2017

For and on behalf of the Board of directors

Raja Vaidyanathan
Director
DIN-02896045

S. N. Barde
Director
DIN-03140784

SJK POWERGEN LIMITED
GMR

SJK Powergen Limited

Cash flow statement for the year ended 31st March'17

(Amount in Rupees)

Particulars	March 31, 2017	March 31, 2016
Cash flow from operating activities		
Profit before tax from continuing operations	(2,305,169,476)	(114,018,635)
Profit before tax	(2,305,169,476)	(114,018,635)
Non-cash adjustment to reconcile profit before tax to net cash flows	-	-
Depreciation	337,919	1,638,950
Interest Income	(261,955,306)	(285,966,866)
Finance costs	457,633,659	393,201,174
Loans and interest written off	2,104,930,992	-
Net cash flow from/ (used in) operating activities (A)	**(4,222,213)**	**(5,145,377)**
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	-	-
Increase/ (decrease) in other current liabilities	(70,512,281)	14,288,393
Decrease / (increase) in other current assets	-	
Decrease / (Increase) long term loans and advances	5,102,570	(10,008,840)
Decrease / (increase) short term loans and advances	-	(707,130,973)
Increase / (decrease) in short-term provisions	(97,382)	3,927
Increase / (decrease) in long-term provisions	1,129	(18,374)
Interest received		67,358,840
Net cash flow from/ (used in) investing activities (B)	**(65,505,964)**	**(635,507,028)**
Cash flows from financing activities		
Repayment of Short-term borrowings	-	-
Repayment of Long-term borrowings	70,700,000	1,729,200,000
Proceeds from short-term borrowings		(1,001,851,539)
Interest paid		(87,158,981)
Net cash flow from/ (used in) in financing activities (C)	**70,700,000**	**640,189,480**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	971,823	(462,925)
Cash and cash equivalents at the beginning of the year	179,440	642,365
Cash and cash equivalents at the end of the Period	**1,151,263**	**179,440**
Components of cash and cash equivalents		
Cash on hand	-	-
Cheques/ drafts on hand	-	-
With banks- on current account	-	-
- Current account	1,151,263	179,440
- Deposit account	-	-
- Margin Money Deposit	-	-
Total cash and cash equivalents	**1,151,263**	**179,440**

As per our report of even date

For Girish Murthy & Kumar
Chartered Accountants

A V Satish Kumar
Partner
Membership No.26526
Firm Registration Number: 000934S

Place: Bangalore
Date: April 24, 2017

For and on behalf of the Board of directors

Raja Vaidyanathan
Director
DIN-02896045

S. N. Barde
Director
DIN-03140784

(Amount in Rupees)

3 Property, Plant and Equipment

	Office Equipment	Computers	Furniture & Fixtures	Freehold Land	Leasehold Land	Total
Cost or valuation						
At 31st March 2015	4,126,536	1,014,732	1,895,535	151,110,207	1,144,638	159,291,649
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31st March 2016	4,126,536	1,014,732	1,895,535	151,110,207	1,144,638	159,291,649
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31st March 2017	4,126,536	1,014,732	1,895,535	151,110,207	1,144,638	159,291,649
Depreciation						-
At 31st March 2015	2,120,405	1,003,632	617,144	-	-	3,741,181
Charge for the Period	1,379,379	-	208,204	-	-	1,587,584
Disposals	-	-	-	-	-	-
At 31st March 2016	3,499,784	1,003,632	825,348	-	-	5,328,765
Charge for the year	129,589	(0)	208,328	-	-	337,917
Disposals	-	-	-	-	-	-
At 31st March 2017	3,629,374	1,003,632	1,033,676	-	-	5,666,682
Net Block						-
At 31st March 2015	2,006,131	11,100	1,278,391	151,110,207	1,144,638	155,550,467
At 31st March 2016	626,752	11,100	1,070,187	151,110,207	1,144,638	153,962,884
At 31st March 2017	497,162	11,100	861,860	151,110,207	1,144,638	153,624,967

Lease hold land is 51.387 acres and the terms of lease hold land is 30 years.
Out of 551 acres of Land, 280.32 acres of private Land has been pledged by the company against loan taken by GEL for Rs. 200 cr. Loan from PTC Financial.

Intangible assets

	Softwares
Cost or valuation	
At 31 March 2015	198,610
Additions	-
Disposals	-
At 31st March 2016	198,610
Additions	-
Disposals	-
At 31st Mar 2017	198,610
Depreciation	
At 31 March 2015	137,316
Charge for the period	51,364
Disposals	-
At 31st March 2016	188,680
Charge for the year	-
Disposals	-
At 31st March 2017	188,680
Net Block	
At 31st March 2015	61,294
At 31st March 2016	9,930
At 31st March 2017	9,930

Bangalore - 1.

SJK POWERGEN LIMITED GMR

4 Financial assets

(Amount in INR)

(i) Investments

Investments	Non Current 31-Mar-17	Non Current 31-Mar-16	Non Current 1-Apr-15	Current 31-Mar-17	Current 31-Mar-16	Current 1-Apr-15
Investments at amortised costs						
Investments in Equity shares	-	-	-	-	-	-
The above NSC certificate is issued as a security to Gujarat VAT authorities.						
Total	-	-	-		-	-

(ii) Loans

	Non Current 31-Mar-17	Non Current 31-Mar-16	Non Current 1-Apr-15	Current 31-Mar-17	Current 31-Mar-16	Current 1-Apr-15
Carried at amortised cost						
Loans & Advnaces to Related Parties	-	-	-	697,728,337	3,674,555,337	2,965,206,876
Loans to Employees	-	-	-	63,164	63,164	51,625
Advance recoverable in cash or in kind					4,930,992	4,930,992
Security deposits	-	-	-	-	-	-
Unsecured, considered good, to related parties	102,168	4,165,168	4,165,168	-	-	-
Total	**102,168**	**4,165,168**	**4,165,168**	**697,791,501**	**3,679,549,493**	**2,970,189,493**

(iii) Other Financial assets

Carried at amortised cost	Non Current 31-Mar-17	Non Current 31-Mar-16	Non Current 1-Apr-15	Current 31-Mar-17	Current 31-Mar-16	Current 1-Apr-15
Interest accrued on fixed deposits	-	-	-	-	-	-
Interest accrued on investment in National Savings Certificate	-	-	-	-	-	-
Interest accrues on Inter Corporate Deposit	-	-	-	36,702,955	218,608,026	-
Advance recoverable in cash or in kind						
Total other financial assets	-	-	-	**36,702,955**	**218,608,026**	-

Break up of financial assets

	Non-current 31-Mar-17	Non-current 31-Mar-16	Non-current 1-Apr-15	Current 31-Mar-17	Current 31-Mar-16	Current 1-Apr-15
Carried at amortised cost						
Loans & Advances to Related Parties	-					
Advances recoverable I cahs or in kind	102,168	4,165,168	4,165,168	-	4,930,992	4,930,992
Other financial assets	-	-	-	36,702,955	218,608,026	-
Total	**102,168**	**4,165,168**	**4,165,168**	**36,702,955**	**223,539,018**	**4,930,992**

5 Other assets

(Amount in INR)

	Long Term			Short Term		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Prepaid expenses	-	-	-	1,048,989	981,645	3,155,189
Capital advance	58,374,945	58,374,945	58,374,945			
Unbilled Revenue	-	-	-	-	-	-
Current Tax Assets (Net)	-	-	-	27,692,850	28,732,420	18,723,580
Balance with statutory / government Authorities	-	-	-	-	-	-
Other recoverables	-	-	-	3,195,096	3,025,790	3,081,273
Total other assets	**58,374,945**	**58,374,945**	**58,374,945**	**31,936,935**	**32,739,855**	**24,960,041**

6 Trade receivables

(Amount in INR)

	At 31 March 2017	At 31 March 2016	At 1 April 2015
Trade receivables			
Secured, considered good	-	-	-
Unsecured, considered good	-	-	-
Related parties			
Others	-	-	-
Less: Allowances for doubtful receivables	-	-	-
	-	-	-

7 Cash and Cash Equivalent

(Amount in INR)

Particulars	At 31 March 2017	At 31 March 2016	At 1 April 2015
Cash and cash equivalents			
-Deposits with original maturity of less than three months	-	-	-
-Balances with Banks			
-In current accounts	1,151,263	179,440	642,365
Total	**1,151,263**	**179,440**	**642,365**

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

	At 31 March 2017	At 31 March 2016	At 1 April 2015
Balances with banks:			
– On current accounts			
– Deposits with original maturity of less than three months	-	-	-
Cheques/ drafts on hand			
Cash on hand	1,151,263	179,440	642,365
Total	**1,151,263**	**179,440**	**642,365**

8 Share Capital

(Amount in INR)

Particulars	31 March 2017	31 March 2016	1 April 2015
Authorised :			
50,00,000 Equity Shares of Rs. 10 each	50,000,000	50,000,000	50,000,000
	50,000,000	50,000,000	50,000,000
Issued :			
NIL	-	-	-
Subscribed and Paid-up			
(4,99,984 equity Shares of Rs.10/- each) (4,99,984 - March 2016)	4,999,840	4,999,840	4,999,840
Total	4,999,840	4,999,840	4,999,840

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

Equity Shares	31 March 2017		31 March 2016		1 April 2015	
	In Numbers	Amounts in INR	In Numbers	Amounts in INR	In Numbers	Amounts in INR
At the beginning of the year	499,984	4,999,840	499,984	4,999,840	499,984	4,999,840
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	499,984	4,999,840.00	499,984	4,999,840.00	499,984	4,999,840.00

b. Terms/Rights Attached to equity Shares

The Company has only 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. The Company declares and pay dividend in indian rupees. The dividend proposed by the Board of director is subject to the approval of the shareholder in ensuing Annual General meeting.

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

Name of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares held	Amount	No. of Shares held	Amount	No. of Shares held	Amount
GMR Generation Assets Ltd, The Holding Company(including its nominees) 349,984 Equity Shares of Rs 10/- each	349,984	3,499,840	-	-	-	-
GMR Energy Ltd, The Holding Company(including its nominees) 349,984 Equity Shares of Rs 10/- each			349,984	3,499,840	349,984	3,499,840
	349,984	3,499,840	349,984	3,499,840	349,984	3,499,840

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

Name of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
GMR Generation Assets Limited, the immediate holding company (incl. its nominees)	349,984	70.00				
GMR Energy Limited, the immediate holding company (incl. its nominees)			349,984	70.00	349,984	70.00
Equity shares of ` 10 each fully paid						
Tottenham Finance Limited, Mauritius	150,000	30.00	150,000	30.00	150,000	30.00
Equity shares of ` 10 each fully paid						

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.

9 Other Equity

(Amount in INR)

Particulars	
-Equity component of Preference shares**	
At 1 April 2015	-
Movements during the year	-
At 31 March 2016	-
Movements during the year	
At 31 March 2017	-
Security Premium	
At 1 April 2015	41,692,000
Add: received during the year on issue of equity shares	-
Less: utilised towards provision for debenture redemption premium (net of taxes and MAT credit)/ share isue exp/towards issue of FCCB expenses	-
At 1 April 2016	**41,692,000**
Add: received during the year on issue of equity shares	-
Less: utilised towards provision for debenture redemption premium (net of taxes and MAT credit)/ share isue exp/towards issue of FCCB expenses	-
At 1 April 2017	**41,692,000**
Surplus in the statement of profit and loss	
At 1 April 2015	-171,792,805
Add: Profit / (loss) for the year	-114,018,635
Add: Other comprehensive income / (expense) for the year	
At 31 March 2016	**-285,811,440**
Add: Net profit for the year	-205,169,476
Add: Adjustment for decapitilasation	
Add: Other comprehensive income / (expense) for the year	
At 31 March 2017	**-490,980,916**
Adjustment to retained earnings*	-2,100,000,000
Total	-2,590,980,916

* Refer Note No. 24 to the Financial Statement.

10 Financial liabilities - Borrowings

(Amount in INR)

Particulars	Non - Current maturities			Current maturities		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Secured Borrowings						
Term Loans from Banks*	-	-	-	-	-	-
Term Loans from Financial Institution*	624,900,000	554,200,000	-		-	-
Supplier Credit	-	-	-	-	-	-
Unsecured Borrowings						
ICD from related parties	-	1,175,000,000	-	0	10,000,000	
Total	624,900,000	1,729,200,000	-	-	10,000,000	-
Less:						
Amount disclosed under the head "Other current financial liabilities"		-	-	-	-10,000,000	-
Net Amount	624,900,000	1,729,200,000	-		-	-

11 Financial liabilities - Trade payables

(Amount in INR)

Particulars	31 March 2017	31 March 2016	1 April 2015
Trade Payable			
- Others	-	-	-
	-	-	-
TOTAL	-	-	-

12 Other Financial Liabilities

(Amount in INR)

	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Other financial liabilities at amortised cost						
Short term borrowing from related parties				3,472,718,926	3,472,718,926	4,474,570,465
Current maturities of long term borrowings	-	-	-	-	10,000,000	-
Non Trade Payable - Group Companies	-	-	-	3,011,340	8,425,695	7,099,549
Non Trade Payable - Others				848,492	715,210	-
Interest accrued but not due on borrowings	-	-	-	557,037,240	306,042,193	-
Total other financial liabilities at amortised cost	-	-	-	4,033,615,998	3,797,902,024	4,481,670,014
Total other financial liabilities	-	-	-	4,033,615,998	3,797,902,024	4,481,670,014

Break up of financial liabilities carried at amortised cost

(Amount in INR)

	31-Mar-17		31-Mar-16		1-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Carried at amortised cost						
Borrowings	-	3,472,718,926	-	3,482,718,926	-	4,474,570,465
Trade Payables	-	-	-	-	-	-
Other financial liabilities	-	560,048,580	-	314,467,888	-	7,099,549
Total financial liabilities carried at amortised cost	-	4,032,767,506	-	3,797,186,814	-	4,481,670,014

13 Other Liabilities

(Amount in INR)

	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Unearned Revenue	-	-	-	-	-	-
Statutory liabilities						
Tax deducted at source/Tax Collected at source payable	-	-	-	11,393,963	5,429,543	3,190,270
Oher Statutory Dues	-	-	-	-	-	-
Others	-	-	-	5,199	12,941	5,178
Current Tax Liabilities (Net)				168,197	168,197	168,197
Total	-	-	-	11,567,359	5,610,682	3,363,645

14 Provisions (Current and Non-Current)

(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
Provision for employee benefits						
Provision for bonus	-	-	-	-	-	-
Provision for leave encashment	4,769	3,640	22,014	3,553	347	1,346.00
Provision for other employee benefits	-	-	-	-	100,588	95,661.00
Total	**4,769**	**3,640**	**22,014**	**3,553**	**100,935**	**97,007.00**

15 Revenue From Operations

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

(Amount in INR)

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

16 Other income

(Amount in INR)

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Other income		
Sale of Investment (other than trade investments)	-	-
Miscellaneous Receipts	132,737	-
Interest on:	-	-
Interest Income	261,822,569	285,966,866
Income tax	-	-
	261,955,306	**285,966,866**

17 Employee Benefits Expense

(Amount in INR)

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Salaries, wages and bonus	146,152	198,215
Contribution to prov dent and other funds	12,487	11,377
Gratuity expenses	-67,344	-90,820
Staff welfare expenses	19,500	19,977
	110,796	**138,749**

EN LIMITED

18 Depreciation and amortization expense

(Amount in INR)

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Depreciation of tangible assets (note XX)	337,919	1,638,950
	337,919	**1,638,950**

EN LIMITED

19 Finance Costs

(Amount in INR)

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Interest expense:		
Interest on Inter Corporate Deposit	457,630,986	393,201,174
Finance Charges	-	-
	457,630,986	393,201,174

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
In relation to Financial liabilities classified at amortised cost	-	-
Unwinding of discount and effect of changes in discount rate on provisions	0	0

20 Other expenses

(Amount in INR)

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Rent	2,441,064	306,300
Travelling expenses	-	12,191
Communication expenses	5,195	2,600
Bank Charges	2,673	579
Repair & maintenance expenses	55,392	62,040
Guest House Maintainance	-	-
Donation	-	10,000
Consultancy & Professional Charges	45,750	174,285
Advertisement expenses	-	-
Printing & stationary expenses	11,748	19,916
Insurance	17,036	-
Rates & taxes expenses	40,272	2,237,214
Sitting Fees	120,500	272,916
Books & periodicals expenses	4,398	2,673
Payment to auditor (Refer details below)	57,400	108,254
Reversal of Interest	4,930,992	-
Miscellaneous Expenses	1,312,662	1,797,660
	9,045,083	5,006,628

(Amount in INR)

	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Payment to Auditors (Included in other expenses above)		
As Auditor		
Audit fee	34,600	33,954
Tax audit fee	22,800	34,250
Limited Review		0
In other capacity		
- Group reporting		-
Other services		
Certification Fees		40,050
	57,400	108,254

SJK Powergen Limited
For the year ended 31st March 2017

A) Receivable/ Reimbursment / Sundry Debtors / Deposits Paid / Interest receivable

S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GMR Generation Assets Limited	IC2361	Interest on ICD	Financial Assets	Interest accrues on Inter Corporate Deposit	1030600998	36,702,955	-	36,702,955	-
	GRAND TOTAL						745,081,292			

B) Payable / Sundry Creditors / Deposits Received / Interest Payable

S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GMR Power Corporation Limited	IC2361	Interest on ICD	Other Financial Liabilities	Interest accrued but not due on borrowings	2050700006	527,201,499	-	527,201,499	-
2	GMR Warora Energy Ltd	IC2090	Reimbursment	Other Financial Liabilities	Non trade payables- group companies	2050201016	10,000	-	10,000	-
3	GMR Varalakshmi foundation	IC8600	CSR activities Exp	Other Financial Liabilities	Non trade payables- group companies	2050201016	3,001,340	-	3,001,340	-
							4,002,931,765			

C) Loan given to Group Companies / Share Application Money/ Other advances

S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GMR Generat on Assets Limited	IC2361	Share capital	Share Capital		201010166	3,499,840			
							3,499,840			

D) Loan taken from Group Companies / Share Application money refundable / Other Loans

S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GMR Power Corporation Limited	IC2361	ICD from Group Company	Financial liabilities - Borrowings	ICD from Group Company	2030500011	3,472,718,926	-	3,472,718,926	-
							3,472,718,926			

E) Share Capital

S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GMR Generation Assets Limited	IC2361	Share Capital	Equity Share capital	Share Capital	201010166	3,499,840	-	3,499,840	-
							3,499,840			

For Girish Murthy & Kumar
Chartered Accountants

A V Satish Kumar
Partner
Membership No.26526
Firm Registration Number: 000934S

Place: Bangalore
Date: April 24, 2017

For and on behalf of the Board of directors

Raja Vaidyanathan
Director
DIN-02896045

S. N. Barde
Director
DIN-03140784

SJK Powergen Limited
For the year ended 31st March 2017

A) Income

S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GMR Generation Assets Limited	IC2361	Interest on ICD	Other Income	Other Income	4000010020	36,702,953	-	36,702,953	-
2	GMR Energy Limited	IC2000	Interest on ICD	Other Income	Other Income	4000010020	225,119,616	-	225,119,616	-
	GRAND TOTAL						**261,822,569**		**261,822,569**	

B) Expenses

S.N.	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GMR Power Corporation Limited	IC2100	Interest on ICD	Finance cost	Interest Expenses	6200014003	295,181,109	-	295,181,109	-
2	GMR Warora Energy Ltd	IC2080	Interest on ICD	Finance cost	Interest Expenses	6200014003	83,667,980	-	83,667,980	-
3	GMR Energy Limited	IC2000	Loan and interest written off	Other Expense	Other Expense	6100005009	4,930,992	-	4,930,992	-
4	GMR Varalakshmi foundation	IC8600	CSR activities Exp	Other Expense	Other Expense	6100005009	899,149	-	899,149	-
	GRAND TOTAL						**384,679,229**		**384,679,229**	

For Girish Murthy & Kumar
Chartered Accountants

A V Satish Kumar
Partner
Membership No.26526
Firm Registration Number: 000934S

Place: Bangalore
Date: April 24, 2017

For and on behalf of the Board of directors

Raja Vaidyanathan
Director
DIN-02896045

S. N. Barde
Director
DIN-03140784

SJK POWERGEN LIMITED

SJK Powergen Limited
Notes to financial statements for the year ended 31 March 2017

1. **Corporate Information:**

SJK Powergen Limited is a Special Purpose Vehicle (SPV) acquired by GMR Generation Assets Limited, the holding company, to develop and operate 1320 MW coal based thermal power project in Lalpur Village, Shahdol District, Madhya Pradesh state. The Company is in the process of setting up of the project.

2. **Summary of Significant Accounting Policies**

a. **Basis of Preparation:**

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

For all periods up to and including the year ended 31 March 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 has prepared in accordance with Ind AS. Refer note no 40 for information on how the Company adopted Ind AS.

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

The stand-alone financial statements are presented in INR and all values are rounded to the nearest 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:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

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

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months 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 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 know how and computer software . Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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 therates 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 ofthat 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 the 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 enviroment 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 r ecognised in profit or loss with the exception of the following:

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

b)Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end.Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. They are deferred in equity of they related to qualifying cash flow hedges and qualifying net investment in foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the forseeable futire 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 orcashgenerating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or 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 outfow 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

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

i) The date of the plan amendment or curtailment, and

ii) The date that the Company recognises related restructuring costs

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

i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

ii) Net interest expense or income.

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.

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

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

Derecognition

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

a. The rights to receive cash flows from the asset have expired, or

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

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

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

Impairment of financial assets

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

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

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

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.
ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an 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 analysed. 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.

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and

acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
a) Disclosures for valuation methods, significant estimates and assumptions
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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

Sales/ value added taxes paid on acquisition of assets or on incurring expenses
Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:
► When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
► When receivables and payables are stated with the amount of tax included
The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

Earning per share
Basic Earnings Per Share is caiculated 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.

SJK Powergen Limited
Notes to financial statements for the year ended 31 March 2017

21. Contingent Liability- as at 31st March 2017 is Nil (31st March 2016: Nil, 1st April 2015:Nil)

22. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances as on 31st March 2017 is Nil (31st March 2016: Nil, 1st April 2015:Nil)
Other Commitments: Nil

23. The Company is setup an SPV to develop and operate 1320 MW coal based Thermal Power Plant in Lalpur village in Madhya Pradesh. Due to current uncertainty in the power sector, Company has taken a temporary pause in the implementation of the project and hence all expenses are carried during the year are charged to Profit and Loss Account. On implementation of the project, the company will able to realize the carrying value of Capital Work in Progress and hence no adjustment has been made for carrying value.

24. During the year, an internal reorganisation was carried out among GMR Energy Limited and some of its subsidiaries, including the company, as required under the share subscription agreement and shareholders' agreement entered into by GMR Energy Limited with a strategic investor. As part of the reorganisation, the loan given by the company to GMR Energy Limited was partially settled to the extent of Rs.118.5 crore (amount including accrued interest Rs.130.44 crore). Additionally, considering certain restriction on GMR Energy Limited, resulting from such reorganisation, to repay any further amounts to the company and the fact that the company will continue to get benefitted from support of GMR Infrastructure Limited from time to time as may be requried, the management had approved to waive off Rs.210 crore towards the balance loan and accrued interest receivable from GMR Energy Limited. This amount has been shown as an adjustment to Other Equity during the year.

25. Gratuity and other post-employment benefit plans

a) Defined contribution plans

During the year ended **31 March 2017**, the company has recognised Rs. 12,478 (**31 March 2016**: Rs. 11,377/-) under statement of profit and loss as under the following defined contribution plans.

Amount in INR

	2016-17	2015-16
benefits (contribution to):		
Provided and other fund	12,478	11,377
Superannuation fund	-	-
Total	**12,478**	**11,377**

SJK Powergen Limited
Notes to financial statements for the year ended 31 March 2017

b) Defined benefit plans

As per Actuarial Valuation as at 31st March, 2017 {Funded}

Particulars	Amount in INR	
	As at March 31, 2017	**As at March 31, 2016**
Plan assets at the year end, at fair value	1,052,130	976,049
Present value of benefit obligation at year end	-3,141	-
Net assets/(liability) recognized in the balance sheet	**1,048,989**	**976,049**

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

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

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss for defined benefit plans/obligations:

Net employee benefit expense (recognized in Statement of profit and loss) for the year ended 31st March, 2017

Particulars	Amount in INR Gratuity	
	2016-17	**2015-16**
Current Service Cost	-2,650	-5,641
Net interest on net defined liability	76,156	69,485
Actuarial (gain)/ loss on obligations	-1,193	21,380
Defined benefit costs	**72,313**	**85,224**

Balance sheet

Particulars	Amount in INR	
	As at March 31, 2017	**As at March 31, 2016**
Defined benefit obligation	(3,141)	-
Fair value of plan assets	1,052,130	976,049
Plan asset / (liability)	**1,048,989**	**976,049**

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

Particulars	Amount in INR	
	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	-	7,709
Interest cost	-	601
Current service cost	2,650	5,641
Acquisition credit	-	-
Benefits paid (including transfer)	-	-
Actuarial losses/ (gain) on obligation-experience &financial Assumptions	491	(13,951)
Closing defined benefit obligation	**3,141**	**-**

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

Particulars	Amount in INR	
	As at March 31, 2017	As at March 31, 2016
Opening fair value of plan assets	976,049	898,534
Acquisition Adjustment	-	-
Interest income on plan assets	76,156	70,086
Contributions by employer	627	
Benefits paid (including transfer)	-	-
Return on plan assets greater/ (lesser) than discount rate	(702)	7,429
Closing fair value of plan assets	**1,052,130**	**976,049**

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

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

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

	Amount in INR	
	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	(3,141)	0
Plan assets	1,052,130	976,049
Funded status	1,048,989	976,049
Experience (loss) adjustment on plan liabilities	-	-
Experience gain/ (loss) adjustment on plan assets	-	-
Actuarial gain due to change in assumptions	-	-

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

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

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

Gratuity Plan

INR

	Mar-17		Mar-16		Mar-17	Mar-16	Mar-17	Mar-16
Assumptions	**Discount rate**		**Discount rate**		**Future salary increases**		**Attrition rate**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(440)	540	-	-	541	-	(91)	-

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

Expected contribution to post employment benefit plans for the year ending March 2018 are INR 5 (March 31, 2017 is Nil)

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

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 8,322/- as on 31st March, 2017 (March 31, 2016 INR 3,987)

26. Earnings per Share (EPS):

Particulars	31st March 2017	31st March 2016
Nominal value of Equity Shares(Rs. Per share)	10	10
Total No. of Equity Shares outstanding at the beginning of the Period/Year	4,99,984	4,99,984
Total No. of Equity Shares outstanding at the end of the Period/Year	4,99,984	4,99,984
Weighted average No. of Equity shares for Basic earnings per Share	4,99,984	4,99,984
Profit as per Profit and loss Account	(205,169,476)	(114,018,635)
Less: Dividend on Preference shares (including tax thereon)	-	-
Profit/ (Loss) for Earning per share	(205,169,476)	(114,018,635)
Earnings per Share (EPS)	-410.35	-228.04

27. Related Party Disclosures

Names of related parties and related party relationship

Holding Companies:

GMR Generation Assets Limited (GGAL) (Holding Company)
GMR Infrastructure Limited (GIL)

Ultimate Holding Company:

GMR Enterprises Private Limited (GEPL)

SJK Powergen Limited
Notes to financial statements for the year ended 31 March 2017

Fellow Subsidiaries:

S.N.	Name of Subsidiary
1	GMR Infrastructure Limited
2	GMR Sports Private Limited
3	GMR League Games Private Limited
4	GMR Infratech Private Limited
5	Cadence Enterprises Private Limited
6	PHL Infrastructure Finance Company Private Limited
7	Vijay Nivas Real Estates Private Limited
8	Fabcity Properties Private Limited
9	Kondampeta Properties Private Limited
10	Hyderabad Jabilli Properties Private Limited
11	Leora Real Estates Private Limited
12	Pashupati Artex Agencies Private Limited
13	Ravivarma Realty Private Limited
14	GMR Solar Energy Private Limited
15	Rajam Enterprises Private Limited
16	Grandhi Enterprises Private Limited
17	Ideaspace Solutions Private Limited
18	National SEZ Infra Services Private Limited
19	Kakinada Refinery and Petrochemicals Private Limited
20	Corporate Infrastructure Services Private Limited
21	GMR Bannerghatta Properties Private Limited
22	Kirthi Timbers Private Limited
23	AMG Healthcare Destination Private Limited
24	GMR Holding (Malta) Limited
25	GMR Infrastructure (Malta) Limited
26	GMR Holdings (Overseas) Limited
27	GMR Holdings (Mauritius) Limited
28	Crossridge Investments Limited
29	Interzone Capital Limited
30	GMR Holdings Overseas (Singapore) Pte Limited
31	GMR Business & Consultancy LLP
32	GMR Energy Limited (GEL)
33	GMR Power Corporation Limited (GPCL)
34	GMR Vemagiri Power Generation Limited (GVPGL)
35	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)
36	GMR Mining & Energy Private Limited (GMEL)
37	GMR Kamalanga Energy Limited (GKEL)
38	Himtal Hydro Power Company Private Limited (HHPPL)

SJK Powergen Limited

39	GMR Energy (Mauritius) Limited (GEML)
40	GMR Lion Energy Limited (GLEL)
41	GMR Upper Karnali Hydropower Limited (GUKPL)
42	GMR Energy Trading Limited (GETL)
43	GMR Consulting Services Private Limited (GCSPL)
44	GMR Coastal Energy Private Limited (GCEPL)
45	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)
46	GMR Londa Hydropower Private Limited (GLHPPL)
47	GMR Kakinada Energy Private Limited (GKEPL)
48	GMR Energy (Cyprus) Limited (GECL)
49	GMR Energy (Netherlands) B.V. (GENBV)
50	PT Dwikarya Sejati Utma (PTDSU)
51	PT Duta Sarana Internusa (PTDSI)
52	PT Barasentosa Lestari (PTBSL)
53	PT Unsoco (PT)
54	GMR Warora Energy Limited (Formerly EMCO Energy Limited)
55	Indo Tausch Trading DMCC (ITTD)
56	GMR Maharashtra Energy Limited (GMAEL)
57	GMR Bundelkhand Energy Private Limited (GBEPL)
58	GMR Rajam Solar Power Private Limited (formerly known as GMR Uttar Pradesh Energy Private Limited (GUPEPL)
59	GMR Genco Assets Limited (formerly known as GMR Hosur Energy Limited)
60	GMR Gujarat Solar Power Private Limited (GGSPPL)
61	Karnali Transmission Company Private Limited (KTCPL)
62	Marsyangdi Transmission Company Private Limited (MTCPL)
63	GMR Indo-Nepal Energy Links Limited (GINELL)
64	GMR Indo-Nepal Power Corridors Limited (GINPCL)
65	GMR Generation Assets Limited (formerly known as GMR Renewable Energy Limited (GREEL))
66	GMR Energy Projects (Mauritius) Limited (GEPML)
67	GMR Infrastructure (Singapore) Pte Limited (GISPL)
68	GMR Coal Resources Pte Limited (GCRPL)
69	GMR Power Infra Limited (GPIL)
70	GMR Highways Limited (GMRHL)
71	GMR Tambaram Tindivanam Expressways Limited (GTTEPL)
72	GMR Tuni Anakapalli Expressways Limited (GTAEPL)
73	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
74	GMR Pochanpalli Expressways Limited (GPEPL)
75	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
76	GMR Chennai Outer Ring Road Private Limited (GCORRPL)
77	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)
78	GMR Highways Projects Private Limited (GHPPL)
79	GMR Hyderabad International Airport Limited (GHIAL)

SJK Powergen Limited

80	Gateways for India Airports Private Limited (GFIAL)
81	Hyderabad Airport Security Services Limited (HASSL)
82	GMR Hyderabad Airport Resource Management Limited (GHARML)
83	GMR Hyderabad Aerotropolis Limited (HAPL)
84	GMR Hyderabad Aviation SEZ Limited (GHASL)
85	GMR Aerospace Engineering Limited (GAEL) (formerly known as MAS GMR Aerospace Engineering Company Limited)
86	GMR Aero Technic Limited (GATL) (formerly known as MAS GMR Aero Technic Limited (MGATL))
87	Hyderabad Duty Free Retail Limited (HDFRL)
88	GMR Airport Developers Limited (GADL)
89	GADL International Limited (GADLIL)
90	GADL (Mauritius) Limited (GADLML)
91	GMR Hotels and Resorts Limited (GHRL)
92	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)
93	Delhi International Airport Private Limited (DIAL)
94	Delhi Aerotropolis Private Limited (DAPL)
95	Delhi Duty Free Services Private Limited (DDFS)
96	Delhi Airport Parking Services Private Limited (DAPSL)
97	GMR Airports Limited (GAL)
98	GMR Airport Global Limited (GAGL)
99	GMR Airports (Mauritius) Limited (GALM)
100	GMR Aviation Private Limited (GAPL)
101	Raxa Security Services Limited (Raxa)
102	GMR Krishnagiri SEZ Limited (GKSEZ)
103	Advika Properties Private Limited (APPL)
104	Aklima Properties Private Limited (AKPPL)
105	Amartya Properties Private Limited (AMPPL)
106	Baruni Properties Private Limited (BPPL)
107	Bougainvillea Properties Private Limited (BOPPL)
108	Camelia Properties Private Limited (CPPL)
109	Deepesh Properties Private Limited (DPPL)
110	Eila Properties Private Limited (EPPL)
111	Gerbera Properties Private Limited (GPL)
112	Lakshmi Priya Properties Private Limited (LPPPL)
113	Honeysuckle Properties Private Limited (HPPL)
114	Idika Properties Private Limited (IPPL)
115	Krishnapriya Properties Private Limited (KPPL)
116	Larkspur Properties Private Limited (LAPPL)
117	Nadira Properties Private Limited (NPPL)
118	Padmapriya Properties Private Limited (PAPPL)
119	Prakalpa Properties Private Limited (PPPL)
120	Purnachandra Properties Private Limited (PUPPL)
121	Shreyadita Properties Private Limited (SPPL)

SJK Powergen Limited
Notes to financial statements for the year ended 31 March 2017

122	Pranesh Properties Private Limited (PRPPL)
123	Sreepa Properties Private Limited (SRPPL)
124	Radhapriya Properties Private Limited (RPPL)
125	Asteria Real Estates Private Limited (AREPL)
126	GMR Hosur Industrial City Private Limited (GHICL)
127	Namitha Real Estates Private Limited (NREPL)
128	Honey Flower Estates Private Limited (HFEPL)
129	GMR Hosur EMC Limited (GHEMCL)
130	GMR SEZ and Port Holdings Limited (GSPHL)
131	East Godavari Power Distribution Company Private Limited (EGPDCPL)
132	Suzone Properties Private Limited (SUPPL)
133	GMR Utilities Private Limited (GUPL)
134	Lilliam Properties Private Limited (LPPL)
135	GMR Corporate Affairs Private Limited (GCAPL)
136	Dhruvi Securities Private Limited (DSPL)
137	Kakinada SEZ Limited (KSL)
138	GMR Business Process and Services Private Limited (GBPSPL)
139	GMR Infrastructure (Mauritius) Limited (GIML)
140	GMR Infrastructure (Cyprus) Limited (GICL)
141	GMR Infrastructure Overseas Limited (GIOL)
142	GMR Infrastructure (UK) Limited (GIUL)
143	GMR Infrastructure (Global) Limited (GIGL)
144	GMR Energy (Global) Limited (GEGL)
145	Kakinada Gateway Port Limited (KGPL)
146	GMR Goa International Airport Limited (GGIAL)
147	GMR SEZ Infra Services Limited (GSISL)
148	GMR Infrastructure (Overseas) Limited (GIOL)
149	GMR Infra Developers Limited (GIDL)

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. As per Profit and Loss Account -

a. Interest income – P&L

Related Party	*Year Ended*	*Amount (Rs.)*
GMR Generation Asset Limited	31.03.2017	36,702,953
	31.03.2016	-
GMR Energy Limited	31.03.2017	225,119,616
	31.03.2016	282,346,401

SJK Powergen Limited
Notes to financial statements for the year ended 31 March 2017

c. Interest Expenditure – P&L

Related Party	*Year Ended*	*Amount (Rs.)*
GMR Warora Energy Limited	31.03.2017	83,667,980
	31.03.2016	49,046,747
GMR Power Corporation Limited	31.03.2017	295,181,109
	31.03.2016	310,973,675

d. Others – P&L

Related Party	*Year Ended*	*Amount (Rs.)*
GMR Energy Limited – Other expenses	31.03.2017	49,30,992
	31.03.2016	-
GMR Warora Energy Limited – Reimbursement	31.03.2017	8,99,149
	31.03.2016	10,000

B. As per Balance Sheet –

a. Amount Payable

Related Parties	*Year Ended*	*Amount owed to related parties*
Raxa Security Services Limited	31.03.2017	Nil
	31.03.2016	63,13,504
GMR Warora Energy Limited	31.03.2017	10,000
	31.03.2016	10,000

b. Deposits/Loans/advances given and repayment thereof

Rs

	Year Ended	*Loans/ advances Given*	*Deposits Given*	*Repayment*	*Interest Accrued Receivable*	*Loan Amount Receivable*
GMR Generation Asset Limited	31.03.2017	Nil	697,728,337	-	36,702,955	697,728,337
	31.03.2016	Nil	Nil	Nil	Nil	Nil
GMR Energy Ltd	31.03.2017	3,674,555,337	-	3,674,555,337	Nil	Nil
	31.03.2016	2,965,206,876	709,348,461	NIL	218,608,026	3,674,555,337
RAXA Security Services Pvt. Ltd.	31.03.2017	40,63,000	NIL	40,63,000	Nil	Nil
	31.03.2016	NIL	NIL	NIL	NIL	4,063,000

c. Loans/advances taken and repayment thereof

Rs.

	Year Ended	Inter Corporate Deposit	Repayment	Interest Accrued Payable	Loan Amount Payable
GMR Power Corporation	31.03.2017	3,472,718,926	-	527,201,499	3,472,718,926
	31.03.2016	4,474,570,465	(1,001,851,539)	232,198,797	3,472,718,926
GMR Warora Energy Limited	31.03.2017	1,185,000,000	1,185,000,000	Nil	Nil
	31.03.2016	1,185,000,000	-	4,41,42,072	1,18,50,00,000

28. Liquidity risk

Maturity profile of the Group's financial liabilities based on contractual undiscounted payments as on 1st April 2015

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	INR	INR	INR	INR	INR	INR
Year ended						
1st April 15						
Other financial liabilities	7,099,549					7,099,549
Borrowings	4,474,570,465					4,474,570,465
Total	**4,481,670,014**					**4,481,670,014**

Maturity profile of the Group's financial liabilities based on contractual undiscounted payments as on 31st March 2016

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	INR	INR	INR	INR	INR	INR
Year ended						
31st March 2016						
Other financial liabilities	3,797,902,024			-		3,797,902,024
Borrowings	-			1,729,200,000		1,729,200,000
Total	3,797,902,024			**1,729,200,000**		**5,527,102,024**

Maturity profile of the Group's financial liabilities based on contractual undiscounted payments as on 31st March 2017.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	INR	INR	INR	INR	INR	INR
Year ended						
31st March 2017						
Other financial liabilities	4,033,615,998			-		560,897,072
Borrowings	-			624,900,000		4,097,618,927
Total	**4,033,615,998**			624,900,000		**4,658,515,998**

29. Expenditure in Foreign Currency is nil.

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

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

32. There are no micro and small enterprises to which the company owes dues which are outstanding for more than 45 days as at 31st March 2017 and March 31st March 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.

33. Segment Reporting
The company is engaged primarily in the business of setting and running of Power plant. 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 (Ind AS-108) on Segmental Reporting issued by the ICAI are not applicable to the present activities of the company.

34. Deferred tax assets and liability are being offset as they relate to taxes on income levied by the same governing taxation laws.

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

These financial statements, for the year ended 31 March 2017, are the first, the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 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 2015 and as at 31st March'2016 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 1st April 2015, the date of transition of IND AS as of 31st 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.

SJK Powergen Limited

Notes to financial statements for the year ended 31 March 2017

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

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

Optional Exemption

Deemed Cost- previous GAAP carrying amount (PPE and Intangible Assets)

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

Investment in Associates

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

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. 01st April'2016

SJK Powergen Limited
Notes to financial statements for the year ended 31 March 2017

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

For Girish Murthy & Kumar
Chartered Accountants

A V Satish Kumar
Partner
M.No.26526
Firm Registration No. 0009345

For and on behalf of Board of Directors

Raja Vaidyanathan
Director
DIN No: 02896045

S. N. Barde
Director
DIN No. 03140784

Place: Bangalore
Date: 24th April 2017