GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Balance sheet as at March 31, 2018

Rupees in Lakhs

Particulars	Notes	March 31, 2018	March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	62.38	26.75
Intangible assets	3	0.23	0.63
Financial assets			
Loans	5	22,344.28	77.15
Non Current Income tax asset (net)	17	330.01	155.02
		22,736.90	**259.55**
Current assets			
Financial assets			
Investments	4	1,445.88	-
Trade receivables	8	63,074.35	24,652.78
Cash and cash equivalents	9	14,597.87	3,163.51
Bank balances other than above	9	-	50.00
Loans	5	18,948.14	23,003.32
Other financial assets	6	3,636.95	7,038.85
Other current assets	7	5,856.99	252.54
		107,560.18	**58,161.00**
TOTAL ASSETS		**130,297.08**	**58,420.55**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	7,400.00	7,400.00
Other equity	11	(849.13)	(1,096.77)
Total equity		**6,550.87**	**6,303.23**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	26,978.53	-
Provisions	16	9.02	12.18
		26,987.55	**12.18**
Current liabilities			
Financial Liabilities			
Borrowings	12	17,167.00	13,354.26
Trade Payable	13	68,227.53	28,819.94
Other financial liabilities	14	1,502.99	176.36
Other current liabilities	15	3,204.66	493.43
Provisions	16	6,656.48	9,261.15
		96,758.66	**52,105.14**
Total liabilities		**123,746.21**	**52,117.32**
TOTAL EQUITY AND LIABILITIES		**130,297.08**	**58,420.55**
Significant accounting policies	1		

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number : 101720W

Chandan Lala
Partner
Membership No.: 35571

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors
GMR Energy Trading Limited

Ashok Kumar Prusty
Whole-time Director
DIN: 07603471

Ashis Basu
Director
DIN: 01872233

Jeewan Pandey
Chief Financial Officer
Membership No.: 509863

Manisha Tripathi
Company Secretary
Membership No.: A-47334

Place: New Delhi
Date: April 27, 2018

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Statement of profit and loss for the year ended March 31, 2018

Rupees in Lakhs

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Revenue from operations	18	173,100.46	140,014.51
Other income	19	3,210.46	2,029.37
Total Income		**176,310.92**	**142,043.88**
EXPENSES			
Purchase of traded goods	20	169,339.13	137,562.06
Employee benefit expenses	21	688.50	581.76
Depreciation and amortisation expenses	22	7.33	8.79
Finance costs	23	3,045.31	1,860.94
Other expenses	24	2,937.45	1,466.14
Total Expenses		**176,017.72**	**141,479.69**
Profit before tax		**293.20**	**564.19**
Tax Expenses			
Current tax	17	47.00	121.36
Deferred tax	17	(0.48)	-
Income tax expenses		**46.52**	**121.36**
Profit for the year		**246.68**	**442.83**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss in subsequent periods	25		
Re-measurement gains/(losses) on defined benefit plans		1.44	(1.70)
Income tax effect		(0.48)	-
Other comprehensive income for the year (net of tax)		**0.96**	**(1.70)**
Total comprehensive income for the year		**247.64**	**441.13**
Earnings per equity share:	28		
(Face value of equity shares of Rs.10 each)			
(1) Basic		0.33	0.60
(2) Diluted		0.33	0.60
Significant accounting policies	1		

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number : 101720W

Chandan Lala
Partner
Membership No.: 35671

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors
GMR Energy Trading Limited

Ashok Kumar Prusty
Whole-time Director
DIN: 07603471

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Company Secretary
Membership No.: A-47334

Place: New Delhi
Date: April 27, 2018

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Statement of changes in Equity for the year ended March 31, 2018

Rupees in Lakhs

Particulars	Equity Share Capital	Other equity Retained Earnings	Total equity
Balance as at April 1, 2016	7,400.00	(1,537.90)	5,862.10
Changes in equity for the year ended March 31, 2017			
Issue of equity shares	-	-	-
Profit / (Loss) for the year	-	442.83	442.83
Other comprehensive income			
Re-measurement gains/(loss) on defined benefit plans (net of taxes)	-	(1.70)	(1.70)
Balance as at March 31, 2017	7,400.00	(1,096.77)	6,303.23
Changes in equity for the year ended March 31, 2018			
Issue of equity shares	-	-	-
Profit / (Loss) for the year	-	246.68	246.68
Other comprehensive income			
Re-measurement gains/(loss) on defined benefit plans (net of taxes)	-	0.96	0.96
Balance as at March 31, 2018	7,400.00	(849.13)	6,550.87

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number : 101720W

Chandan Lala
Partner
Membership No.: 35671

CHATURVEDI & SHAH * MUMBAI * CHARTERED ACCOUNTANTS

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors
GMR Energy Trading Limited

Ashok Kumar Prusty
Whole-time Director
DIN: 07603471

Ashis Basu
Director
DIN: 01872233

Jeewan Pandey
Chief Financial Officer
Membership No.: 509863

Manisha Tripathi
Company Secretary
Membership No.: A-47334

Place: New Delhi
Date: April 27, 2018

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Statement of Cash flows for the year ended March 31, 2018

Rupees in Lakhs

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before Tax	293.20	564.19
	Adjustments for Non-Cash items		
	Interest & Finance Charges	2,967.22	1,734.61
	Depreciation and amortisation	7.33	8.79
	Interest income	(2,876.58)	(1,978.33)
	Loss/ (Profit) on sale of Investments in mutual funds	(283.16)	(98.12)
	Provision no longer required written back	(50.72)	47.08
	Remeasurement of defined benefit	1.44	(1.70)
	Cash Flow before changes in working capital	**58.73**	**276.52**
	Adjustment for changes in working capital :		
	Decrease / (increase) in trade receivables and others	(40,243.70)	(12,906.78)
	Increase/ (Decrease) in trade payables and others	39,504.83	19,764.35
	Cash generated from operations	**(680.14)**	**7,134.09**
	Less: Taxes paid	(221.99)	308.61
	Net cash from / (used in) operating activities	**(902.13)**	**7,442.70**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment for property, plant and equipment	(42.56)	(9.08)
	Sale / (Purchase) of Investments in mutual funds	(1,162.72)	98.12
	Inter Corporate Deposit and Loans given	(18,032.89)	(5,378.00)
	Decrease / (Increase) in Margin money and deposits	50.00	(50.00)
	Interest received	748.62	2,123.10
	Net Cash from/ (used in) investing activities	**(18,439.55)**	**(3,215.86)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from / (Repayment) of short term borrowings	3,812.74	(395.74)
	Proceeds from / (Repayment) of long term borrowings	28,500.00	-
	Interest and finance charges paid	(1,536.70)	(1,745.70)
	Net Cash flow from / (used in) financing activities	**30,776.04**	**(2,141.44)**
D	**Net Increase/(Decrease) in Cash and Cash Equivalents [A+B+C]**	**11,434.36**	**2,085.40**
	Add: Cash and Cash Equivalents at the beginning of the year	3,163.51	1,078.11
	Cash and Cash Equivalents as at the end of the year	14,597.87	3,163.51
		-	-

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Statement of Cash flows for the year ended March 31, 2018

Breakup of Cash and Cash Equivalents:		
Cash in hand	-	-
Balance with Banks		
in current accounts	14,597.87	2,663.51
Deposits with maturity less than three months	-	500.00
Cash and Cash Equivalents at the end of year	**14,597.87**	**3,163.51**

Notes:

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows.

2 Effective from April 01, 2017, the Company adopted the amendments to Ind AS 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. Since the Company has adopted amendments to Ind AS 7 for the first time during the year, previous year reconciliation are not given. The reconciliation for the year is as given below:

	Rupees in Lakhs
Particulars	**Year ended March 31, 2018**
Long Term Borrowings	
Opening Balance (including current maturity of long term borrowings)	-
Proceeds / (repayment) of long term borrowings (net)	28,500.00
Non-cash fair value changes	(1,521.47)
Closing balance (including current maturity of long term borrowings)	**26,978.53**
Short Term Borrowings	
Opening Balance	13,354.26
Proceeds / (repayment) of short term borrowings (net) *	3,812.74
Non-cash fair value changes	-
Closing balance	**17,167.00**

* - during the year the Company has renewed the inter corporate loan availed of Rs. 7,667.00 Lakhs which has not been considered under proceeds / repayment of short term borrowings disclosed above.

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Statement of Cash flows for the year ended March 31, 2018

3 The previous year figures have been regrouped and rearranged wherever necessary.

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number : 101720W

Chandan Lala
Partner
Membership No.: 35671

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors
GMR Energy Trading Limited

Ashok Kumar Prusty
Whole-time Director
DIN: 07603471

Ashis Basu
Director
DIN: 01872233

Jeewan Pandey
Chief Financial Officer
Membership No.: 509863

Manisha Tripathi
Company Secretary
Membership No.: A-47334

Place: New Delhi
Date: April 27, 2018

1 Company Overview and Significant Accounting Policies:

1.1 Company overview:

GMR Energy Trading Limited is a public company incorporated under the provisions of the Companies Act, 1956. The Company is primarily engaged in the business of trading of electricity across the country. Central Electricity Regulatory Commission (CERC) has granted Category "I" certificate to the Company for the purpose of power trading, which allows the Company to trade power units without any quantitative restrictions. The Company sources power from different public and private sectors utilities and supplies to various consumers being public and private sectors power utilities.

Information on other related party relationships of the Company is provided in Note no. 34

The Ind AS financial statements of the Company for the year ended March 31, 2018 were authorised for issue in accordance with a resolution of the directors on April 27, 2018.

1.2 Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These financial statements are called Ind AS financial statements.

The standalone Ind AS financial statements are presented in 'Indian Rupees' (INR) which is also the Company's functional currency and all values are disclosed to the nearest Lakhs with two decimals (INR 00,000.00), except when otherwise indicated.

1.3 Significant accounting policies

i) Use of estimates

The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii) Revenue Recognition

Revenue is recognized to the extent 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.

a) Revenue from trading of energy is recognized as per the terms of the Power Purchase Agreements (PPAs) and Letter of Intent ('LOI') on accrual basis and includes unbilled revenue accrued up to the end of the accounting year.

Revenue from trading of energy where the Company is entitled only to guaranteed trading margin is recognised to the extent of guaranteed margin where the risk and rewards of the transaction lies with the third parties.

For sale of energy under pure banking arrangements only margin earned on the transactions is accounted for as revenue.

b) Revenue from sale of power is net of prompt payment rebate eligible to the customers.

c) Claims for delayed payment charges and any other claims, which the Company is entitled to under the PPAs, are recognied on reasonable certainty to expect ultimate collection and on acceptance by the customers.

d) Revenue earned in excess of billings has been included under "other assets" as unbilled revenue and billings in excess of revenue have been disclosed under "other liabilities" as unearned revenue.

GMR ENERGY TRADING LIMITED

1 Company Overview and Significant Accounting Policies:

e) Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

f) Dividends:

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) 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 treated as current when:

a) It is expected to be settled in normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is due to be settled within twelve months after the reporting period; or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified 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.

iv) Property, Plant & Equipment

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost including goverment grants and decommissioning costs less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties, levies. 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a seperate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The Company on transition to Ind AS, has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 ('the transition date') measured as per the previous GAAP in terms of paragraphs D7AA & D13AA of Ind AS 101 - 'First time Adoption of Indian Accounting Standards' and use that carrying value as the deemed cost of the property, plant and equipment after making adjustments for finance lease (paragraph D9 of Ind AS 101) and transaction cost of long term borrowings as per Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 5 (Revised).

GMR ENERGY TRADING LIMITED

1 Company Overview and Significant Accounting Policies:

Depreciation and amortisation:

Depreciation on tangible assets are provided using straight line method over the useful life of the assets as technically estimated by the Management in terms of Schedule II to the Companies Act, 2013.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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.

Capital Work in Progress:

All Project related expenditure viz, civil works, machinery under erection, construction and erection materials, expenditure directly attributable to the construction of project, borrowing cost incurred prior to the date of commercial operation / intended use and trial run expenditure (net of revenue) 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.

v) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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 with the affect of any change in the estimate being accounted for on a prospective basis. 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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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.

A summary of the policies applied to the company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Software licences	Definite (6 years)	Straight-line basis over the license period	Acquired

vi) Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

1 **Company Overview and Significant Accounting Policies:**

vii) Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, the cost of the asset shown at gross value and grant there on is treated as capital grant which is recognised as income in the statement of profit and loss over the period and proportion in which depreciation is charged. Revenue grants are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

viii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

Company as a lessee :

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Company as a lessor :

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease, unless either:

a. Another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or

b. The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

GMR ENERGY TRADING LIMITED

1 Company Overview and Significant Accounting Policies:

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lands obtained on leases, where there is no reasonable certainty that the Company will obtain ownership by the end of the lease term shall generally be classified as finance leases. The minimum lease payments include upfront premium paid plus any annual recurring lease rental which is amortized over the lease term.

ix) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis and includes all applicable costs in bringing inventories to their present locations and condition.

x) Impairment of non-financial assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

i. in the case of an individual asset, at the higher of the net selling price and the value in use; and
ii. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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 twenty to twenty five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the twenty 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.

GMR ENERGY TRADING LIMITED

1 Company Overview and Significant Accounting Policies:

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.

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

xi) Provisions and Contingent Liabilities

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.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

xii) Decommissioning liability

Decommissioning Liability are recognised for those lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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xiii) Retirement and other Employee Benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc.,are recognised in the statement of profit and loss in the period in which the employee renders the related service.

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

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 standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date.

Gratuity is a defined benefit scheme. The cost of providing benefits under the scheme is determined on the basis of actuarial valuation under projected unit credit (PUC) method.

The Gratuity of the Company is funded plan and the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

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. Remeasurement are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit and 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.

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1 Company Overview and Significant Accounting Policies:

xiv) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

Effective Interest Method :

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

a. Financial Assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses rate the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will result if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are predicted over the next 12 months.

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If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on the 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

De-recognition of financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another party and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in the statement of profit and loss.

b. Financial liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

• the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

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1 Company Overview and Significant Accounting Policies:

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Fair values are determined in the manner described in note 'xviii' below.

Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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.

De-recognition of Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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 and interest rate swaps to hedge its foreign currency risks and interest rate 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.

Embedded Derivative financial instruments

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Preference shares and Subordinate Debt

Convertible preference shares are separated into liability and equity components based on the terms of the contract.
On issuance of the convertible preference shares/ subordinate debt, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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The Company issues preference shares/ debt to the Holding Company / Parent / Equity Participants which are at below market rate of interest. The Company fair values the liability component of such financial instruments using a market rate for an equivalent instrument. The difference between the carrying value and the fair value of the liability component is recognised as a contribution from parent and recognised in other equity. The regular unwinding of the financial instrument is recognised in the statement of profit and loss under 'finance costs'.

xv) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and in hand and the 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.

xvi) Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

xvii) Foreign currencies

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

In preparing the financial statements, transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences as part of cost of assets as allowed under Ind AS 101-"First time adoption of Indian Accounting Standard" are added/ deducted to/ from the cost of assets as the case may be. Such exchange differences recognised as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

xviii) 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.

1 Company Overview and Significant Accounting Policies:

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Company's management 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.

At each reporting date, the management 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 management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

For the purpose of fair value disclosures, the Company 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.

xix) Taxes on income

Current income tax

Tax expense comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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 the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilized.

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 assets to be recovered.

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

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

xx) Sales Tax/Goods and service tax

Sales/ goods and service 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.

xxi) Earnings per share

Basic earnings per equity share is computed by dividing the net profit/ (loss) attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit / (loss) attributable to the equity holders as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. 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.

The estimate and the underlying assumptiones are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which are estimate is revised and future periods affected.

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1 **Company Overview and Significant Accounting Policies:**

A. **Critical Accounting 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.

i. **Provision for power banking arrangement**

The Company records its liability towards open position on purchases in banking cum sale agreements wherein the power has to be returned to the supplier / seller at a later date. The provision for the contractual obligation is estimated at the amount of outflow required to settle the open position by way of purchase from third parties at a future date on a price agreed.

ii. **Taxes**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961. Deferred tax assets recognised to the extent of the corresponding deferred tax liability. Also Refer Note No. 17.

iii. **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 Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 26 and 27 for further disclosures.

iv. **Contingencies**

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

v. **Defined benefit plans (gratuity benefits)**

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

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

Further details about gratuity obligations are given in note no. 32(b).

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B. Significant Judgements

i. Property Plant and Equipment and Intangible Assets

Property, plant and equipment and Intangible Assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation / amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired/ constructed and reviewed periodically, including at each financial year end. The lives are based on the technical assessment which has relied on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescene and Government Policies impacting the assets use. Refer note 2 and 3 for details of value of non current assets and its depreciation/ amortisation.

ii. Impairment Testing :

Determining whether property, plant and equipment are impaired requires an estimation of the value in use by an Expert Valuer of the relevant cash generating units. The Company has obtained valuation report from an Expert for value in use, which is calculated based on a Discounted Cash Flow model over the estimated useful life of the Power Plant. Further, the cash flow projections are based on estimates and certain key assumptions based on externally available information relating to future revenues, profitability in operation and servicing of its debts which is dependent upon tying up of its entire generation capacity at profitable rates through PPA.

1.5 New and amended Ind AS effective as on April 1, 2017

As per Companies (Indian Accounting Standards) Amendment Rules, 2017, the Company has adopted following amendments made to Ind AS for annual periods beginning on or after 1st April, 2017:

Ind AS 102 - Share based payment

The amendments to Ind AS 102 addresses three classification and measurement issues. These relate to measurement of cash-settled awards, modification of cash-settled awards and equity settled awards that include a 'net settlement' feature in respect of withholding taxes. Amendments to Ind AS 102 does not have an impact on the financial position of the company.

Ind AS 7 - Statement of Cash Flows

The amendments to Ind AS 7 introduces an additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from i) cash flows, such as draw downs and repayments of borrowings, ii) non-cash changes (ie., changes in fair values), changes resulting from acquisitions and disposals of subsidiaries/businesses and the effect of foreign exchange differences.

The Management is of the opinion that the disclosure requirements contained therein have been fully adhered to and are appropriately disclosed in the Statement of Cash Flows forming part of these financial statements and there is no material implication which is necessary to be effected in the statement of cash flows.

1.6 Introduction of new standards and amendments to existing standards issued but not effective as on April 1, 2017

A. The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The amendments are applicable to the Company from April 01, 2018. The amendments made in the Rules are with respect to the following standards:

i) New Standard Ind AS 115, 'Revenue from Contracts with Customers' which supersedes Ind AS 11, 'Construction Contracts' and Ind AS 18, 'Revenue' and consequential amendments to other Ind AS due to notification of Ind AS 115.

ii) Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' clarifying that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration.

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited
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1 **Company Overview and Significant Accounting Policies:**

iii) Amendments to Ind AS 12, 'Income Taxes', clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments further clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets.

B. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IFRS 15, 'Revenue from Contracts with Customers', IAS 21, 'The Effects of Changes in Foreign Exchange Rates ' and IAS 12, 'Income Taxes' respectively.

i) Ind AS 40- Investment Property, Ind AS 28-Investment in Associates and Joint Ventures, Ind AS 112- Disclosure of Interests in Other entities have also been amended with effect from April 1, 2018 which are not applicable to the financial statements of the Company.

ii) The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements. The Management, however believes that the implication on financial statements of the above mentioned standards if any will not be material.

GMR ENERGY TRADING LIMITED

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Notes to the financial statements for the year ended March 31, 2018

2 Property, plant and Equipment

Rupees in Lakhs

Particulars	Office Equipments	Computer & IT Equipments	Furniture and Fixtures	Vehicles	Total
Gross block					
As at April 1, 2016	**3.07**	5.55	1.15	23.08	32.85
Additions	3.50	4.65	0.93	-	9.08
Disposals	-	-	-	-	-
As at March 31, 2017	**6.57**	**10.20**	**2.08**	23.08	41.93
Additions	-	6.60	-	35.96	42.56
Disposals	-	-	-	-	-
Reclassification of assets	(2.21)	1.28	0.93	-	-
As at March 31, 2018	**8.78**	**15.52**	**1.15**	59.04	84.49
Accumulated Depreciation					
As at April 1, 2016	0.81	1.66	0.14	4.15	6.76
Charge for the year	1.16	2.97	0.14	4.15	8.42
Deductions	-		-		-
As at March 31, 2017	**1.97**	**4.63**	**0.28**	8.30	15.18
Charge for the year	3.17	1.79	0.11	1.86	6.93
Deductions	-	-	-	-	-
Reclassification of assets	0.97	(0.48)	(0.49)	-	-
As at March 31, 2018	**4.17**	**6.90**	**0.88**	**10.16**	**22.11**
Net block					
As at March 31, 2017	**4.60**	**5.57**	**1.80**	**14.78**	**26.75**
As at March 31, 2018	**4.61**	**8.62**	**0.27**	**48.88**	**62.38**

Note:

a. **Deemed Cost:** The Company for the Financial Year 2016-17, had adopted Indian Accounting Standards ('Ind AS') under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has elected to use its previous GAAP carrying value as at April 01, 2015 being the opening balance sheet date for the purpose of first time adoption of Indian Accounting Standards as per Para D7AA of Ind AS 101, 'First-time Adoption of Indian Accounting Standards'. Accordingly the value of gross block disclosed above includes carrying value of assets at the transition date (i.e., April 01, 2015) which is considered as deemed cost.

b. Assets are owned and are used for own use, unless otherwise mentioned

c. For charges created on property, plant and equipment refer note no.12(i)

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Notes to the financial statements for the year ended March 31, 2018

3 **Intangible assets**

Rupees in Lakhs

Partculars	Computer Software	Total
Gross block		
As at April 1, 2016	1.49	1.49
Additions	-	-
Disposals		-
As at March 31, 2017	1.49	1.49
Additions	-	-
Disposals	-	-
As at March 31, 2018	1.49	1.49
Accumulated Amortisation		
As at April 1, 2016	0.49	0.49
Charge for the year	0.37	0.37
Disposals		
As at March 31, 2017	0.86	0.86
Charge for the year	0.40	0.40
Disposals		-
As at March 31, 2018	1.26	1.26
Net block		
As at March 31, 2017	0.63	0.63
As at March 31, 2018	0.23	0.23

a. **Deemed Cost:** The Company for the Financial Year 2016-17, had adopted Indian Accounting Standards ('Ind AS') under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has elected to use its previous GAAP carrying value as at April 01, 2015 being the opening balance sheet date for the purpose of first time adoption of Indian Accounting Standards as per Para D7AA of Ind AS 101, 'First-time Adoption of Indian Accounting Standards'. Accordingly the value of gross block disclosed above includes carrying value of assets at the transition date (i.e., April 01, 2015) which is considered as deemed cost.

GMR ENERGY TRADING LIMITED

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Notes to the financial statements for the year ended March 31, 2018

4 Investments

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Non-current investments		
	-	-
Current investments (Unquoted)		
Liquid mutual fund units *	1,445.88	-
	1,445.88	-
Total carrying value	1,445.88	-

Details of investments

Particulars	March 31, 2018	March 31, 2017
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Aditya Birla Sun Life Cash Plus - Growth Regular Plan 519,663.251 (March 31, 2017 : Nil) units @ Nav of Rs. 278.2338/- each)	1,445.88	-
Total current investments	**1,445.88**	-
Aggregate value of unquoted investments	1,445.88	-

* - margin / lien in favour of the security trustee to rupee term loan as referred to in Note No.12(i) for the rupee term loan facility amounting to Rs. 20,000.00 Lakhs.

5 Loans

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Non-current		
Unsecured considered good		
Security deposit		
related parties [refer note no. 12(i) and 34(vii)]	8,500.00	-
Others	26.00	77.15
Loan to related parties [refer note no. 34(vii)]		
Inter Corporate loan / deposits	13,818.28	-
Total non-current balance of loans (A)	**22,344.28**	**77.15**
Current		
Unsecured considered good		
Security deposit		
related parties [refer note no. 34(vii)]	65.16	65.16
Others	114.58	63.79
Earnest Money Deposit	152.75	
Loan to related parties [refer note no. 34(vii)]		
Inter Corporate loan / deposits	18,578.76	22,864.15
Loans to employees	36.89	10.22
Total current balance of loans (B)	**18,948.14**	**23,003.32**
Total loans (A+B)	**41,292.42**	**23,080.47**

Notes:

(a) The fair value of Non current and current loans are not materially different from the carrying value presented.

GMR ENERGY TRADING LIMITED

6 Other financial assets

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Non-current		
Total non-current balance of other financial assets (A)	-	-
Current		
Unsecured considered good		
Carried at amortised cost		
Unbilled revenue	239.69	5,870.66
Interest accrued but not due on Fixed Deposits	-	3.39
Interest accrued on ICD from related parties [refer note no. 34(vii)]	3,163.56	1,032.21
Other advances recoverable	233.70	132.59
Total current balance of other financial assets (B)	3,636.95	7,038.85
Total other financial assets (A+B)	3,636.95	7,038.85

(a) The fair value of the above financial asset is not materially different from the carrying value presented.

7 Other assets

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Non-current		
Total non-current balance of other assets (A)	-	-
Current		
Advances for goods and services		
related parties [refer note no. 34(vii)]	2,965.12	27.27
others	1,379.89	175.17
Prepaid expenses	1,511.98	50.10
Total current balance of other assets (B)	5,856.99	252.54
Total other assets (A+B)	5,856.99	252.54

(a) The fair value of the above financial asset is not materially different from the carrying value presented.

8 Trade receivables

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Unsecured considered good		
Trade Receivables		
related parties [refer note no. 34(vii)]	419.92	8,156.20
others	62,654.43	16,547.30
Less: Expected credit loss (ECL)	-	(50.72)
Total	63,074.35	24,652.78

a) Trade receivables are pledged against the term loan availed. For details refer note no. 12(i).

b) Trade receivables are interest bearing and are generally on terms of 1 to 60 days.

c) Credit concentration:

As on balance sheet date Trade receivables (excluding unbilled revenue) from State Electricity Distribution Companies (DISCOMS) constitutes 51.76% and power generator constitutes 45.47% under Short term / Medium term power purchase agreement and balance from group companies and others.

GMR ENERGY TRADING LIMITED

d) Expected credit loss (ECL)

The Company is having majority of receivables from State Electricity Distribution Companies which are Government undertakings and group companies and hence are secured. The Company is generally receiving its normal power sale dues from its customers and in case of disputed amount not being received, the same is recognized on conservative basis which carries interest as per the terms of PPA and LoIs. Hence they are secured from credit losses in the future. Allowances, if any, for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. The Management does not foresee any expected credit loss in the near future on the trade receivables which requires provisioning currently.

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

f) The fair value of receivables are not materially different from the carrying value presented.

9 Cash and cash equivalents

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Cash in hand	-	-
Balances with banks:		
in current accounts	14,597.87	2,663.51
Deposits with original maturity of less than or equal to 3 months [refer note no. (b) below]	-	500.00
Total	**14,597.87**	**3,163.51**
Other bank balances		
Margin money deposit [refer note no. (b) below]	-	50.00
Total	-	50.00

(a) Refer note no. 12(i) for charges on other assets.

(b) Includes margin money deposit against bank guarantee of Rs. Nil (March 31, 2017 : Rs. 500.00 Lakhs) and in favour of Chief Engineer SLDC UPPTCL of Rs. Nil (March 31, 2017 : Rs. 50.00 Lakhs)

(c) The fair value of other bank balances are not materially different from the carrying value presented.

Break up of financial assets

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Financial asset carried at amortised cost		
Trade receivables	63,074.35	24,652.78
Cash and cash equivalents	14,597.87	3,163.51
Other bank balances	-	50.00
Loans	41,292.42	23,080.47
Other financial assets	3,636.95	7,038.85
Financial assets carried at fair value through profit or loss		
Liquid mutual fund units	1,445.88	-
Total	124,047.47	57,985.61

GMR ENERGY TRADING LIMITED

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Notes to the financial statements for the year ended March 31, 2018

10 Equity share capital

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Authorised		
74,000,000 (March 31, 2017: 74,000,000) Equity Shares of Rs 10/- each	7,400.00	7,400.00
Issued, Subscribed and Paid up		
74,000,000 (March 31, 2017: 74,000,000) Equity Shares of Rs 10/- each	7,400.00	7,400.00
Total	**7,400.00**	**7,400.00**

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

Particulars	Numbers	Rupees in Lakhs
March 31, 2018		
Balance at the beginning of the year	74,000,000	7,400.00
Shares issued during the year	-	-
Balance at the end of the year	74,000,000	7,400.00
March 31, 2017		
Balance at the beginning of the year	74,000,000	7,400.00
Shares issued during the year		
Balance at the end of the year	74,000,000	7,400.00

b. Terms/Rights Attached to equity Shares

The Company has only one class of shares referred to as equity shares having par value of Rs.10/- each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any. However no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Restrictions on the distribution of dividends :

The Board shall propose to the shareholders the maximum possible dividend payable under applicable law. Upon such recommendation shareholders shall declare dividends as follows -

i. All such dividends & profits shall be paid to shareholders in their existing shareholding pattern.
ii. Any such dividend or other distribution shall be based on profit generated by the Company or on appropriate basis permitted by the applicable laws.

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

Out of Equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	Numbers	Rupees in Lakhs
March 31, 2018		
GMR Infrastructure Limited	50,219,897	5,021.99
March 31, 2017		
GMR Infrastructure Limited	50,219,897	5,021.99

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Notes to the financial statements for the year ended March 31, 2018

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

Particulars	Numbers	% Holding
March 31, 2018		
GMR Infrastructure Limited	50,219,897	67.86%
GMR Energy Limited (along with its nominees)	14,060,000	19.00%
GMR Power Infra Limited	9,720,000	13.14%
March 31, 2017		
GMR Infrastructure Limited	50,219,897	67.86%
GMR Energy Limited (along with its nominees)	14,060,000	19.00%
GMR Power Infra Limited	9,720,000	13.14%

f. 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.

g. The Company has not issued shares for consideration other than cash, during the period of five years immediately preceding the reporting date.

11 **Other equity**

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Retained earnings [Refer note no. (a) below]		
Balance at the beginning of the year	(1,096.77)	(1,537.90)
Adjustment to retained earnings		
Excess provision of expected credit loss reversed	-	
Profit / (Loss) for the year	246.68	442.83
Items of other comprehensive income recognised directly in retained earning		
Re-measurement gains (losses) on defined benefit plans (net of taxes)	0.96	(1.70)
Balance at the end of the year	**(849.13)**	**(1,096.77)**
Total	(849.13)	(1,096.77)

Note:
(a) Retained Earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.

GMR ENERGY TRADING LIMITED

12 Borrowings

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Non-Current Balance		
Secured		
Rupee Term loans		
from banks [refer note (i) below]	26,978.53	-
Total non-current borrowings (A)	**26,978.53**	-
Current Balance		
Secured		
Bank overdraft	-	1,001.57
Cash Credit facilities from banks [refer note (ii) below]	4,500.00	4,685.69
Unsecured		
Inter Corporate Loan / Deposits from related parties [refer note no. (iii) below and 34(vii)]	12,667.00	7,667.00
Total short-term borrowings (B)	**17,167.00**	**13,354.26**
Total borrowings (A+B)	**44,145.53**	**13,354.26**

(i) Rupee Term Loan from banks

Nature of security

The Company, during the year, has borrowed Rupee Term Loan (RTL) from bank. The RTL I amounting to Rs. 20,000.00 Lakhs has been borrowed for the purpose of meeting its long term working capital requirement and RTL II amounting to Rs. 8,500.00 Lakhs has been borrowed for extending as interest bearing Security Deposit to Kakinada SEZ Limited in terms of the Memorandum of Understanding between the Company and Kakinada SEZ Limited for development of office space in Kakinada SEZ respectively.

The loan is further secured by first charge, in favour of Security Trustee, over the assets created out of bank loan facility to provide a minimum cover on the entire outstanding amount under the Term Loan Facility including hypothecation on the movable assets, book debts and others (assets created out of bank loan facility).

The loan is secured by pledge of 8% shares of GMR Energy Limited (GEL) in addition to the extension of Pledge over 20% shares already cross collateralized by other Group Companies, along with all beneficial / economic voting rights and NDU over 2% shares of GEL. Further, pledged 23.5% shares of GMR Airport Limited (GAL) along with all beneficial / economic voting rights.

The above term loan is also covered by unconditional and irrevocable Corporate Guarantee from its Holding Company (GMR Infrastructure Limited).

The interest rate for the above terms loan is ranging between 9.90% to 12.10%.

Terms of Repayment

The amount of RTLs borrowed needs to be repaid in 14 half yearly instalments after the moratorium period of 12 months from the date of first draw down.

(ii) Cash Credit facilities:

Cash Credit facilities are secured by way of a first charge on the current assets including book debts, operating cash flows, receivables, revenues whatsoever in nature, present and future. Further, the cash credit facilities is secured by unconditional and irrevocable Corporate Guarantee from its Holding Company (GMR Infrastructure Limited). The Cash Credit facility is repayable on demand subject to annual review/renewal. The interest rate is ranging between 10.67% to 10.82% for the year.

(iii) Inter Corporate Deposit

The carrying value of inter corporate loan / deposits amount including interest accrued shall be repayable on demand. The applicable rate of interest on principle amount is ranging between 8.00% to 12.25% for the year.

GMR ENERGY TRADING LIMITED

13 Trade Payable

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Non-Current Balance		
Total non-current trade payables	-	-
Current Balance		
Trade payables		
due to micro and small enterprises (refer note (a) below)	-	
due to related parties [refer note no. 34(viii)]	23,279.26	22,516.35
due to others	44,948.27	6,303.59
Total current trade payables	**68,227.53**	**28,819.94**

Notes:

(a) There are no micro and small enterprises to which the Company owes dues or with which the Company had transactions during the year, based on the information available with the Company, which has been relied upon by the auditors.

(b) For explanation on the Company's credit risk management processes, refer note no. 27.

(c) The fair value of trade and other payables is not materially different from the carrying value presented.

14 Other Financial Liabilities

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Non-current other financial liabilities		
Total non-current other financial liabilities	-	-
Current balance		
Other financial liabilities at amortised cost		
Salaries, Bonus and other Payables to Employees	12.02	18.15
Retention Money	-	0.02
Other Payables	0.01	0.02
Interest accrued and but not due on rupee term loans	188.10	-
Interest accrued and due on ICDs [refer note no. 34(vii)]	1,302.86	158.17
Total current other financial liabilities	**1,502.99**	**176.36**
Total other financial liabilities	**1,502.99**	**176.36**

Break up of financial liabilities

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Financial asset carried at amortised cost		
Borrowings	44,145.53	13,354.26
Trade Payable	68,227.53	28,819.94
Other financial liabilities	1,502.99	176.36
Total	**113,876.05**	**42,350.56**

GMR ENERGY TRADING LIMITED
GMR

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Notes to the financial statements for the year ended March 31, 2018

15 Other liabilities

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Non-Current balance		
Total other non-current liabilities	-	-
Current balance		
Unearned revenue		
related parties [refer note no. 34(viii)]	11.24	-
others	1,129.87	-
Advance received from Customers		
related parties [refer note no. 34(viii)]	-	27.32
others	1,728.69	355.12
TDS and Statutory dues	334.86	110.99
Total other current liabilities	**3,204.66**	**493.43**

16 Provisions

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Non-current Provisions		
Provision for gratuity [refer note no. 32(b)]	9.02	12.18
Total non-current provisions	**9.02**	**12.18**
Current Provisions		
Provision for employee benefits		
Provision for leave benefits [refer note no. 32(c)]	60.06	50.40
Provision for employee benefits	71.06	121.85
Other provisions		
Provision for power banking arrangement [refer note (a) below]	6,466.78	9,053.01
Provision for rebate	58.58	35.89
Total current provisions	**6,656.48**	**9,261.15**
Total provisions	**6,665.50**	**9,273.33**

a) Movement of provision for power banking arrangement		
Balance at the beginning of the year	9,053.01	-
Provision made / (reversed) during the year	(2,586.23)	9,053.01
Balance at the end of the year	**6,466.78**	**9,053.01**

GMR ENERGY TRADING LIMITED

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Notes to the financial statements for the year ended March 31, 2018

17 Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

17.01 Income tax expense in the statement of profit and loss comprises:

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
<u>Profit or loss section</u>		
Current Tax	47.00	121.36
Deferred Tax	(0.48)	-
Tax expense / (credit) to Statement of Profit and Loss	**46.52**	**121.36**
<u>**Other comprehensive income section (OCI)**</u>		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement gains (losses) on defined benefit plans	0.48	-
Tax expense / (credit) to Other Comprehensive Income	**0.48**	-
Tax expense / (credit) to Total Comprehensive Income	47.00	121.36

17.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

Rupees in Lakhs

Particulars		March 31, 2018	March 31, 2017
Profit / (Loss) before tax		293.20	564.19
Applicable tax rate		33.063%	33.063%
Tax effect of income / (loss)	(a)	96.94	186.54
Adjustments:			
Tax effect on re-measurement gains (losses)		(0.48)	(0.56)
Tax effect on non-deductible expenses (net)		65.92	40.93
Tax effect on non-taxable income (net)		(16.77)	(17.70)
Tax effect on sale of investments		(17.18)	-
Tax effect on brought forward losses utilised		(34.56)	(153.99)
Tax effect on deduction claimed under Chapter VIA		(5.74)	
Tax effect of Minimum Alternate Tax above normal tax rate			66.14
	(b)	(8.81)	(65.18)
Utilisation of Minimum Alternate Tax (MAT) Credit	(c)	41.13	-
	(d)=(a+b-c)	47.00	121.36
Unused tax allowances and losses on which deferred tax asset not recognised	(e)	-	-
	(f)=(d+e)	47.00	121.36
Recognition of deferred tax asset to the extent of deferred tax liability recognised directly under equity	(g)	0.48	-
Tax expense / (credit) to Statement of Profit and Loss	(h)=(f-g)	**46.52**	**121.36**
Tax expense / (credit) to Other Comprehensive Income	(i)	0.48	-
Tax expense / (credit) to Total Comprehensive Income	(j)=(h+i)	**47.00**	**121.36**

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Notes to the financial statements for the year ended March 31, 2018

17 Income Tax

17.03 Non-current tax assets (net)

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Opening Balance	155.02	584.93
Less: Current tax payable (including interest)	(47.00)	(121.35)
Less: Refund received during the year	(147.60)	(439.95)
Add: Current taxes paid	369.59	131.35
Closing balance of Non-current tax assets (net)	**330.01**	**155.02**

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Notes to the financial statements for the year ended March 31, 2018

18 Revenue from operations

Rupees in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Energy (including open access charges recovered) [refer notes below]	173,042.38	139,112.81
Trading Margin on sale of Renewable Energy Certificates	16.67	9.71
Other operating income	41.41	891.99
Total	**173,100.46**	**140,014.51**

Notes:

(a) The Company during the year has entered into service fee agreement for facilitating the Power Purchase agreements (PPAs). In terms of the said service fee agreement the Company is entitled to retain only its fixed trading margin ranging from 0.02 paisa / kWh to 0.03 paisa / kWh and it is bound to pay the vendor only on receipt from the customer. Any surplus over and above its fixed trading margin is to be transferred / paid to the service provider who has identified the customer and vendor for the PPAs as per the service fee agreement. Accordingly, the Company's revenue being fixed by the third party and without any corresponding credit risk, the revenue has been recognized only on the trading margin considering the agent principal relationship amounting to Rs. 730.55 Lakhs under sale of energy.

(b) The Company has recognised Rs. 46.53 Lakhs as net margin pertaining to other banking arrangement under sale of energy.

19 Other income

Rupees in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income:		
On bank deposits	25.77	6.59
On Inter Corporate Loans and Deposits	2,823.87	1,906.31
On Income Tax Refund	26.94	65.43
Net gain /(loss) on sale of Investments	283.16	98.12
Provision no longer payable written back	50.72	(47.08)
Total	3,210.46	2,029.37

20 Purchase of traded goods

Rupees in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Energy (including open access charges paid)	169,339.13	137,562.06
Total	**169,339.13**	**137,562.06**

21 Employee benefit expenses

Rupees in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	614.53	517.14
Contribution to provident and other funds [refer note no. 32]	47.35	31.09
Staff welfare expenses	26.62	33.53
Total	**688.50**	**581.76**

22 Depreciation and amortisation expenses

Rupees in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of tangible assets	6.93	8.42
Amortisation of intangible assets	0.40	0.37
Total	**7.33**	**8.79**

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Notes to the financial statements for the year ended March 31, 2018

23 Finance costs

Rupees in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense		
On rupee term loan	1,189.72	
On working capital loan	522.01	1,472.71
On cash credit / bank overdraft	10.58	34.91
On inter corporate deposit	1,232.34	225.67
Other interest	12.57	1.32
Other borrowing costs	52.90	100.38
Bank and other finance charges	25.19	25.95
Total	**3,045.31**	**1,860.94**

24 Other expenses

Rupees in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent and hire charges	55.33	97.67
Rates and taxes	48.11	52.74
Insurance	0.51	0.28
Repairs and maintenance		
Others	30.20	84.92
Electricity charges	162.77	0.82
Business Promotion	62.53	53.91
Foreign Exchange Loss	0.22	0.02
Logo Charges	39.23	75.49
Communication costs	2.99	3.09
Professional and consultancy charges	2,376.94	1,010.45
Travelling and conveyance	70.66	57.96
Payment to auditors		
Statutory Audit	7.45	0.87
Tax Audit	3.00	0.29
Directors' sitting fees	4.51	3.79
Donation	25.75	5.00
Corporate Social Responsibility [refer note no. 31]	5.00	
Printing and stationery	1.75	1.31
Bidding expenses	14.40	2.57
Membership, books and periodical expenses	21.48	14.95
Miscellaneous expenses	0.62	0.01
Total	**2,937.45**	**1,466.14**

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

Rupees in Lakhs

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Re-measurement gains (losses) on defined benefit plans	1.44	(1.70)
Income tax effect	(0.48)	
Total	**0.96**	**(1.70)**

26 Financial Instruments

26.01 Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

a) The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Rupees in Lakhs

Particulars	Refer note no.	Amortised cost	Financial assets/ liabilities at fair value	Financial assets/ liabilities at fair value	Total carrying value	Total fair value
Financial assets:						
Cash and cash equivalents	9	14,597.87	-	-	14,597.87	14,597.87
Other bank balances	9	-	-	-		
Investments:						
in Mutual Funds	4	-	1,445.88	-	1,445.88	1,445.88
Trade Receivables	8	63,074.35	-	-	63,074.35	63,074.35
Loans	5	41,292.42	-	-	41,292.42	41,292.42
Other financial assets	6	3,636.95	-	-	3,636.95	3,636.95
Total		**122,601.59**	**1,445.88**	**-**	**124,047.47**	**124,047.47**
Financial liabilities						
Borrowings	12	44,145.53	-	-	44,145.53	44,145.53
Trade payables	13	68,227.53	-	-	68,227.53	68,227.53
Other financial liabilities	14	1,502.99	-	-	1,502.99	1,502.99
Total		**113,876.05**	-	-	**113,876.05**	**113,876.05**

b) The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

Rupees in Lakhs

Particulars	Refer note no.	Amortised cost	Financial assets/ liabilities at fair value	Financial assets/ liabilities at fair value	Total carrying value	Total fair value
Financial assets:						
Cash and cash equivalents	9	3,163.51	-	-	3,163.51	3,163.51
Other bank balances	9	50.00	-	-	50.00	50.00
Investments:						
in Mutual Funds	4	-	-	-	-	-
Trade Receivables	8	24,652.78	-	-	24,652.78	24,652.78
Loans	5	23,080.47	-	-	23,080.47	23,080.47
Other financial assets	6	7,038.85	-	-	7,038.85	7,038.85
Total		**57,985.61**	**-**	**-**	**57,985.61**	**57,985.61**
Financial liabilities						
Borrowings	12	13,354.26	-	-	13,354.26	13,354.26
Trade payables	13	28,819.94	-	-	28,819.94	28,819.94
Other financial liabilities	14	176.36	-	-	176.36	176.36
Total		42,350.56	-	-	42,350.56	42,350.56

GMR ENERGY TRADING LIMITED

26 Financial Instruments

26.02 Fair value hierarchy

The Company held the following assets and liabilities measured at fair value. The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique

Level 1: quoted (unadjusted) 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; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

a) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

Rupees in Lakhs

Particulars	Total	Level 1	Level 2	Level 3
Assets measured at fair value through profit or loss:				
Investments:				
in Mutual Funds	1,445.88	1,445.88	-	-
Liabilities measured at fair value through profit or loss:	-	-	-	-

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

Rupees in Lakhs

Particulars	Total	Level 1	Level 2	Level 3
Assets measured at fair value through profit or loss:				
Investments:				
in Mutual Funds	-	-	-	-
Liabilities measured at fair value through profit or loss:	-	-	-	-

During the year ended March 31, 2018 and March 31, 2017 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of liquid mutual funds is based on net asset value quoted price. Derivative financial instruments are valued based on directly or indirectly observable inputs in the marketplace. Fair value is determined using Level 3 inputs at Discounted cash flows.

The Board of Directors considers the fair value of all other financial assets and liabilities to approximate their carrying value at the balance sheet date.

27 Financial risk management

Financial Risk Factors

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

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

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Notes to the financial statements for the year ended March 31, 2018

27 Financial risk management

27.01 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations, provisions.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when expense is denominated in a foreign currency). Company's foreign currency exposure mainly relates to payment to supplier and it is paid at spot rate applicable on date of transaction.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's borrowings are at fixed rate, which do not expose it to significant interest rate risk.

27.02 Credit risk

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

No credit limits were exceeded during the reporting period other than those under litigation, and management does not expect any losses from non-performance by these counterparties.

The maximum exposure of financial assets subject to credit risk was equal to the respective carrying amounts on the balance sheet date. None of the financial assets subject to credit risk are impaired. The Company's dues under power purchase agreement with Discoms are treated good and recoverable in spite of being past due being dues from government organization.

Aging analysis of the trade receivables has been considered from the date it is due — Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Upto 6 months	61,357.27	24,135.70
More than 6 months	1,717.08	517.08
Total	**63,074.35**	**24,652.78**

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counter party. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units for a specified time period.

The carrying values of the financial assets approximate its fair values. The above financial assets are not impaired as at the reporting date. Other financial assets are neither past due nor impaired at reporting date. The cash and cash equivalents are maintained with reputed banks. Hence the Company believes no impairment is necessary in respect of the above financial instruments.

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Notes to the financial statements for the year ended March 31, 2018

27 Financial risk management

27.03 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Company's Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility, cash and cash equivalents and funding from parent company) on the basis of expected cash flow. This is generally carried out by the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these; monitoring balance sheet liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans. The Company also issues preference shares/ debentures/sub debt to the parent company/ group companies from time to time to ensure a liquidity balance.

The following are the contractual maturities of non-derivative financial liabilities, including the estimated interest payment

Rupees in Lakhs

Particulars	Carrying Amount	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2018					
Non-derivative financial liabilities					
Loan from related party	12,667.00	-	12,667.00	-	-
Trade payable	68,227.53	-	68,227.53	-	-
Other financial liabilities	1,502.99	-	1,502.99	-	-
Total	**82,397.52**	-	**82,397.52**	-	-

Rupees in Lakhs

Particulars	Carrying Amount	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2017					
Non-derivative financial liabilities					
Loan from related party	7,667.00	-	7,667.00	-	-
Trade payable	28,819.94	-	28,819.94	-	-
Other financial liabilities	176.36	-	176.36	-	-
Total	**36,663.30**	-	**36,663.30**	-	-

27.04 Capital management

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Group to which the company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company. The results of the Directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

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

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

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Notes to the financial statements for the year ended March 31, 2018

27 Financial risk management

27.04 Capital management

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Total Debt / borrowings	44,145.53	13,354.26
Capital Components		
Equity Share Capital	7,400.00	7,400.00
Reserves & Surplus	(849.13)	(1,096.77)
Total Capital	**6,550.87**	**6,303.23**
Capital and total debt	**50,696.40**	**19,657.49**
Gearing ratio (%)	**87.08%**	**67.93%**

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

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28 Calculation of Earning per share (EPS):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. There is no dilutive potential ordinary shares as at March 31, 2018 and March 31, 2017. Thus, diluted EPS equals basic EPS.

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

Particulars	March 31, 2018	March 31, 2017
a. Nominal value of Equity shares (in Rupees per share)	10	10
b. Weighted average number of Equity shares at the year end	74,000,000	74,000,000
c. Profit attributable to equity holders of the Company for basic earnings (Rupees in Lakhs)	246.68	442.83
d. Basic/Diluted Earning per share of Rs 10/- each (in Rs.)	0.33	0.60

29 Contingent liabilities and commitments

i. Contingent Liabilities

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
a. Disputed tax deducted at source including interest	-	-

b. The Company has been party to various petitions filed by the power generating / distribution companies against various DISCOMs / procuring Companies in respect of claim for compensation / increased tariff rates which are pending before various statutory authorities and Hon'ble Courts. The management is of the opinion that the recoveries / payables, if any, arising out of such litigations are a pass through considering the Company being a trader in electricity and accordingly there is no liability or outflow foreseen by / against the Company.

ii. Capital Commitments

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
	-	

30 The Management of the Company is of the opinion that no provision is required to be made in its books of account other than those already provided if any, with respect to any material foreseeable losses under the applicable laws, accounting standards or long term contracts including derivative contracts.

31 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
a. Gross amount approved by CSR Committee to be spent during the year	5.00	-
b. Amount spent by the Company during the year:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	5.00	-

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32 Employee Benefits

a) Defined Contribution Plans :

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

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Provident and pension fund	25.58	20.29
Superannuation fund	11.22	10.49
Total	**36.80**	**30.78**

b) Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2018 and March 31, 2017:

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
i) Change in defined benefit obligation		
Defined benefit at the beginning	25.61	19.45
Current Service Cost *	10.33	6.88
Interest expenses	1.82	1.31
Acquisition Cost/(Credit)	(0.19)	1.63
Re-measurement - Actuarial loss / (gain)	(1.03)	1.67
Benefits paid	-	(5.33)
Defined benefit at the end	**36.54**	**25.61**

* - includes past service cost of Rs. 5.37 Lakhs arising due to change in Gratuity ceiling from Rs. 10.00 Lakhs to Rs. 20.00 Lakhs.

Particulars	March 31, 2018	March 31, 2017
ii) Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning	13.44	7.58
Expected return on plan assets	1.39	0.79
Acquisition Adjustment	-	-
Actuarial gains/ (losses)	0.41	(0.01)
Contributions by employer	12.27	10.41
Benefits paid	-	(5.33)
Fair value of plan assets at the end	**27.51**	**13.44**
iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	36.54	25.61
Fair Value of plan assets at year end	27.51	13.44
Net (asset) / liability recognised	**9.03**	**12.17**
iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses.		
Current Service Cost	10.33	6.88
Net interest on net defined benefit liability / (asset)	0.43	0.52
Total expense	**10.76**	**7.40**

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Notes to the financial statements for the year ended March 31, 2018

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
v) Recognised in other comprehensive income for the year		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumption	-	-
Actuarial changes arising from changes in experience adjustments	(1.03)	1.67
Return on plan assets excluding interest income	(0.41)	0.01
Recognised in other comprehensive income	**(1.44)**	**1.68**
vi) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	2.22	1.53
Between 2 and 5 years	14.00	9.79
Between 5 and 10 years	35.84	21.16
vii) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / decrease on present value of defined benefit obligation as at year end		
(i) one percentage point increase in discount rate	(3.55)	(2.53)
(ii) one percentage point decrease in discount rate	4.20	3.00
(i) one percentage point increase in salary escalation rate	3.53	1.86
(ii) one percentage point decrease in salary escalation rate	(3.06)	(1.80)
(i) one percentage point increase in employee turnover rate	0.76	0.54
(ii) one percentage point decrease in employee turnover rate	(0.87)	(0.64)

Sensitivity Analysis Method

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by in percentage, keeping all the other actuarial assumptions constant.

Particulars	March 31, 2018	March 31, 2017
viii) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with insurer managed funds	100%	100%
ix) Actuarial Assumptions		
Discount rate (p.a.)	7.60%	7.10%
Salary escalation	6.00%	6.00%
Weighted average duration of defined benefit obligation	10 Years	10 Years
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Rate of employee turnover	5.00%	5.00%

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2018 and March 31, 2017 the plan assets have been invested in insurer managed funds.

The Company expects to contribute Rs. 12.27 Lakhs to the gratuity fund during FY 2018-19.

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Notes:

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

ii The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

c) Leave Encashment

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 60.06 Lakhs as at March 31, 2018 [March 31, 2017: Rs. 50.40 Lakhs].

33 Operating Lease

The Company has entered into certain cancellable operating lease agreements mainly for office premises, space of car parking and furniture hire. Under these agreements refundable interest-free deposits have been given.

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
Lease rentals under cancellable lease	55.33	97.67

34 List of Related Parties with whom transactions have taken place during the year:

i. Parties where control exists : Holding Company	GMR Infrastructure Limited [GIL]
ii. Enterprises having control over the Company	GMR Enterprises Private Limited [GEPL] GMR Generation Assets Limited [GGAL] GMR Energy Limited [GEL] GMR Power Infra Limited (GPIL)
iii. Fellow Subsidiary	GMR Warora Energy Limited [GWEL] GMR Kamalanga Energy Limited [GKEL] GMR Chhattisgarh Energy Limited [GMRCEL] Delhi International Airport Private Limited [DIAL] Kakinada SEZ Limited [KSL] RAXA Security Services Limited [RSSL] GMR Hyderabad International Airport Limited [GHIAL] GMR Corporate Affairs Private Limited [GCAPL] GMR (Badrinath) Hydro Generation Private Limited [GBHPL] GMR Gujarat Solar Power Private Limited [GGSPPL] GMR Vemagiri Power Generation Limited [GVPGL] GMR Corporate Affairs Private Limited (GCAPL]
iv. Other entities	GMR Varalakshmi Foundation [GVF] GMR Family Fund Trust [GFFT]
v. Key Managerial Personne	Grandhi Satyavathi Smitha [Whole-Time Director] Ashok Kumar Prusty [Whole-Time Director] Mr. Mohit Shinghal [Manager - Trading]
vi. Relative of Key Managerial Personnel	GBS Raju

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vi. **Details of the transactions are as follows : ***

Rupees in Lakhs

	Particulars	March 31, 2018	March 31, 2017
a.	*Sale of Energy*		
	GMR Warora Energy Limited [GWEL]	7,554.32	5,408.59
	GMR Kamalanga Energy Limited [GKEL]	5,756.00	12,312.25
	Delhi International Airport Private Limited [DIAL]	2,636.44	98.31
b.	*Open Access recovered*		
	GMR Warora Energy Limited [GWEL]	452.44	266.73
	GMR Kamalanga Energy Limited [GKEL]	1,332.44	3,328.21
	GMR Chhattisgarh Energy Limited [GMRCEL]	3,590.28	1,442.25
c.	*Rebate received on prompt payment*		
	Delhi International Airport Private Limited [DIAL]	-	36.36
	GMR Kamalanga Energy Limited [GKEL]	3.83	95.31
	GMR Chhattisgarh Energy Limited [GMRCEL]	128.59	43.26
d.	*Trade Margin on Sales of Renewable Energy Certificates*		
	GMR Generation Assets Limited [GGAL]	5.27	1.61
	GMR Power Infra Limited [GPIL]	2.21	0.57
e.	*Other operating income (incentive income)*		
	GMR Chhattisgarh Energy Limited [GMRCEL]	59.16	304.54
f.	*Interest income on Inter Corporate Loans and Deposits:*		
	GMR Energy Limited [GEL]	-	952.79
	GMR Generation Assets Limited [GGAL]	2,103.92	953.51
	GMR Infrastructure Limited [GIL]	692.26	-
	Kakinada SEZ Limited [KSL]	27.69	-
g.	*Purchase of Energy*		
	GMR Warora Energy Limited [GWEL]	50,674.48	52,170.92
	GMR Kamalanga Energy Limited [GKEL]	13,551.55	13,361.72
	GMR Chhattisgarh Energy Limited [GMRCEL]	22,115.33	18,060.78
h.	*Open Access paid*		
	GMR Warora Energy Limited [GWEL]	1,609.75	3,311.95
i.	*Logo fees paid to*		
	GMR Enterprises Private Limited [GEPL]	39.23	75.49
j.	*Contribution towards Corporate Social Responsibility*		
	GMR Varalakshmi Foundation [GVF]	5.00	-
k.	*Donation made*		
	GMR Varalakshmi Foundation [GVF]	1.75	-

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Details of the transactions are as follows : *

Rupees in Lakhs

	Particulars	March 31, 2018	March 31, 2017
l.	*Repairs and maintenance paid*		
	GMR Family Fund Trust [GFFT]	-	41.96
	RAXA Security Services Limited [RSSL]	0.39	-
m.	*Rent & Hire Charges*		
	GBS Raju	39.84	35.20
	GMR Family Fund Trust [GFFT]	-	44.11
	GMR Hyderabad International Airport Limited [GHIAL]	0.79	1.07
	GMR Corporate Affairs Private Limited [GCAPL]	0.43	1.72
n.	*Technical consultancy services*		
	GMR Infrastructure Limited [GIL]	1,159.91	467.71
o.	*Interest and finance charges:*		
	GMR (Badrinath) Hydro Generation Private Limited [GBHPL]	33.57	49.93
	GMR Infrastructure Limited [GIL]	12.40	-
	GMR Energy Limited [GEL]	1,186.37	175.74
p.	Travelling Expenses		
	Delhi International Airport Private Limited [DIAL]	1.23	0.96
	GMR Gujarat Solar Power Private Limited [GGSPPL]	-	1.44
q.	Other expneses		
	Delhi International Airport Private Limited [DIAL]	1.08	0.94
	GBS Raju	0.90	-
	GMR Hyderabad International Airport Limited [GHIAL]	0.16	-
r.	*Remuneration paid to Key Management Personnel (Refer note No. 35)*		
	Grandhi Satyavathi Smitha	54.00	26.93
	Ashok Kumar Prusty	100.81	42.99
	Mr. Mohit Shinghal	-	28.85
s.	*Sitting fees (excluding taxes):*		
	Subash Chandra Kalia	1.25	0.65
	Vithala Satyanarayana Murthy	1.95	0.65
	K. Parameswara Rao	0.65	-
	A. D. Navaneethan	-	1.00
	N.V. Varadarajulu	-	0.95
t.	*Securiy Deposit receivable:*		
	RAXA Security Services Limited [RSSL]	7.55	7.55
	GMR Family Fund Trust [GFFT]	57.61	57.61
	Kakinada SEZ Limited [KSL]	8,500.00	-

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Notes to the financial statements for the year ended March 31, 2018

Details of the transactions are as follows : *

Rupees in Lakhs

Particulars	March 31, 2018	March 31, 2017
u. *Inter Corporate loan and deposit given:*		
GMR Generation Assets Limited [GGAL]		
Opening Balance	22,864.15	
Add: Granted / novated during the year	912.00	22,864.15
Less: Refunded / repaid during the year	5,197.39	
Closing balance	18,578.76	22,864.15
GMR Energy Limited [GEL]		
Opening Balance	-	17,486.15
Add: Granted during the year	-	2,742.00
Less: Refunded / repaid during the year	-	20,228.15
Closing balance	-	-
GMR Infrastructure Limited [GIL]		
Opening Balance	-	-
Add: Granted during the year	13,818.28	-
Less: Refunded / repaid during the year	-	-
Closing balance	13,818.28	-
v. *Interest receivable on Inter Corporate deposit / loans*		
GMR Generation Assets Limited [GGAL]	3,031.78	1,032.21
GMR Infrastructure Limited [GIL]	106.86	
Kakinada SEZ Limited [KSL]	24.92	
w. *Inter Corporate Loan and Deposit taken*		
GMR Energy Limited [GEL]		
Opening Balance	7,667.00	-
Add: Received during the year	7,700.00	9,500.00
Less: Repaid during the year	2,700.00	1,833.00
Closing balance	12,667.00	7,667.00
GMR (Badrinath) Hydro Generation Private Limited [GBHPL]		
Opening Balance	-	-
Add: Received during the year	5,100.00	8,550.00
Less: Repaid during the year	5,100.00	8,550.00
Closing balance	-	-
GMR Infrastructure Limited [GIL]		
Opening Balance	-	-
Add: Received during the year	5,800.00	-
Less: Repaid during the year	5,800.00	-
Closing balance	-	-
x *Interest payable on Inter Corporate deposit / loans*		
GMR Energy Limited [GEL]	1,287.88	158.17
GMR (Badrinath) Hydro Generation Private Limited [GBHPL]	3.39	-
GMR Infrastructure Limited [GIL]	11.59	-

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Notes to the financial statements for the year ended March 31, 2018

Details of the transactions are as follows : *

Rupees in Lakhs

	Particulars	March 31, 2018	March 31, 2017
y.	*Equity Share Capital held by:*		
	GMR Infrastructure Limited [GIL]	5,021.99	5,021.99
	GMR Energy Limited [GEL]	1,406.00	1,406.00
	GMR Power Infra Limited [GPIL]	972.00	972.00
z.	*Other amount due from:*		
	Delhi International Airport Private Limited [DIAL]	419.92	-
	GMR Kamalanga Energy Limited [GKEL]	-	8,156.20
	GMR Chhattisgarh Energy Limited [GMRCEL]	2,976.36	-
	GMR Enterprises Private Limited [GEPL]	-	27.27
	GMR Vemagiri Power Generation Limited [GVPGL]	-	-
aa.	**Other amount due to:**		
	GMR Warora Energy Limited [GWEL]	21,422.51	19,274.34
	GMR Kamalanga Energy Limited [GKEL]	1,475.92	-
	GMR Chhattisgarh Energy Limited [GMRCEL]	-	2,733.43
	GMR Generation Assets Limited [GGAL]	58.53	10.59
	GMR Power Infra Limited [GPIL]	16.42	4.12
	GMR Enterprises Private Limited [GEPL]	39.23	68.79
	GBS Raju	6.16	2.72
	GMR Hyderabad International Airport Limited (GHIAL)	0.56	-
	GMR Corporate Affairs Private Limited [GCAPL]	119.64	119.24
	GMR Energy Limited [GEL]	0.45	0.43
	GMR Infrastructure Limited [GIL]	139.84	327.62
	GMR Gujarat Solar Power Private Limited [GGSPPL]	-	1.44
	Delhi International Airport Private Limited [DIAL]	-	0.94
	Grandhi Satyavathi Smitha	0.42	-
	Ashok Kumar Prusty	1.29	-

* - Related Party Transactions given above are as identified by the Management.

35 Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

36 The Company is engaged primarily in the business of trading of electricity. As per the requirements of Ind AS 108, " Operating Segments", the principal revenue generating activities of the Company is from trading of electricity which is regularly reviewed by the Entity's Chief Operating Decision Maker (CODM). Accordingly, the management is of the view the Company has a single reportable segment and the requirements of reporting on operating segments and related disclosures as envisaged in Indian Accounting Standard 108 is not applicable to the present activities of the Company.

The Company's only segment being trading of electricity comprises of two customers which have contributed more than 10% of the revenue during the year amounting to Rs. 70,502.83 Lakhs.

GMR ENERGY TRADING LIMITED

GMR Energy Trading Limited

CIN : U31200KA2008PLC045104

Notes to the financial statements for the year ended March 31, 2018

37 Figures of the previous year wherever necessary, have been regrouped and rearranged to conform with those of the current year.

As per our report of even date attached

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number : 101720W

Chandan Lala
Partner
Membership No.: 35671

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors
GMR Energy Trading Limited

Ashok Kumar Prusty
Whole-time Director
DIN: 07603471

Ashis Basu
Director
DIN: 01872233

Jeewan Pandey
Chief Financial Officer
Membership No.: 509863

Manisha Tripathi
Company Secretary
Membership No.: A-47334

Place: New Delhi
Date: April 27, 2018