



GMR POCHANPALLI EXPRESSWAYS LIMITED

CIN NO U45200KA2005PLC049327

Registered Office: 25/1, SKIP House, Museum Road, Bangalore – 560 025, Karnataka

E-mail: highways.secretarial@gmrgroup.in

Phone No.: 080 - 40432000; Fax No.: 080 - 40432333

**Notice of
Twelfth Annual General Meeting**

Day, Date & Time

Friday, the 25th day of August, 2017

At

11.30 AM

Venue

**25/1, SKIP House,
Museum Road,
Bangalore-560 025,
Karnataka**

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of **GMR Pochanpalli Expressways Limited** will be held on **Friday, the 25th day of August 2017** at **11.30 AM** at the Registered Office of the Company situated at 25/1, SKIP House, Museum Road, Bangalore-560025 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements for the year ended March 31, 2017 together with the Reports of the Directors and the Auditors thereon.
2. To appoint Director in place of Mr. Mohan Rao M (DIN 02506274) who is liable to be retire by rotation and being eligible to offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in this connection, to consider, and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary resolution**:

"RESOLVED THAT M/s. Luthra & Luthra, Chartered Accountants, (*Firm Registration No.002081N*) be and are hereby appointed as Statutory Auditors of the Company for the Financial Year 2017-18 to hold office from the conclusion of this Annual General Meeting, on such remuneration, as may be determined by the Board of Directors or any Committee/ any person authorized by the Board on its behalf."

"RESOLVED FURTHER THAT the Board of Directors or any Committee thereof be and is hereby authorized to negotiate and agree upon the remuneration with M/s. Luthra & Luthra, Chartered Accountants and approve the remuneration payable to them including any out of pocket expenses as may be incurred by them in the course of audit."

Special Business

To consider and, if thought fit, to pass with or without modification(s), the following Resolutions as an Ordinary Resolution.

4. Appointment of Mr. Janagani Pothalaiah as Manager of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following Resolutions as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, and approval of the Shareholders of Company, be and is hereby accorded to the appointment of Mr. Janagani Pothalaiah as 'Manager' of the Company, for a period of 3 (three) years w.e.f. November 22, 2016 with remuneration up to a maximum of Rs. 25,62,177/-per annum with the authority to Board to fix the salary within the said maximum amount from time to time."

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“RESOLVED FURTHER THAT all other terms and conditions including annual increment, earned/ privilege leave shall be as per the HR Policy of the Company and contribution to Provident Fund, Superannuation fund or Annuity Fund, Gratuity etc. shall be in terms of applicable provisions of the relevant statutes.”

“RESOLVED FURTHER THAT that the Board of Directors, be and are hereby severally authorised to do all such acts and things and deal with all such matters and take all such steps and finalize, approve, modify and sign (including any modification thereof) and all such papers/forms/documents/ agreement/ contracts as may be necessary for giving effect to the above resolution.”

5. Approval / Ratification of remuneration of the Cost Auditor M/s. G.R. & Co., Cost Accountant of the Company.

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. G.R. & Co., Cost Accountant, appointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of the cost records of the Company, for the financial year ending 2017-18, be paid a remuneration of Rs.50,000/- plus applicable taxes and reimbursement of out of pocket expenses as may be incurred by them in the course of audit.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By the Order of the Board of Directors

For GMR Pochanapalli Expressways Limited



Arun Kumar Sharma
Director

DIN: 02281905

Place: New Delhi
Date: July 15, 2017



NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business is annexed hereto
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be valid and effective must be delivered at the registered office of the company not later than forty-eight hours before the commencement of the meeting.**
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, provided that, a member holding more than ten percent of the total paid up share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. Members and/or proxies are requested to bring their copy of the notice to the meeting and should bring the attendance slips duly filled in at the meeting to avoid any inconvenience.
5. Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representative(s) to attend and vote at the General Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. In terms of the requirements of the Secretarial Standards -2 on "General Meetings" issued by the Institute of the Company Secretaries of India and approved & notified by the Central Government, Route Map for the location of the aforesaid meeting is enclosed.
8. In terms of Section 20 of the Companies Act, 2013, the Notice is being sent to all the Members on the electronic mail address as provided by the Registrar or the Member from time to time for sending communications to the Member unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copy of the Notice is being sent by courier. Members are requested to register their E-mail Id with their Depository Participant and inform them of any changes to the same from time to time. However, Members who prefer physical copy to be delivered may write to the Company at its Registered Office by providing their DP Id and Client Id as reference.
9. Members are requested to modify any change in their registered address along with pin code and quote their respective ledger folio number on every communication with the Company.
10. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are Interested maintained under Section 189 of Companies Act, 2013 will be available for inspection by the members at the AGM.

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11. All documents referred to in accompanying Notice and Explanatory statement are open for inspection at the registered office of the Company during the office hours on all working days except Saturdays/Sundays and holidays between 11.00 A.M. and 1.00 P.M.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 FOR THE ITEMS SET OUT IN THE ACCOMPANYING NOTICE ARE AS UNDER:

Item No 4:

Appointment of Mr. Janagani Pothalaiah as Manager of the Company

Mr. Janagani Pothalaiah was appointed as Manager of the Company by the Board of Directors in their meeting held on November 22, 2016, based on the recommendation of Nomination and Remuneration Committee for a period of three years w.e.f. November 22, 2016, subject to approval of Shareholders.

Brief Profile of Mr. Janagani Pothalaiah:

Mr. J. Pothalaiah A.M.I.E (Civil) Institution of Engineers (India) since 1994, and possesses Diploma in Civil Engineering -A.P State Board of Technical Education 1988 & PGPIDM-PG Program in Infrastructure Development & Management-NICMAR-Pune.

His total work experience spans 26 years. He was previously associated with GMR Group from year 2009 to 2014 as Associate General Manager and has experience working with organizations like JSTPL (SPV of IDFC & Plus Expressways) (UEM Group -Malaysia) and AFCONS infrastructure Limited.

Remuneration:

In case the Company has no profit or its profits are inadequate in terms of Section 197 read with Schedule V of Companies Act 2013, managerial person can be paid remuneration within limit of Part II Section II (A) of the said Schedule, as approved by the Nomination & Remuneration Committee and where the company has not defaulted in repayment of debt or interest payments, subject to approval by the Members by way of resolution in their meeting.

Subject to approval of the shareholders, Nomination and Remuneration Committee & the Board have approved and recommended remuneration up to Rs. 25, 62,177/- per annum with the authority to Board to fix the salary within the said maximum amount from time to time.

The above remuneration is in terms of HR policy of the Company and he shall be eligible for all the benefits / perks including incremental remuneration as per the HR Policy of the Group. The appointment is in compliance of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications(s) or re-enactment thereof).

Pursuant to Section 196(4) and other applicable provisions of the Companies Act, 2013, if any, the approval of his appointment and remuneration by the Shareholders of the Company is being sought.

Except Mr. Janagani Pothalaiah, none of the Director, Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at item No. 4

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice, for approval by the members.

Item No. 5

Approval of remuneration of the Cost Auditor of the Company for the Financial Year 2016-17

The Board, on the recommendation of the Audit Committee, has approved the reappointment and remuneration of M/s. G.R. & Co., Cost Accountant to conduct the audit of the cost records of the Company for the financial year 2017-18 at remuneration as detailed in the resolution.



In accordance with the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the members is being sought for approval of the remuneration payable to the Cost Auditors for the financial year ending 2017-18.

Save and except M/s. G.R. & Co., Cost Accountant, none of the other Directors and Key Managerial Personnel of the Company & their relatives is in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolutions at Item No. 5 for approval of the members.

**By the Order of the Board of Directors
For GMR Pochanpalli Expressways Limited**



Arun Kumar Sharma
Director
DIN: 0002281905

Place: New Delhi
Date: July 15, 2017



GMR POCHANPALLI EXPRESSWAYS LIMITED

CIN: U45200KA2005PLC049327

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Phone No.: 080 - 40432000; Fax No.: 080 - 40432333

**ATTENDANCE
SLIP**

DP ID		FOLIO NO. / CLIENT ID		No. of shares	
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Name(s) and address of the member in full:

I/We hereby record my/our presence at the 12th Annual General Meeting of the Company to be held **on Friday, the 25th day of August 2017 at 11.30 AM at the Registered Office of the Company at, 25/1, Skip House, Museum Road, Bangalore - 560025, Karnataka**

MEMBER PROXY

Signature of Member / Proxy

GMR POCHANPALLI EXPRESSWAYS LIMITED

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FORM NO.MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule, 2014]

CIN	U45200KA2005PLC049327
Name of the Company	GMR POCHANPALLI EXPRESSWAYS LIMITED
Registered Address	25/1, Skip House, Museum Road, Bangalore - 560 025, Karnataka

Name of the member(s)	
Registered Address	
E-Mail ID	
DPID and Client ID /Folio No	

I/We, being the member(s) holding _____ shares of the above named Company, hereby appoint

1	Name			
	Address			
	E-Mail ID		Signature	

or failing him

2	Name			
	Address			
	E-mail ID		Signature	

or failing him

3	Name			
	Address			
	E-Mail ID		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual General Meeting of the Company, to be held on Friday, August 25, 2017 at 11.30 AM

at 25/1, Skip House, Museum Road, Bangalore - 560025, Karnataka and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business	
1.	To receive, consider and adopt the audited Financial Statements for the year ended March 31, 2017 together with the Reports of the Directors' and the Auditors' thereon.
2.	To appoint Director in place of Mr. Mohan Rao M (DIN 02506274) who is liable to retire by rotation and being eligible to offers himself for re-appointment.
3.	To appoint Statutory Auditors and fix their remuneration and in this connection, to consider, and, if thought fit, to pass with or without modification, the following resolution as an Ordinary resolution
Special Business	
4	Appointment of Mr. Janagani Pothalaiah as Manager of the Company.
5.	Approval/ ratification of remuneration of the Cost Auditor M/s. G.R. & Co., Cost Accountant of the Company

Signed this _____ day of _____ 2017

Signature of Member

Signature of Proxy holder(s)

Affix Revenue
Stamp of Re.1

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- 2. A proxy need not be a member of the Company.**

ROUTE MAP OF THE VENUE

Google Maps - Microsoft Internet Explorer provided by UMR Group
https://www.google.co.in/maps/@12.9183486,77.6294203,15z

11 min (2.2 km)
Via Grant Rd/Vittal Mallya Rd and Residency Rd

Bengaluru, Karnataka

- ↑ Head north towards Grant Rd/Vittal Mallya Rd 33m
- ↘ Turn right onto Grant Rd/Vittal Mallya Rd 700m
- ↘ Turn right at Vittal Mallya Jet onto St Marks Rd 220m
- ↙ Turn left onto Residency Rd 180m
- ↘ Slight right towards Brigade Rd 17m
- ↘ Turn right onto Brigade Rd 100m
- ↘ Sharp right at Shoolay Cir onto Museum Rd 15m

Skip House
Museum Road, Ghentika Nager, Ashok Nager, Bengaluru, Karnataka 560025

13 min 3.1 km

Internet | Protected Mode: Off
4:44 PM 10/23/2015

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Phone No.: 080 - 40432000; Fax No.: 080 - 40432333

Director's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 12th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017.

Financial Performance Summary

The financial statements for the year ended March 31, 2017, has been prepared in accordance with IND-AS compared to periods up to and including the year ended March 31, 2016, which was prepared in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, (India GAAP).

Accordingly, the company has prepared financial statements which comply with IND AS applicable for period ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies and are further detailed in the Note Nos. 28 of the Financial Statements.

The financial highlights of your Company, for the year ended March 31, 2017 are as presented below:

(Rs. in Lacs)

<u>Particulars</u>	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Gross Income	9,985.38	9,976.57
Expenditure	7,859.58	7,550.99
Earnings before interest, depreciation and tax	6,970.98	7,281.91
Depreciation & amortization expense.	8.43	13.37
Profit before Interest	6,962.55	7,268.54
Finance costs	4,836.75	4,842.96
Profit/ (Loss) before Tax	2,125.80	2,425.58
Current Tax	375.30	-
Tax adjustments of prior year	-	-
Profit/ (Loss) after Tax	1,750.50	2,425.58

During the year ended March 31, 2017, your Company had a profit of Rs. 1,750.50 lacs as against the Rs. 2,425.58 lacs during the previous year.

Note: The above financial highlights have been presented as per the Indian Accounting Standards.

The State of the Company's Affairs

Pochanpalli Expressways (Adloor Yellareddy to Pochanpalli section of NHA-45) has entered into the 9th year of Operations. Well maintained riding quality and the greenery are widely appreciated in print media.

Continuous efforts have been taken by the SPV to enhance the safety of road users by involving various stake holders. Road user surveys are conducted periodically to receive the feedback and to improve the performance standards. The Company has achieved 100 % Lane Availability and the Operations of the Company were satisfactory.

Change in the nature of business, if any

During the year under review, there is no change in the nature of business of the Company.

Dividend

To augment the resources for the Company's business and as a matter of prudence, the Board of Directors have not recommended any dividend for the financial year 2016-17.

Transfer to Reserves

Amount, if any, which Company proposes to carry to any Reserves: **NIL**

Changes in Share Capital

During the year under review, there was no change in the Authorised and Paid up Share Capital of the Company.

Listing with Stock Exchange

The non-convertible debentures issued by your Company in the month of March 2010 are also listed on NSE and CARE has assigned AA ratings to the debentures issued by the company. Currently debentures of Rs. 44,340 Lacs were outstanding at the end of the year.

Subsidiaries/ Joint Ventures/ Associate Companies

Your Company does not have any Subsidiary, Joint Ventures or Associate Companies of its own and hence the statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures, as required to be provided in Form-AOC 1, is not applicable.

Names of the Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year

Since your Company does not have Subsidiary, Joint Venture or Associate Company, this section is not applicable.

Directors or Key Managerial Personnel

During the year under review, the following Directors/Key Managerial Personnel were appointed/ resigned:

Changes in Directors	<ul style="list-style-type: none">• Dr. Kavitha Gudapati resigned as Independent Director w.e.f September 08, 2016.• Mrs. Grandhi Ragini was appointed as an Additional Director & Whole time Director w.e.f. May 1, 2016 and was regularised on September 08, 2016 at Annual General Meeting of the Company.• Mr Mohan Rao M. regularised as Director on September 08, 2016 at Annual General Meeting of the Company• Mr. B. L Gupta was appointed as an Additional Independent Director w.e.f September 01 2016 and regularised as Independent Director on September 08, 2016 at Annual General Meeting of the Company.
Changes in KMP's	<ul style="list-style-type: none">• Mr. Devender Kumar resigned as Company Secretary w.e.f September 06, 2016.• Mr Satinder Singh appointed as Company Secretary w.e.f November 22 2016.• Mr. Janagani Pothalaiah appointed as a Manager w.e.f November 22, 2016.

Proposals for forthcoming AGM	Mr. Mohan Rao M. Director would retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The proposal for his re-appointment has also been included in the Notice of the ensuing Annual General Meeting for your approval.
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Number of Meetings of the Board

During the year under review, **4(Four)** meetings of the Board of Directors were held-

Date of Meeting	Director Attendance Details					
	Mr. Arun Kumar Sharma	Mr.Mohan Rao M.	Mr. K. A. Somayajulu	Dr. Kavitha Gudapati ¹	Mr. B. L Gupta ²	Mrs. Grandhi Ragini ³
27.04.2016	Present	Present	Present	Present	NA	NA
25.07.2016	Present	Present	Present	Present	NA	Not Present
22.11.2016	Present	Present	Present	NA	Present	Not Present
25.01.2017	Present	Present	Present	NA	Present	Present

¹ Resigned w.e.f. 08.09.2016. ²Appointed w.e.f. 01.09.2016. ³Appointed w.e.f. 01.05.2016

Signature

Signature

The intervening gap between the meetings was within the period prescribed (ie Maximum One hundred and twenty days between any two consecutive meetings), under the Companies Act, 2013.

Extract of the Annual Return

The extract of the Annual Return, in prescribed Form MGT-9, is annexed as **Annexure - I**.

Declaration given by Independent Directors

All the Independent Directors have provided declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Deposits

Since Company has not accepted any deposits covered under Chapter V (Acceptance of Deposits by the Companies) of the Companies Act, 2013 read with the Rules framed thereunder; the details required to be given in terms of Rule 8 (5)(v) & (vi) of Companies (Accounts) Rules, 2014 are not applicable.

Particulars of Employees and related disclosures

In accordance to the provisions as prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding the disclosure of names of the top ten employees in terms of remuneration draw and the name of every employees who- was in receipt of remuneration not less than one crore and two lakh rupees ,if employed throughout the year or remuneration not less than eight lakh and fifty thousand rupees per month , if employed for any part of that year is provided as under :

Name	Designation	Gross Remuneration (Rs).	Nature of Employment (Whether contractual or otherwise)	Qualification	Experience (Yrs.)	Date of Commencement of Employment	Age (Yrs)	Relative of Director or not	% of shareholding
Mr. O Bangaru Raju	President	1,67,10,751.99	Permanent	Professional	25	01.05.2014	60	NO	NIL
Ms. G Ragini	Whole-time Director	48,69,583.37	Permanent	Professional	13	01.05.2016	40	NO	NIL
Mr. Amit Kumar	CFO	32,41,526.30	Permanent	CA	15	22.01.2015	37	NO	NIL
Mr. Janagani Pothalaiah	Project Manager	23,48,574.66	Permanent	Dip-Engg.	22	23.12.2015	47	NO	NIL
Mr. Paranthaman Adimoolam	Manager O & M	14,81,247.40	Permanent	B. Tech	29	01.07.2016	46	NO	NIL
Mr. Lakshman Rao Oduri	Junior Manager - Maintenance	8,77,350.96	Permanent	Dip-Engg	17	06.09.2010	38	NO	NIL

Mr. Praveen Kumar	Manager	8,66,410.10	Permanent	PGDCA	16	07.05.2008	37	NO	NIL
Mr. Bala Krishna	Associate Manager	8,63,786.83	Permanent	Dip-Engg	12	20.09.2010	35	NO	NIL
Mr. Rushikesh Joshi	Junior Manager	6,06,510.1	Permanent	B.Com	23	04.06.2012	43	NO	NIL
Mr. Lakshminarayana Nizampatnam	Senior Coordinator-Finance	5,12,295.28	Permanent	B.Com	12	26.09.2012	36	NO	NIL

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Employees of the Company and Directors is furnished hereunder:

(Rs. In Lac)

S. No.	Name	Designation	2015-16	2016-17	Increase in remuneration from previous Year	% age Increase	Ratio/Times per Median of Employee Remuneration
1	Bangaru Raju	President	15,128,356	1,67,10,751	1,582,396	10.46	19.29
2	G Ragini	Whole Time Director	NA	48,69,583	NA	NA	5.62
3	Amit Kumar	CFO	2,726,324	32,41,526	515,202	18.90	3.74
4	Janagani Pothalaiah	GM	NA	23,48,574	NA	NA	2.71
5	Paranthaman Adimoolam	Manager - O&M	NA	14,81,247	NA	NA	1.71
6	Lakshman Rao Oduri	Junior Manager	809,409	8,77,350	67,941	8.39	1.01
7	Praveen Kumar	Manager	NA	8,66,410	NA	NA	1.00
8	Bala Krishna	Associate Manager	827,255	8,63,786	36,531	4.42	1.00
9	Rushikesh Joshi	Junior Manager	587,623	6,06,510	18,886	3.21	0.70
10	Lakshminarayana Nizampatnam	Senior Coordinator	481,196	5,12,295	31,099	6.46	0.59
11	Satinder Singh	AM-CS	NA	477,873	NA	NA	0.55
12	Satish Kumar Patnaik	Associate - Admin	NA	2,69,765	NA	NA	0.31
13	Samuel John Kodama	Junior Manager	NA	245,555	NA	NA	0.28

1. Median Remuneration of Employees : **Rs. 8.66 Lacs**
2. No. of Permanent Employees : **13**

3. The Average Increase in Remuneration is based on the cost of living vis-a-vis the performance of the company. : **8.64%**
4. Increase in remuneration of KMP is based upon the cost of living, retaining the talent vis-a-vis the performance of the company. : **18.9%**
5. It is affirmed that the remuneration is as per the policy of the company keeping in view other factors & market conditions arising from time to time.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The details of Conservation of Energy, Technology absorption and Foreign Exchange earnings or outgo are given in **Annexure II**.

Qualification / Reservation / Adverse Remark or Disclaimer in the Auditors' Report

There are no qualifications, reservations or adverse remarks in the report of the Statutory Auditors' which require any clarification/explanation.

Auditors

Auditors and Auditors' Report

Statutory Auditors

M/s. Luthra & Luthra (Regn.No. 002081N), Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Based on the recommendations of the Audit Committee, the Board hereby recommends appointment of M/s. Luthra & Luthra (Regn.No. 002081N), as Company's Auditors for the financial year 2017-18. If appointed, they shall hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. The item for obtaining requisite approval of the shareholders for the appointment of M/s. Luthra & Luthra (Regn.No. 002081N), for conducting the audit for the financial year 2017-18 has been included in the notice of Annual General Meeting for your approval.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. VAPN & Associates, Company Secretaries in practice, New Delhi to conduct the Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report, in the Form MR-3, for the Financial Year 2016-17, is annexed as **Annexure III**.

There are no qualifications, reservations or adverse remarks in the report of the Secretarial Auditor which require any clarification/explanation.

Based on the recommendations of the Audit Committee, the Board appointed M/s. VAPN & Associates, Company Secretaries, New Delhi, to conduct the Secretarial Audit of the Company for the Financial Year 2017-18.

Cost Auditors

The Board of Directors, based on the recommendation of the Audit Committee, had appointed M/s G.R. & Co., Cost Accountant as the Cost Auditor for the financial year 2016-17 for auditing the cost records of the Company. M/s G.R. & Co. has submitted the Cost Audit Report for financial year 2016-17 which is hereby annexed as **Annexure IV**. There are no qualifications, reservations or adverse remarks in the said Cost Audit Report.

The Board of Directors, based on the recommendation of the Audit Committee, re-appointed M/s G.R. & Co. for the financial year 2017-18 for auditing the cost records of the Company pursuant to Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended.

The item for obtaining requisite approval of the shareholders for the fees payable to the Cost Auditors for conducting the audit for the financial year 2017-18 has been included in the notice of Annual General Meeting for your approval.

Particulars of Loans, Guarantees or Investments under Section 186

The Company is engaged in the business of providing Infrastructural facilities and hence, it is exempted with section 186 {except sub-section (1)} of the Companies Act, 2013 under sub-section (11) of the said section w.r.t. loans made, guarantee given and security provided by it.

Further, the Company has not made any new Investments during the period under review.

Particulars of Contracts or arrangements with related parties

The Company presents a detailed landscape of all related party transactions before the Audit Committee, specifying the nature, value, and terms and conditions of the transactions. All the transactions with related parties were reviewed and approved by the Audit Committee. Transactions with related parties are conducted in a transparent manner keeping the interest of the Company and Stakeholders at utmost priority. The Company has framed a Policy on Related Party Transaction for the purpose of identification and monitoring of such transactions.

During the year under review, all the transactions entered with related parties were in ordinary course of business and on arms' length basis, it does not attract the provisions of Section 188 of the Companies Act, 2013 read with the Rules framed thereunder. Accordingly, the particulars required to be disclosed pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014, in prescribed Form AOC- 2, is enclosed herewith as **Annexure-V**.

Material changes and commitments if any, affecting financial position of the Company which have occurred between the end of the Financial Year and date of the report

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2016-17 to which the financial statements relate and the date of the report.

Directors Responsibility Statement

Pursuant to Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Directors, based on their knowledge and belief and according to the information and explanation/certifications obtained from the operating management, confirm in respect of the audited financial statements for the year ended March 31, 2016 that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Statement indicating Development and Implementation of risk management policy for the company including identification of elements of risk, in any, which in the board may threaten the existence of the company.

The Company has a detailed Risk Management Policy duly approved by the Audit Committee and Board. The risk analysis is carried out with the help of Enterprises Risk Management team of the Group in line with the Risk Management Policy of the Company. The Company's Risk Management framework is in line with the current best practices and effectively addresses the emerging challenges in a dynamic business environment which incorporate therein the specific elements of risk associated with the business of the Company. In today's challenging and competitive environment strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative.

As a matter of Policy, risks are assessed and steps as appropriate are taken to mitigate the same.

Disclosure on Corporate Social Responsibility

Details about the Policy developed & implemented

During the year under review, the **Corporate Social Responsibility Committee (CSR Committee)** of the Board pursuant to Section 135 of the Companies Act, 2013, duly complied with the requirements of the Companies Act, 2013 read with Rules framed thereunder.

The present composition of the Corporate Social Responsibility Committee of the Board is Mr. K. A Somayajulu (Chairman), Mr. Mohan Rao M (Member), and Mr. Arun Kumar Sharma (Member).

The CSR Committee met one time during the year, the details of which are given below:

Date of Meeting	Committee Member's Attendance Details		
	Mr. Arun Kumar Sharma	Mr. Mohan Rao M.	Mr. K. A. Somayajulu (Chairman)
25.01.2017	Present	Present	Present

The Corporate Social Responsibility Policy, formulated and recommended by the CSR Committee, as approved by the Board is annexed as along with the details of expenditure incurred in **Annexure VI.**

During the year under review, the Company spent Rs. 42 Lacs on CSR activities by way of donation to GMR Varalakshmi Foundation in terms of Section 135(5) of the Companies Act, 2013 read with the Rules framed thereunder.

Audit Committee

During the year under review, the Audit Committee of the Board duly complied the requirements of Section 177 of the Companies Act, 2013 read with Rules framed thereunder and all recommendations made by the Audit Committee were accepted by the Board.

During the year, the Audit Committee of the Company was reconstituted by circular resolution dated August 30, 2016 comprising of the following members viz., Mr. K. A Somayajulu (Chairman), Mr. B.L. Gupta (Member), and Mr. Arun Kumar Sharma (Member).

The Audit Committee met four (4) times during the year, the details of which are given below:

Date of Meeting	Director Attendance Details			
	Mr. Arun Kumar Sharma	Mr. K. A. Somayajulu	Mr. B. L Gupta ¹	Dr. Kavitha Gudapati ²
27.04.2016	Present	Present	NA	Present
25.07.2016	Present	Present	NA	Present
22.11.2016	Present	Present	Present	NA
25.01.2017	Present	Present	Present	NA

¹Appointed w.e.f. 01.09.2016

²Resigned w.e.f. 08.09.2016

All recommendations made by the Audit Committee have been approved by the Board.

Establishment of Vigil Mechanism

In terms of Section 177(9) of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014, your Company has formulated and established a vigil mechanism for its directors and employees to report genuine concerns. Company's vigil mechanism is in the form a 'Whistle Blower Policy'.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

This policy provides a platform to the Directors and employees of the company to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct

or ethics policy. It also provides the mechanism for stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

Company's vigil mechanism provides adequate safeguard against the victimization of employees and directors who wish to avail the vigil mechanism to deal with the instance of fraud, mismanagement, unethical behaviour, if any. It is ensured that no unfair treatment is meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.

Nomination and Remuneration Committee

During the year under review, the Nomination and Remuneration Committee duly complied with the requirements of Section 178 of the Companies Act, 2013 read with Rules framed thereunder.

The present composition of the Nomination and Remuneration Committee is as under:

The Nomination and Remuneration Committee of the Company was reconstituted by circular resolution dated August 30, 2016 comprising of the following members viz., Mr. K. A Somayajulu (Chairman) Mr. Mohan Rao M. (Member), Mr. B.L Gupta (Member), and Mr. Arun Kumar Sharma (Member).

During the year under review, the Nomination and Remuneration Committee met Three (3) times, the details of which are given below:

Date of Meeting	Committee Member's Attendance Details				
	Mr. Arun Kumar Sharma	Mr. Mohan Rao M.	Mr. K. A. Somayajulu	Dr. Kavitha Gudapati ¹	Mr. B. L Gupta ²
27.04.2016	Present	Present	Present	Present	NA
25.07.2016	Present	Present	Present	Present	NA
22.11.2016	Present	Present	Present	NA	Present

¹Resigned w.e.f. 08.09.2016

²Appointed w.e.f. 01.09.2016

Company's Policy on Directors' Appointment and Remuneration

The Company has formulated a Policy which, inter-alia, enumerates appointment and remuneration of the Directors, Key Managerial Personnel and other employees including criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013 read with Rules framed thereunder.

The Nomination and Remuneration Policy is annexed as **Annexure VII.**

Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and Individual Directors

The Companies Act, 2013 has mandated the need to ensure effectiveness of the Board governance and requires a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.

The mechanism to evaluate the performance of Board, its committee and Directors, as per the statutory requirement, was considered and adopted by the Board.

In order to do the evaluation, structured questionnaires / performance evaluations forms were considered by the Board for evaluating itself/ Committees and individual Directors, which were broadly based on certain specific parameters. During the year under review, the Board and Nomination and Remuneration committee has carried out evaluation of individual Directors and performance of their Committees.

Securities Issue, Allotment and Transfer Committee

During the year under review, there were no meetings conducted for Securities Issue, Allotment and Transfer Committee. The Committee was formed for operational and administrative convenience in the early stages of the Company's incorporation and since the meetings of the Committee are presently held very rarely and also, it is not a mandatory requirement under Companies Act, 2013, the Board in its meeting dated May 02, 2017 decided to dissolve the Committee and the powers for Issue, Allotment, Transfer and Transmission of Securities henceforth would be exercised by the Board.

Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

There were no significant material orders passed by the Regulators/ Courts/ Tribunals which would impact the going concern status and future operations of the Company.

Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

The Company monitors and ensures efficient communication between various sites and corporate office; efficiently manages the information system and reviews the IT systems; ensures accurate & timely recording of transactions; stringently checks the compliance with prevalent statutes, management policies & procedures in addition to securing adherence to applicable accounting standards and policies.

The internal control system of the Company provides for adherence to approved procedures, policies, guidelines and authorization. In order to ensure that all checks and balances are in place and all the internal control systems and procedures are in order, regular and exhaustive internal audit is conducted by the Management Assurance Group (MAG), an Internal Audit Wing of the Group, manned by qualified Chartered Accountants. Internal Audit Reports prepared by MAG are reviewed by the Audit Committee on a quarterly basis which are then placed before the Board.

Disclosure in terms of the Listing Agreement for Debt Securities

Pursuant to Regulation 53 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the issue of Non-Convertible debentures (NCD's) listed on National Stock Exchange (NSE), the following information is disclosed in its capacity as issuer:

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S. No.	In the accounts of an issuer who is a-	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ investments Outstanding during the year 2016-17:
1.	Subsidiary GMR Highways Limited - Holding Company	Loan amount outstanding as at March 31, 2017, Rs. 5,780 Lacs
		Maximum Amount outstanding during the year, Rs. 5,780 Lacs
2.	GMR Enterprises Private Limited -Holding Company	Loan amount outstanding as at March 31, 2017, Rs. 1,000 Lacs
		Maximum Amount outstanding during the year, Rs. 1,000 Lacs
3.	(Dhruvi Securities Pvt. Ltd- Fellow subsidiary Company)	Loan amount outstanding as at March 31, 2017, Rs. 9,500 Lacs
		Maximum Amount outstanding during the year, Rs. 9,500 Lacs

Details of Debenture Trustee:

Name of the Debenture Trustee	M/s Axis Trustee Services Limited
Address	Axis House Wadia Internation Centre Pundurang Budhkar Marg Worli Mumbai-400025. Telephone No-022-62260054/62260050
Contact Person-	Krishnakant Sharma- Deputy Manager

Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, a statement showing the number of complaints filed during the financial year and the number of complaints pending as on the end of the financial year is shown as under:


Category	No. of complaints pending at the beginning of FY	No. of complaints filed during the FY	No of complaints pending as on end of FY
Sexual Harassment	Nil	Nil	Nil


Acknowledgements

Your Directors take this opportunity to express their sincere thanks and gratitude to the Government of India, State Government, National Highways Authority of India and other Central and State Government Agencies, Life Insurance Corporation of India, Kotak Mahindra Bank and Axis Trustee Services Limited for their support.

Your Directors place on record their sincere appreciation of the contributions made by the employees at all levels through their hard work, dedication, solidarity and support and express their gratitude to the Holding Companies for their continual support.

For and on behalf of the Board


Arun Kumar Sharma
Director
DIN 02281905


Mohan Rao M
Director
DIN 02506274

Date: July 15, 2017

Place: New Delhi

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Form No. MGT - 9

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014

Extract of Annual Return as on the Financial Year ended on 31st March, 2017

I. REGISTRATION AND OTHER DETAILS:

CIN	U45200KA2005PLC049327
Registration Date	18-10-2005
Name of the Company	GMR Pochanpalli Expressways Limited
Category / Sub-Category of the Company	Company Limited by Shares
Address of the Registered office and contact details	25/1, SKIP House, First Floor Museum Road, Bangalore-560025. Karnataka Phone No.: 080 - 40432000; Fax No.: 080 - 40432333
Whether Listed Company	Yes, Debentures issued by the company are listed on NSE
Name, Address and Contact Details of Registrar and transfer Agent, if any	Integrated Registry Management Services Private Limite, Bangalore 30, Ramana Residency, 4th Corss, Sampige Road, Malleswaram, Bangalore - 560003Contact - (080) 23460815-818 Fax - (080) 23460819

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	To carry on the business, either individually or as joint venture with any other entity, whether in India or outside India, of constructing, improving, developing, strengthening, widening, operating, maintaining of roads, culverts, highways, expressways including traffic management system, bridge(s), intra-urban and or peri-urban roads like rings roads and urban by-passes, fly-overs, bus and truck terminals, subways, convention centres, restaurants, motels, shopping malls, fuel yards, fuel depots, fuel stations, golf courses, amusement parks, or other activities being an integral part of the highway project(s), on any land of the Company or upon any other lands or property and to pull down, alter, rebuild, enlarge, alter and improve existing structures, buildings or works thereon to convert and appropriate any such land for the purpose of roads, streets, gardens and other conveniences and to deal with and improve the property and to charge, collect, appropriate and deploy fees, toll charges, and levies from users of the infrastructure facilities; to carry on the business as manufacturers, producers, importers, exporters, dealers, either retail or wholesale, agents, representatives, suppliers of all building materials such as cement, steel, ceramics, timber, wood, centering materials, plastics, bricks, potteries, electrical equipment and fittings, stone crushers, machines, and other inputs required for the purpose of aforesaid business.	4210	86.15%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary /Associate	% of Shares held	Applicable section
1.	GMR Highways Limited	U45203MH2006PLC287171	Holding	98.50%	Sec 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoters									
(1) Indian									
Individual/ HUF	-	4	4	0.00	-	4	4	0.00	-
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Bodies Corporate	137,999,996	-	137,999,996	100	137,999,996	-	137,999,996	100	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any other (Trust)									
Sub Total (A)(1)	137,999,996	4	138,000,000	100	137,999,996	4	138,000,000	100	-
(2) Foreign									
NRI	-	-	-	-	-	-	-	-	-
Others – Individual	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-

Sub Total (A) (2)	0	0	0	0	0	0	0	0	-
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Total shareholding of Promoter (A) = (A) (1) + (A) (2)	137,999,996	4	138,000,000	100	137,999,996	4	138,000,000	100	-
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B. Public Shareholding

1. Institutional									
Mutual Fund	-	-	-	-	-	-	-	-	-
Banks /FI	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.	-	-	-	-	-	-	-	-	-
Venture Capital Fund	-	-	-	-	-	-	-	-	-
Insurance Co.	-	-	-	-	-	-	-	-	-
FIIIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	0	0	0	0	0	0	0	0	0
2. Non-Institutional									
a. Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individual									
i. Individual shareholders holding nominal share capital uptoRs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital uptoRs. 1 lakh	-	-	-	-	-	-	-	-	-

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C. Others	-	-	-	-	-	-	-	-	-
Sub Total (B) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (B) = (B) (1) + (B) (2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	137,999,996	4	138,000,000	100	137,999,996	4	138,000,000	100	-

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the Co.	% of Shares Pledged/ encumbered to total	% change in shareholding during the
1.	GMR Infrastructure Limited	13,80,000	1.00	0.00	13,80,000	1.00	0.00	0.00
2.	GMR Energy Limited	6,90,000	0.50	0.00	6,90,000	0.50	0.00	0.00
3.	GMR Highways Limited	13,59,29,996	98.50	0.00	13,59,29,996	98.50	0.00	0.00
4.	Mr. B.V.N. Rao	1	0.00	0.00	1	0.00	0.00	0.00
5.	Mr. Govindarajulu T	1	0.00	0.00	1	0.00	0.00	0.00
6.	Mr. S. K. Kulkarni	1	0.00	0.00	1	0.00	0.00	0.00
7.	Mr. Amit Kumar	1	0.00	0.00	1	0.00	0.00	0.00

iii) Change in Promoters' Shareholding: -

There is no change in Promoters Shareholding during the year under review.

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat Equity etc):	-	-	-	-
3.	At the End of the Year.	-	-	-	-

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Not Applicable

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year.	-	-	-	-
2.	Date wise Increase / Decrease in Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-

3.	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-
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v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors are holding shares of the company thus not applicable

Sr. No.	For Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1.	-	-	-	-	-
a.	At the beginning of the year	-	-	-	-
b.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/sweat equity etc.):	-	-	-	-
c.	At the end of the year	-	-	-	-

Sr. No.	For Each of the KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	Mr. Amit Kumar, CFO				
a.	At the beginning of the year	1	0.00	1	0.00
b.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment transfer/ bonus/ sweat equity etc):	-	-	-	-
c.	At the end of the year	1	0.00	1	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	4,734,365,402	-	-	4,734,365,402
ii. Int. due but not paid	-	-	-	-
iii. Interest accrued but not due	205,092,339	-	-	205,092,339
Total (i+ii+iii)	4,939,457,741	-	-	4,939,457,741
Change in Indebtedness during the Financial Year				
Addition	-	-	-	-
Reduction	327,387,948	-	-	327,387,948
Net Change	(327,387,948)	-	-	(327,387,948)
Indebtedness at the end of the financial year				
i. Principal Amount	4,419,545,908	-	-	4,419,545,908
ii. Int. due but not paid	-	-	-	-
iii. Interest accrued but not due	192,523,885	-	-	192,523,885
Total (i+ii+iii)	4,612,069,793	-	-	4,612,069,793

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-

(Rs. In Lakhs)

Sr. no.	Particulars of Remuneration	NAME OF DIRECTOR/KMP			Total Amount (Rs.)
	Particulars	Ms. Grandhi Ragini Whole Time Director (From 01/05/2016 to 31/03/2017)	Mr. K.V.S.S. Srikanth Manager (From 01.04.2016 to 31.05. 2016)	Mr. Janagani Pothalaiah Manager (From 22/11/2016-31/03/2017)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	48.70	3.30	8.43	60.43
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission - as % of profit - other, specify	-	-	-	
5	Other, please specify	-	-	-	
	Total (A)	48.70	3.30	8.43	60.43

B. Remuneration to other directors:

(Rs. in lacs)

Sr. No.	Particulars of Remuneration	Name of Independent Director			Total Amount (in Rs.)
		Dr. Kavitha Gudapati	Mr. K.A. Somayajulu	Mr. B.L. Gupta	
1.					
2.	Independent Directors <ul style="list-style-type: none">• Fee for attending board committee meetings• Commission• Others, please specify	0.80	1.61	0.75	3.16
	Total (1)	0.80	1.61	0.75	3.16
3.	Other Non-Executive Directors <ul style="list-style-type: none">• Fee for attending board committee meetings• Commission• Others, please specify	-	-	-	-
4.	Total (2)	-	-	-	-
5.	Total (B)=(1+2)	-	-	-	-
6.	Total Managerial Remuneration [(A) + (B)]	-	-	-	-
7.	Overall Ceiling as per the Act	NA	NA	NA	NA

B. Remuneration to key managerial personnel other than MD/Manager/WTD:

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (in Rs.)
		Mr. Amit Kumar CFO (From 01/04/2016 to 31/03/2017	Mr. Satinder Singh CS (From 06/09/2016 to 31/03/2017	Mr. Devender Kumar CS 01/04/2016 to 06/09/2016	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32.4	4.78	4.11	41.29
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - other, specify	-	-	-	-
5.	Other, please specify	-	-	-	-
	Total	32.4	4.78	4.11	41.29

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment/ Compounding fees imposed	Authority (RD/NCLT /Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

(A) Conservation of energy-

(i) The steps taken or impact on conservation of energy -

The Company has implemented various power conservation measures at project site. These measures include installation of Automatic power factor controller, Timers and Servo Stabilizers

Additional charges were levied by the electricity board when the power factor falls below 0.90. The Automatic power factor controller helps to maintain the power factor at 0.95 and above. Further, there were power fluctuations at many of the connections and were causing damages to the lighting fixtures and equipment. The servo stabilizers were installed to stabilize the power and save the loss due to damage of fixtures and equipment. Due to the automatic timers, the glowing duration of the highway lights were optimized and hence the power saving was achieved to a tune of Rs.1.10 Crore.

(ii) The steps taken by the Company for utilising alternate sources of energy -

For Utilizing alternate sources of energy - solar lights have been installed at various locations on the Expressway. Solar LED lights were installed at selected locations in the project such as toll plazas, truck lay byes and at junctions. LED lights were installed in the Toll plaza lanes and buildings. The solar lights fixed with timers are functioning effectively and considerably, adding to the power conservation and savings to the extent of Rs.0.05 Crore.

(iii) The Capital Investment on energy conservation Equipments - NIL

(B) Technology absorption-

Company has not adopted any new method for technology absorption during the year.

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows - NIL

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FORM NO. AOC -2**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.

Name(s) of the related party & nature of relationship	GMR Highways Limited
Nature of contracts/arrangements/transactions	Operation & Maintenance-Periodic Maintenance
Duration of the contracts / arrangements/ transactions	One year from the commencement date of 2 nd MMR Year ie March 2018
Salient terms of the contracts or arrangements or transaction including the value, if any	Base cost of Rs 102.84 crore with due escalations @ 5 % p.a
Justification for entering into such contracts or arrangements or transactions'	<p>The Company has obtained comparative estimates from various parties including GMR Highways Ltd. The price quoted by other parties is higher than our internal estimate. Since the work is to be carried out after a period of 5 years other contractors are not willing to give a firm quote today and accordingly the Company propose to enter into an agreement with GMR Highways Ltd. with a provision for due escalation for the prices of the material over the period.The price escalation has been worked out on the following basis:</p> <p>a. Cost of major material such as bitumen, emulsion has been assumed on the basis of actual escalation occurred over the period over the base prices</p> <p>b. Balance cost at a uniform escalation of 5% p.a.</p> <p>Since the escalation cannot be estimated at this stage accurately, the escalation has been estimated at 5% and the projected cost is rounded off to Rs. 125 Crore (approximately) in FY 2020 for considering the accounting provision in the interim period which will be revisited annually. The payment to GMR Highways will be strictly made on actual quantities and corresponding price escalation basis.</p>
Date of approval by the Board	31.07.2015
Amount paid as advances, if any	11,80,33,033/-
Date on which the Ordinary resolution was passed in general meeting as required under first proviso to section 188	16.09.2015

2. Details of material contracts or arrangement or transactions at arm's length basis.

Name(s) of the related party & nature of relationship	GMR Highways Limited	Raxa Services Limited	Security Private	GMR Infrastructure Limited
Nature of contracts/arrangements/transactions	Operation & Maintenance- Routine Maintenance & repairs	Security Charges	Service	Common Manpower Sharing Expense
Duration of the contracts / arrangements/transaction	Upto end of the concession period	Effective from 01.07.2016	upto 30.06.2017	Continuing
Salient terms of the contracts or arrangements or transactions including the value, if any	As per agreement dated 01.02.2010	As per the agreement dated 24.07.2014 and as amended on 31.07.2016		GIL requested to Deloitte to review the current business scenario and to suggest changes. Deloitte had submitted the revised report to be effective from 2015-16. This has been approved by GIL. The board approved the allocation of corporate common costs to the company by GIL. As the amount of the proposed transaction of Rs. 68 lakhs shall be within the prescribed limit, the shareholder approval is not required
Date(s) of approval by the Board, if any	11.05.2009	23.07.2014		ACM/Board 31.07.2015
Amount paid as advances, if any	NIL	NIL		NIL



Mohan Rao M

Director
DIN: 02506274



Arun Kumar Sharma

Director
DIN: 02281905

Corporate Social Responsibility (CSR) Policy

GMR Pochanpalli Expressways Limited (the Company) forming part of GMR Group has adopted the CSR Policy of GMR Group. GMR Group (the Group) recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations.

The Company is driven by Group's vision to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Group including the Company, through GMR Varalakshmi Foundation (GMRVF), partners with the communities around the businesses to drive various initiatives in the areas of education, health, hygiene, sanitation, empowerment, livelihood and community development.

Projects / Activities / Programmes proposed to be undertaken under CSR Policy

As recommended by the CSR Committee of the Board and as per the approval of the Board of directors at their meeting held on 23rd July, 2014, the Company contributes or carries out its CSR activities or contribute funds to GMRVF towards activities / programmes broadly within the ambit given below, *in India. (Preference will be given to Areas in and around Operation and Maintenance where the project is located):*

i) Education:

- Support for promotion of education of all kinds (school education, technical, higher, vocational and adult education), to all ages and in various forms, with a focus on vulnerable and under-privileged;
- Education for girl child and the underprivileged by providing appropriate infrastructure and groom them as future citizens and contributing members of society;

ii) Health, Hygiene and Sanitation:

- Ambulance services, mobile medical units, health awareness programmes and camps, medical check-ups, HIV/AIDS awareness initiatives, health care facilities and services, sanitation facilities;
- Eradicating hunger, poverty and malnutrition, promotion of preventive health care and sanitation, and making available safe drinking water;
- Reducing child mortality and improving maternal health;

iii) Empowerment & Livelihoods:

- Employment enhancing vocational skills training, marketing support and other initiatives for youth, women, elderly, rural population and the differently abled, and livelihood enhancement projects;
- promoting gender equality, empowering women, working for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Assist in skill development by providing direction and technical expertise for empowerment;

iv) Community Development:

- Encouraging youth and children to form clubs and participate in community development activities such as like cleanliness drives, plantation drives etc;

v) **Environmental sustainability:**

- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

vi) **Heritage and Culture:**

- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

vii) measures for the benefit of armed forces veterans, war widows and their dependents;

viii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

ix) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief, and funds for the welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;

x) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

xi) rural development projects;

xii) such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by CSR Committee from time to time, which are not expressly prohibited.

Expenditure that shall not be treated as CSR activity by the Company

- Activities undertaken in pursuance of the normal course of business;
- activities undertaken outside India;
- activities that benefit exclusively the employees of the company or their family members;
- One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc
- Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.)

Further, the surplus arising out of the CSR activity shall not form part of business profits of the Company.

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Nomination and Remuneration Policy

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INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute a Nomination and Remuneration Committee. As the Company is subsidiary of GMR Infrastructure Limited, a listed company, by virtue of Section 2(87) of the Companies Act, 2013, Company has constituted a Nomination and Remuneration Committee as required by the Listing Agreement entered into by GMR Infrastructure Limited with the Stock Exchanges and as required under the Companies Act, 2013.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

1.1. Purpose of the Policy

The Key Objectives of the Committee are:

- (a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- (c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The Policy ensures that:

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
- (c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

1.2. Definitions

1.2.1. **"Board"** means the Board of Directors of the Company.

1.2.2. **"Company"** means "GMR Pochanpalli Expressways Limited."

1.2.3. **"Employees' Stock Option"** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

1.2.4. **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013.

1.2.5. **"Key Managerial Personnel"** or **"KMP"** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder.

(As per Section 203 of the Companies Act, 2013, the following are whole-time Key Managerial Personnel:

- (i) Managing Director or Chief Executive Officer or the Manager and in their absence a whole-time Director;*
- (ii) Company Secretary; and*
- (iii) Chief Financial Officer.)*

1.2.6. **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

1.2.7. **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”

1.2.8. **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

1.2.9. **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

1.3. Interpretation

Words and expressions used in this Policy shall have the same meanings respectively assigned to them in the following acts, listing agreement, regulations, rules.

- (i) The Companies Act, 2013 or the rules framed thereon;
- (ii) Listing Agreement with Stock Exchanges;
- (iii) Securities Contracts (Regulation) Act, 1956;
- (iv) Securities and Exchange Board of India Act, 1992;
- (v) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
- (vi) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

2. NOMINATION AND REMUNERATION COMMITTEE

2.1. Role of the Committee

- (a) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

- (b) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (c) Formulating the criteria for evaluation of Independent Directors and the Board;
- (d) Devising a policy on Board diversity
- (e) Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;
- (f) All information about the Directors/ Managing Directors / Whole time Directors / Key Managerial Personnel i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders, where required;
- (g) The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole-time Directors;
- (h) While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- (i) The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders;

2.2. Composition of the Committee

- (a) The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- (b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- (c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- (d) Membership of the Committee shall be disclosed in the Annual Report.
- (e) Term of the Committee shall be continued unless terminated by the Board of Directors.

2.3. Chairman of the Committee

- (a) Chairman of the Committee shall be an Independent Director.
- (b) Chairman of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- (c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

- (d) Chairman of the Nomination and Remuneration Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

2.4. Frequency of the Meetings of the Committee

The meeting of the Committee shall be held at such regular intervals as may be required.

2.5. Committee Member's Interest

- (a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

2.6. Voting at the Meeting

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

2.7. Minutes of the Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

3. APPLICABILITY

This Policy is Applicable to:

- (a) Directors (Executive, Non-Executive and Independent)
- (b) Key Managerial Personnel
- (c) Senior Management Personnel
- (d) Other employees as may be decided by the Nomination and Remuneration Committee

4. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

4.1. Appointment criteria and qualifications

- (a) Subject to the applicable provisions of the Companies Act, 2013, the Listing Agreement, other applicable laws, if any and GMR Group HR Policy, the Committee shall identify and

ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- (b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.
- (c) The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

4.2. Term / Tenure

4.2.1. Managing Director / Whole-time Director / Manager (Managerial Personnel)

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

4.2.2. Independent Director

- (a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- (b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- (c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- (d) The maximum number of public companies in which a person can be appointed as a director shall not exceed ten.
For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.

4.3. Familiarization Programme for Independent Directors

The company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

4.4. Evaluation

Subject to Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Committee shall carry out the evaluation of Directors periodically.

4.5. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP, subject to the provisions and compliance of the applicable laws, rules and regulations.

4.6. Retirement

The Director, KMP and Personnel of Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Personnel of Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT PERSONNEL

4.7. General

- (a) The remuneration / compensation / commission etc. to Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.
- (b) The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- (c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel.
- (d) Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

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4.8. Remuneration to Managerial Personnel, KMP, Senior Management and Other Employees

4.8.1. Fixed Pay

Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

4.8.2. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

4.8.3. Provisions for excess remuneration

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

4.8.4. The remuneration to Personnel of Senior Management shall be governed by the GMR Group HR Policy.

4.8.5. The remuneration to other employees shall be governed by the GMR Group HR Policy.

4.9. Remuneration to Non-Executive / Independent Director

4.9.1. Remuneration / Commission

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

4.9.2. Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The sitting fee paid to Independent Directors and Women Directors, shall not be less than the sitting fee payable to other directors.

4.9.3. Limit of Remuneration / Commission

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4.9.4. Stock Options

An Independent Director shall not be entitled to any stock option of the Company.

5. DISCLOSURES

The Company shall disclose the Policy on Nomination and Remuneration on group's website www.gmrgroup.in.

6. AMENDMENT

Any amendment or modification in the Listing Agreement and any other applicable regulation relating to Nomination and Remuneration Committee shall automatically be applicable to the Company.





Independent Auditor's Report

To the members of GMR Pochanpalli Expressways Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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



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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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



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

Place: New Delhi
Date: May 02, 2017

For Luthra & Luthra
Chartered Accountants

Reg. No. 002081N


Akhilesh Gupta
Partner

M.No. 089909



Annexure - A to the Independent Auditors' Report

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

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



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

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



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

Place: New Delhi
Date: May 02, 2017

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

Akhilesh Gupta
Partner
M.No: 089909



Annexure - B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Place: New Delhi
Date: May 02, 2017

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



Akhilesh Gupta
Partner
M.No: 089909

GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Balance Sheet as at March 31, 2017

Amount in INR Lakhs

	Note	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
ASSETS				
Non Current Assets				
(a) Property, plant and equipment	3	48.37	55.17	68.55
(b) Other Intangible assets	4	0.00	0.00	0.00
(c) Financial Assets				
(i) Investments	5 (i)	0.00	0.00	0.00
(ii) Other Financial Assets	8 (i)	38,588.73	41,473.91	44,104.41
(d) Other Non Current Assets	10 (i)	1,180.33	1,180.33	-
Total Non-Current Assets		39,817.43	42,709.41	44,172.96
Current Assets				
(a) Inventories	11	6.89	9.86	6.82
(b) Financial Assets				
(i) Investments	5 (ii)	6,631.93	5,654.02	730.13
(ii) Cash & Cash Equivalents	6	430.29	1,940.31	8,373.87
(iii) Other Bank Balance	6	2,800.01	7,546.01	5,196.01
(iv) Loans	7	16,280.00	8,660.00	7,800.00
(v) Other Financial Assets	8 (ii)	6,006.85	5,126.18	4,483.67
(c) Current Tax assets	9	84.90	85.51	100.32
(d) Other Current Assets	10 (ii)	906.39	120.19	112.48
Total Current Assets		33,147.26	29,142.09	26,803.29
TOTAL ASSETS		72,964.69	71,851.50	70,976.25
EQUITY AND LIABILITIES				
Equity				
(a) Share Capital	12	13,800.00	13,800.00	13,800.00
(b) Other Equity	13	6,918.03	5,166.47	2,746.44
Total Equity		20,718.03	18,966.47	16,546.44
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	42,496.08	45,667.37	48,664.04
(b) Provisions	18 (i)	3,715.33	1,692.05	12.92
Total Non-Current Liabilities		46,211.41	47,359.42	48,676.96
Current Liabilities				
(a) Financial Liabilities				
(i) Trade payables	15	104.40	50.85	122.73
(ii) Other Financial Liabilities	16	5,411.86	5,385.93	5,553.42
(c) Other current liabilities	17	14.91	16.53	24.44
(b) Provisions	18 (ii)	504.08	72.30	52.25
Total Current Liabilities		6,035.25	5,525.61	5,752.85
TOTAL EQUITY AND LIABILITIES		72,964.69	71,851.50	70,976.25
Notes forming part of the financial statements	1-43			

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

Akhilesh Gupta
Partner
(M.No.89909)



For and on behalf of
GMR Pochanpalli Expressways Limited

Mohan Rao M
Director
DIN 02506274

Amit Kumar
Chief Financial Officer

Arun Kumar Sharma
Director
DIN 02281905

Paramjeet Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017



GMR Pochanpalli Expressways Limited
CIN : U45200KA2005PLC049327

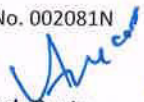
Statement of Profit & Loss for the Year ended March 31, 2017

Amount in INR Lakhs

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

The accompanying notes are an integral part of the financial statements

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



Akhilesh Gupta
Partner
(M.No.89909)



For and on behalf of
GMR Pochanpalli Expressways Limited


Mohan Rao M
Director
DIN 02506274


Arun Kumar Sharma
Director
DIN.02281905


Amit Kumar
Chief Financial Officer


Paramjeet Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Cash Flow Statement for the Year ended March 31, 2017

Amount in INR Lakhs

	Year ended March 31, 2017	Year ended March 31, 2016
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the period	2,125.80	2,425.58
Adjustments For :		
Depreciation and Amortisation	8.43	13.37
Interest and Finance Charges	4,836.75	4,842.96
Overlay Expenses	1,841.74	1,668.54
Profit on Sale of Investment	(130.35)	(60.89)
Reameasurements of defined Benefit plans	1.06	(5.55)
Interest Income on Bank deposit and others	(1,730.83)	(1,675.14)
	6,952.59	7,208.88
Adjustments for Movement in Working Capital:		
Decrease / (Increase) in Financial Assets and other non Current Assets	(1.74)	(1,182.26)
Decrease / (Increase) in Inventories, Financial Assets and other Current Assets	(785.69)	(3.30)
Increase / (Decrease) in Trade Payables	53.55	(71.88)
Increase / (Decrease) in Provision	60.66	30.64
Increase / (Decrease) in Other Current Liabilities and Retention Money	(36.06)	65.85
Cash From/(Used In) Operating activities	6,243.30	6,047.93
Tax (Paid)/Refund	(0.27)	14.81
Net Cash From/(Used In) Operating activities	6,243.04	6,062.74
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase / Addition to Fixed Assets	(1.63)	-
Interest Income on Bank deposit and others	788.27	1,008.06
Profit on Sale of Investment	130.35	60.89
Decrease/(Increase) in Loan to Related Parties	(7,620.00)	(954.81)
Decrease/(Increase) in Other Bank Balance	4,746.00	(2,350.00)
Decrease/(Increase) in Receivable under SCA	2,745.89	2,631.69
Decrease/(Increase) in Investment	(977.91)	(4,923.89)
Cash From/(Used In) Investing Activities	(189.02)	(4,528.06)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Loan portion of Preference Shares	-	-
Interest paid on Debenture	(4,368.83)	(4,681.99)
Other Finance Charges Paid	(20.20)	(13.24)
Repayment of Debenture	(3,175.00)	(3,273.00)
Cash From/(Used In) Financing Activities	(7,564.04)	(7,968.23)
Net Increase /Decrease in Cash and Cash Equivalents	(1,510.02)	(6,433.55)
Cash and Cash Equivalents as at beginning of the period	1,940.31	8,373.87
Cash and Cash Equivalents as at end of the period	430.29	1,940.31
Components of Cash and Cash Equivalents as at:	March 31, 2017	March 31, 2016
Cash in hand	0.06	0.09
Balances with the scheduled banks:		
- In Current accounts	355.24	70.22
Balances in Deposit die within 3 months	75.00	1,870.00
	430.29	1,940.31

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

Akhilesh Gupta
Partner
(M.No.89909)



For and on behalf of
GMR Pochanpalli Expressways Limited

Mohan Rao M
Director
DIN 02506274

Amit Kumar
Chief Financial Officer

Arun Kumar Sharma
Director
DIN.02281905

Paramjeet Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017



GMR Pochanpalli Expressways Limited
CIN : U45200KA2005PLC049327

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

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

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

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

For and on behalf of
GMR Pochanpalli Expressways Limited

Akhilesh Gupta
Partner
(M.No.89909)



Mohan Rao M
Director
DIN 02506274

Arun Kumar Sharma
Director
DIN.02281905

Amit Kumar
Chief Financial Officer

Paramjeet Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017



GMR Pochanpalli Expressways Limited

Reconciliations

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

- Equity as at April 1, 2015, March 31, 2016.
- Net profit for the year ended March 31, 2016

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

Amount in INR

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non Current Assets							
(a) Property, plant and equipment		72	-	72	58	-	58
(b) Other Intangible assets	A	46,572	(46,572)	0	42,512	(42,512)	0
(c) Financial Assets							
(i) Investments	B	20	-	20	20	-	20
(ii) Other Financial Assets	A	4,205,058	4,406,236,110	4,410,441,169	4,240,161	4,143,150,658	4,147,390,819
(d) Other Non Current Assets		-	-	-	118,033,033	-	118,033,033
Total Non-Current Assets		4,251,722	4,406,189,539	4,410,441,260	122,315,784	4,143,108,146	4,265,423,930
Current Assets							
(a) Inventories		682,454	-	682,454	986,255	-	986,255
(b) Financial Assets							
(i) Investments	B	72,960,000	52,590	73,012,590	564,131,569	1,270,485	565,402,054
(ii) Cash & Cash Equivalents		837,386,624	-	837,386,624	194,031,212	-	194,031,212
(iii) Other Bank Balance		519,601,192	-	519,601,192	754,601,192	-	754,601,192
(iv) Loans	C	780,000,000	-	780,000,000	866,000,000	-	866,000,000
(v) Other Financial Assets	A	180,160,372	268,206,302	448,366,674	253,818,106	258,799,935	512,618,041
(c) Current Tax assets		10,031,654	-	10,031,654	8,550,524	-	8,550,524
(d) Other Current Assets		11,247,848	-	11,247,848	12,019,409	-	12,019,409
Total Current Assets		2,412,070,144	268,258,892	2,680,329,035	2,654,138,267	260,070,421	2,914,208,687
TOTAL ASSETS		2,416,321,866	4,674,448,431	7,090,770,295	2,776,454,051	4,403,178,567	7,179,632,617
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		1,380,000,000	-	1,380,000,000	1,380,000,000	-	1,380,000,000
(b) Other Equity	E	(510)	3,256	2,746	(91)	5,257	5,165
Total Equity		1,379,999,490	3,256	1,380,002,746	1,379,999,909	5,257	1,380,005,165
Liabilities							
Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	D	4,750,404,450	115,999,169	4,866,403,619	4,432,904,450	133,832,190	4,566,736,640
(b) Provisions		1,291,952	-	1,291,952	252,219,134	(83,014,054)	169,205,081
Total Non-Current Liabilities		4,751,696,402	115,999,169	4,867,695,571	4,685,123,584	50,818,136	4,735,941,721
Current Liabilities							
(a) Financial Liabilities							
(i) Trade payables		12,273,408	-	12,273,408	5,085,087	-	5,085,087
(ii) Other Financial Liabilities	D	552,466,493	2,875,846	555,342,339	535,912,324	2,680,506	538,592,830
(b) Provisions		5,225,224	-	5,225,224	7,230,296	-	7,230,296
(c) Other current liabilities		2,444,187	-	2,444,187	1,652,955	-	1,652,955
Total Current Liabilities		572,409,312	2,875,846	575,285,159	549,880,662	2,680,506	552,561,168
TOTAL EQUITY AND LIABILITIES		6,704,105,204	118,878,271	6,822,983,476	6,615,004,155	53,503,899	6,668,508,054

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

A. Property, plant and equipment and Other Financial Assets

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

B. Investment

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

C. Loans

- Modification loss recognised due to change in terms of Loans given

D. Borrowings

- In IND AS, Preference Share are classified as financial liability and measured at amortised cost considering increment rate of borrowing. Difference recorded in Other Equity.
- In IND AS, Upfront cost paid on loan is amortised over the period of loan.

E. Other equity

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



GMR Pochanpalli Expressways Limited

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

Amount in INR

	Note	Year ended March 31 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS
Revenue from Operation	A	10,836	820,420,241	820,431,077
Other Income	B	174,064,578	3,161,232	177,225,810
Total Income		174,075,414	823,581,473	997,656,888
Expenses				
Operating expenses	C	281,820,932	(83,014,054)	198,806,878
Employee benefits expense	D	32,292,482	(554,707)	31,737,775
Finance costs	E	455,392,184	28,903,913	484,296,097
Depreciation and amortization expense	F	4,073	(4,060)	13
Other expenses		38,921,254	-	38,921,254
Total Expenses		808,430,925	(54,668,908)	753,762,017
Profit for the year before taxation		(634,355,511)	878,250,381	243,894,870
Tax Expense:				
(1) Current Tax		-	-	-
(2) Deferred Tax		-	-	-
		-	-	-
Profit for the year after tax		(634,355,511)	878,250,381	243,894,870
Other Comprehensive Income				
Actuarial (gain)/loss in respect of defined benefit plan		-	(6)	(6)
		-	(6)	(6)
Total comprehensive Income for the period		(634,355,511)	878,250,376	243,894,865

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

A. Revenue from operation

- As per Financial Asset Model, Annuity receipt is considered as received against financial asset and hence not recorded as Income
- Income from O&M Activities recorded at fair value of services i.e. O&M Expenses plus margin @ 10%
- Interest on financial asset receivable from NHAI at effective Interest rate is recognised as Interest Income

B. Other Income

- Under IGAAP, quoted investments measured at cost while in IND AS, the same have been classified as available-for-sale financial assets and re-measured at fair value.
- Interest Income on Financial Assets at amortised Cost using incremental rate of borrowing

C. Operating Expenses

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

D. Employee benefits expense

- Actuarial Gain/Loss is reclassified to Other Comprehensive Income

E. Finance Cost

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

F. Depreciation and amortization expense

- As carriageway has been derecognised, no amortisation under IND AS



Reconciliation between Previous GAAP and Ind AS

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

(ii) Profit Reconciliation	Note	Year Ended
		March 31, 2016
Net Income/(Loss) under Previous GAAP		419
Interest on Liability portion of Preference Shares	2	(148)
Reversal of Annuity Income	3	(10,836)
Operation & Maintenance Income	4	2,964
Interest Income on Financial Assets	5	5,240
Reversal of Amortisation on Carriageway	6	4,060
Amortisation of Upfront fee paid on Debentures	7	(29)
Reversal of Major Maintenance Provision (Excess provision)	8	1,334
Interest on Provision for Major Maintenance	8	
Unrealised Gain on Investment	9	12
Loss on Modification in terms of Loan to Related Parties	10	(113)
Interest Income on Loan to Related Parties	10	18
Net Income under Ind AS		2,922

- 1) Under IGAAP, Preference share capital was classified as shareholder's fund while under Ind AS, financial liability portion has been segregated and reclassified from Shareholder's fund.
- 2) Under Ind AS, on segregation of preference share capital into financial liability portion, Interest on liability portion of Preference Shares is recorded through the statement of Profit & Loss Account
- 3) Under IGAAP, Annuity receivable from NHAI is recorded as Income from operation while under Ind AS, Annuity receivable is considered as receipt against financial Assets.
- 4) Under Ind AS, O&M Income is recognised as an addition to Financial Assets.
- 5) Under Ind AS, Interest on Financial Assets is recognised as Income at effective rate of Interest.
- 6) Under Ind AS, carriageway has been recognised as Financial Assets and accordingly Amortisation charged under IGAAP is now being reversed.
- 7) Under Ind AS, Upfront cost paid on Debenture is amortised over the tenure of Debenture.
- 8) In Ind AS, provision for Major Maintenance is recognised based on discounted value of estimated expenses to its present value at a pre-tax rate while in IGAAP, such discounting was not allowed. Difference in Provision as per IGAAP and as per IND AS is recognised/(derecognised) in statement of Profit & Loss A/c.
- 9) Under IGAAP, quoted investments measured at cost while in IND AS, the same have been classified as available-for-sale financial assets and re-measured at fair value.
- 10) Under Ind AS, due to Change in terms of Loan to related parties, Modification loss is recognised and accordingly Interest is charged on the renewed period of loan.



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Amount in INR Lakhs

Statement of Audited Financial Results for the Year Ended 31/03/2017			
	Particulars (Refer Notes Below)	Year ended	
		31-Mar-17 Audited	31-Mar-16 Audited
1	Income from operations		
	(a) Sales/income from operations	8,090.11	8,204.31
	(b) Other operating income		
	Total income from operations	8,090.11	8,204.31
2	Expenses		
	(a) Sub-contracting expenses	2,179.74	1,988.07
	(b) Employee benefits expense	445.09	317.38
	(c) Depreciation and amortisation expense	8.43	13.37
	(d) Other expenses	389.57	389.21
	Total expenses	3,022.83	2,708.03
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	5,067.28	5,496.28
4	Other income	1,895.27	1,772.26
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)	6,962.55	7,268.54
6	Finance costs	4,836.75	4,842.96
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)	2,125.80	2,425.58
8	Exceptional items		
9	Profit / (Loss) from ordinary activities before tax (7 ± 8)	2,125.80	2,425.58
10	Tax expense / (credit)	375.30	
11	Net Profit / (Loss) from ordinary activities after tax (9 ± 10)	1,750.50	2,425.58
12	Other Comprehensive Income/ (expenses) (net of tax)	1.06	(5.55)
13	Total Comprehensive income for the period (11 ± 12)	1,751.56	2,420.03

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

Akhilesh Gupta
Partner
(M.No. 89909)



For and on behalf of
GMR Pochanpalli Expressways Limited

Mohan Rao M
Director
DIN 02506274

Arun Kumar Sharma
Director
DIN.02281905

Amit Kumar
Chief Financial Officer

Paramjeet Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017



3. Property, Plant and Equipment

Amount in INR Lakhs

Sr.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As At 1-4-2016	Additions	Deductions	As At 31-03-2017	As At 1-4-2016	For the period	Deductions	As At 31-03-2017	As At 31-03-2017	As At 31-03-2016
1	Plant & Machinery	77.57	-	-	77.57	27.97	5.62	-	33.59	43.98	49.60
2	Electrical Fittings	6.97	-	-	6.97	6.35	0.62	-	6.97	0.00	0.62
3	Computers	4.44	-	-	4.44	4.44	-	-	4.44	0.00	0.00
4	Office Equipments	13.13	1.47	-	14.60	12.64	0.61	-	13.25	1.35	0.49
5	Vehicles	32.70	-	-	32.70	28.63	1.22	-	29.85	2.85	4.07
6	Furniture & Fixtures	3.91	0.16	-	4.07	3.65	0.35	-	3.99	0.07	0.26
7	Lab Equipment	0.14	-	-	0.14	0.02	0.01	-	0.03	0.11	0.12
	Total	138.86	1.63		140.49	83.69	8.43		92.12	48.37	55.17

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



4. Other Intangible Assets

Amount in INR Lakhs

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

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



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

5. Investments

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

Aggregate book value of unquoted investments	6,625.20	5,641.32	729.60
Aggregate market value of unquoted investments	6,631.93	5,654.02	730.13

6. Cash and cash equivalents

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

7. Loans (Unsecured, Considered Good)-Current

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

8. Other Financial Assets

Particulars	Amount in INR Lakhs		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
(i) Non Current			
Security Deposit	40.47	38.73	36.80
Receivable under SCA	38,548.26	41,435.18	44,067.62
	38,588.73	41,473.91	44,104.41
(ii) Current			
Security Deposit	2.52	2.52	2.52
Interest accrued on fixed deposit	46.13	214.11	248.78
Claim recoverable	2.47	-	7.45
Receivable under SCA	2,823.84	2,682.81	2,682.06
Interest accrued on loan to group com.	3,131.90	2,226.74	1,542.85
	6,006.85	5,126.18	4,483.67



Breakup of financial assets

Particulars	Amount in INR Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
At amortised cost			
Cash & Cash Equivalent (including other bank balance)	3,230.31	9,486.32	13,569.88
Interest accrued on fixed deposit	46.13	214.11	248.78
Loan to Group Companies including Interest	19,411.90	10,886.74	9,342.85
Receivable under SCA	41,372.10	44,117.99	46,749.68
Investment	0.00	0.00	0.00
Other Financial Assets	45.46	41.25	46.77
At Fair Value through P&L			
Investment	6,631.93	5,654.02	730.13
	70,737.81	70,400.43	70,688.08

9. Current Tax Assets

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

10. Other Current Assets

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

11. Inventories

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



12. Share capital

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

NOTES :

(i) Terms to Equity Shares

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

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

(ii) Terms to Preference Shares

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

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

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

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

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

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

Equity	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	No of Share	%	No of Share	%	No of Share	%
GMR Highways Limited, the Immediate holding Company	13,593.00	98.50%	13,593.00	98.50%	13,593.00	98.50%

Preference Share	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	No of Share	%	No of Share	%	No of Share	%
GMR Highways Limited, the Immediate holding Company	44.50	100.00%	44.50	100.00%	44.50	100.00%

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

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	Rupees in Lakhs	Number	Rupees in Lakhs	Number	Rupees in Lakhs
GMR Highways Limited, the Immediate holding Company	1,359.30	13,593.00	1,359.30	13,593.00	1,359.30	13,593.00
GMR Infrastructure Limited, the ultimate holding Company	13.80	138.00	13.80	138.00	13.80	138.00
GMR Energy Limited, a subsidiary of GIL and an associate company	6.90	69.00	6.90	69.00	6.90	69.00

Preference Share

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	Rupees in Lakhs	Number	Rupees in Lakhs	Number	Rupees in Lakhs
GMR Infrastructure Limited, the ultimate holding Company	44.50	445.00	44.50	445.00	44.50	445.00

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

13. Other Equity

	As At March 31, 2017		As At March 31, 2016	
	Number	Rupees in Lakhs	Number	Rupees in Lakhs
(i) Equity component of Preference shares				
Opening Balance	3,620.95	3,620.95	3,620.95	3,620.95
Add : Adjustment for the year	-	-	-	-
(ii) Debenture redemption reserve				
Opening Balance	5,414.82	5,414.82	5,414.82	5,414.82
Add : Adjustment for the year	-	-	-	-
(iii) Profit & Loss Account (Credit Balance)				
Opening Balance	(3,863.75)	(3,863.75)	(6,289.33)	(6,289.33)
Add : Profit/ (Loss) for the year	1,750.50	1,750.50	2,425.58	2,425.58
		(2,113.25)		(3,863.75)
(iv) Other Comprehensive Income				
Opening Balance	(5.55)	(5.55)	(5.55)	(5.55)
Add : Addition during the year	1.06	1.06	(4.49)	(4.49)
		6,918.03		5,166.47



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

Amount in INR Lakhs

	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
14. Borrowings			
(i) Secured			
4,590 (March 31, 2016: 4,751) 9.38% secured debentures of face value ` 1,000,000 each fully paid			
Unsecured	40,807.60	44,141.85	47,286.14
Liabilities Portion of Preference Shares	1,688.48	1,525.52	1,377.90
	42,496.08	45,667.37	48,664.04

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

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

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

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

15. Trade Payables	104.40	50.85	122.73
Terms and conditions of the above financial liabilities:	104.40	50.85	122.73

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

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

Breakup of financial liabilities category wise

	March 31, 2017	March 31, 2016	April 1, 2015
At amortised cost			
Debentures including Interest o/s	46,120.70	49,394.58	52,780.13
Liability component of Preference Shares	1,688.48	1,525.52	1,377.90
Trade Payables	104.40	50.85	122.73
Non Trade Payables	83.03	77.10	3.25
Retention Money	15.72	56.10	56.19
	48,012.33	51,104.15	54,340.19

17. Other current liabilities			
Advances from others			10.69
Statutory dues	14.91	16.53	13.76
	14.91	16.53	24.44

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

Provision for Major Maintenance

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

	March 31, 2017		March 31, 2016	
	Rs.	Rs.	Rs.	Rs.
Opening Balance				
Accretion during the year	1,668.54		1,668.54	
Utilised during the year	2,019.98			
Closing Balance	3,688.52		1,668.54	



GMR Pochanpalli Expressways Limited

Notes forming part of Financial Statements for the Year ended March 31, 2017

Amount In INR Lakhs

	Year ended March 31,2017	Year ended March 31,2016
19. Revenue from operations		
(a) Operation & Maintenance Income	3,315.84	2,964.12
(b) Interest Income of Financial Assets	4,774.27	5,240.19
	8,090.11	8,204.31
20. Other income		
(a) Interest Income on Bank Deposit	611.53	864.81
(b) Interest Income on Others	1,117.57	801.77
(c) Interest on Income Tax Refund	1.73	8.56
(d) Net gain on sale of Investments	130.35	60.89
(e) Excess provision written back	6.50	24.19
(f) Other non-operating income	27.59	12.05
	1,895.27	1,772.26



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

	Amount in INR Lakhs	
	Year ended March 31, 2017	Year ended March 31, 2016
21. Operating expenses		
Highway Maintenance Expenses	269.40	223.71
Major Maintenance expenses	1,841.74	1,707.71
Toll/Highway Management Services	68.60	56.65
	2,179.74	1,988.07
22. Employee benefit expense		
Salaries, Perquisites & Allowance	399.31	287.33
Contribution to provident and other funds	31.18	23.99
Gratuity expense	6.44	1.27
Staff welfare expenses	8.15	4.80
	445.09	317.38
23. Finance costs		
Interest on Debentures	4,243.15	4,540.68
Interest on Financial Liabilities	546.60	260.28
(c) Other Finance Charges	47.01	42.00
	4,836.75	4,842.96
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		
(a) Interest on Debentures	4,243.15	4,540.68
(b) Interest on Loan portion of Preference Shares	162.96	147.62
(c)-Interest on Overlay Provision	178.24	-
(d) Interest loss on Modification of Loan to related parties	205.39	112.66
	4,789.74	4,800.96
24. Depreciation and amortization expense		
Depreciation of tangible assets (note 3)	8.43	13.37
	8.43	13.37
25. Other expenses		
Consumption of Stores & Spares	17.47	13.88
Utility Expenses (including Electricity charges)	58.32	68.91
Rent	4.57	4.56
Rates and taxes	4.74	5.50
Insurance	40.26	36.74
Repairs and maintenance (including vehicle maintenance)	28.28	58.74
Travelling and conveyance	56.62	41.01
Communication costs	3.14	3.57
Printing and stationery	0.60	0.59
Legal and professional fees	106.84	129.50
Manpower Outsourcing	10.87	9.09
Directors' sitting fees	3.16	5.96
Payment to auditor	6.28	6.43
Advertisement	0.44	0.34
Office Maintenance	0.28	0.16
Meeting & Seminar	0.77	0.72
Books & Periodicals	0.03	0.06
Business Promotions	-	1.14
Donations	38.60	0.05
Membership & Subscriptions	-	0.13
Other Establishmmt Costs	8.29	2.14
	389.57	389.21

Payment to auditor

Particulars	March 31, 2017 in INR Lakhs	March 31, 2016 in INR Lakhs
As auditor:		
Audit fee	3.45	3.39
Tax audit fee	0.86	0.86
Other services (certification fees)	1.75	2.17
Reimbursement of expenses	0.22	-
Total	6.28	6.43



26. Income Tax

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



27 Earning/ (Loss) Per Share

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

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

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

28 First Time Adoption of Ind AS

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

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

Exemptions applied:-

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

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

Service concession (Ind AS 101.D22)

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

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

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

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

The cash flows from a Financial Asset commences from the Provisional / Final Commercial Operation Date as certified by the granting authority for the SCA.

The cash flow from a Financial Asset is accounted using the effective interest rate method. The intrinsic interest element in each Annuity receipt is accounted as finance income and the balance amount is accounted towards recovery of dues from the "Receivable against Service Concession Arrangements"

29 Significant accounting judgements, estimates and assumptions

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

Judgements

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

i. Provision for overlay:

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

30 Capital Commitments

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

31 Contingent Liabilities

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



32 Leases

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

33 Litigation

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

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

35 Gratuity and other post-employment benefit plans:

(a) Defined Contribution Plans

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

(b) Defined Benefit Plans

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

36 List of Related parties and Transactions / Outstanding Balances:

a) Name of Related Parties and description of relationship:

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

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

Name of Ently	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Transaction with Enterprises that control the Company / exercise significant influence			
GIL	Interest on Liability portion of Preference Shares	162.96	147.62
	Share of Corporate Common expense	65.33	69.59
GHWL	Interest Income on Inter Corporate Deposit/Unsecured Loan	198.73	36.33
	Interest Income on Security Deposit	1.74	1.58
	Charges for Regular Maintenance of Highways	-	37.85
	Monthly Maintenance of Highways	252.69	229.23
	Charges for Periodic Maintenance of Highways (Provision)	2,019.98	1,669.86
	Mobilisation Advance Given	-	1,180.33
	Modification Loss on Loan given to related parties	10.47	-
	Unsecured Loan given/ (refunded)	4,920.00	860.00
Transaction with Fellow Subsidiaries			
GPPL	Interest Income on Inter Corporate Deposit/Unsecured Loan	121.83	100.00
	Modification Loss on Loan given to related parties	26.21	-
DSPL	Interest Income on Inter Corporate Deposit/Unsecured Loan	795.26	663.85
	Unsecured Loan Given / Refunded	2,700.00	-
	Modification Loss on Loan given to related parties	168.71	112.66
RSSL	Charges for Security & Toll management services	63.60	55.56
GVF	CSR Expenses	38.55	40.65

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

Transaction with Key Management Personnel

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



Name of Entity	Particulars	As At	As At
		March 31, 2017	March 31, 2016
Closing Balances with Enterprises that control the Company / exercise significant influence			
GIL	Equity Shares Outstanding	138.00	138.00
	Equity Part of Preference Shares	3,620.95	3,620.95
	Liability Portion of Preference Shares	1,688.48	1,525.52
	Mobilisation Advance Paid	775.00	-
	Trade and Other Payables	66.24	68.21
GHWL	Equity Shares Outstanding	13,593.00	13,593.00
	Trade and Other Payables	62.44	40.00
	Unsecured Loan Given	5,780.00	860.00
	Interest Receivable on Loan Given	836.11	650.32
	Provision for Major Maintenance	3,688.52	1,668.54
	Mobilisation Advance Paid	1,180.33	1,180.33
	Security/Other Deposit Recoverable	18.06	16.33
Closing Balances with Fellow Subsidiaries			
GEL	Equity Shares Outstanding	69.00	69.00
GHVEPL	Trade and Other Payables	0.06	-
DSPL	Unsecured Loan Given	9,500.00	6,800.00
	Interest Receivable on Loan Given	1,928.56	1,304.81
GACEPL	Trade and Other Payables	0.20	-
GPPL	Unsecured Loan Given	1,000.00	1,000.00
	Interest Receivable on Loan Given	367.23	271.61
GTAE	Trade and Other Payables	0.05	-
RSSL	Trade and Other Payables	9.98	4.64
	Security/Other Deposit Recoverable	16.67	16.67
GVF	Trade and Other Payables	4.25	-

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

Terms and conditions of transactions with related parties

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

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

37 Capital Management

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

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

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

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

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



38 Financial Instrument by Category

Particulars	As at March 31, 2017			As at March 31, 2016		
	At Amortised Cost	At FVTPL		At Amortised Cost	At FVTPL	
		Cost	Fair Value		Cost	Fair Value
Assets						
Investment in Mutual Funds	0.00	6,625.20	6,631.93	0.00	5,641.32	5,654.02
Loans to group companies	19,411.90			10,886.74		
Receivable under SCA	41,372.10			44,117.99		
Interest accrued on fixed deposit	46.13			214.11		
Other Financial Assets	45.46			41.25		
Cash and cash equivalents	3,230.31			9,486.32		
Total	64,105.89	6,625.20	6,631.93	64,746.41	5,641.32	5,654.02
Liabilities						
Borrowings (including interest)	46,120.70			49,394.58		
Trade Payable	104.40			50.85		
Other Financial Liability	1,787.24			1,658.72		
Total	48,012.33			51,104.15		

39 SPECIFIED BANK NOTES DISCLOSURE (SBN's)

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

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

40 Fair values

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

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

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

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

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

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

Fair Value Hierarchy

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

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

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

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

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

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

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



41 Financial Risk Management Objectives and Policies

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

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

Market risk

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

Interest rate risk

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

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

Credit risk

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

Liquidity risk

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

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

	On Demand	Within 1 year	1-2 years	2-3 years	3-5 years	More than 5 Years	Total
Year ended							
March 31, 2017							
Debentures	-	3,363.00	3,689.00	4,059.00	9,509.00	23,575.46	44,195.46
Interest Payable	-	1,925.24	-	-	-	-	1,925.24
Preference Shares at amortised cost	-	-	-	-	-	1,688.48	1,688.48
Trade payables	-	104.40	-	-	-	-	104.40
Other financial liabilities	-	98.75	-	-	-	-	98.75
	-	5,491.39	3,689.00	4,059.00	9,509.00	25,263.94	48,012.33
Year ended							
March 31, 2016							
Debentures	-	3,175.00	3,363.00	3,689.00	8,784.00	28,332.65	47,343.65
Interest Payable	-	2,050.92	-	-	-	-	2,050.92
Preference Shares at amortised cos	-	-	-	-	-	1,525.52	1,525.52
Trade payables	-	50.85	-	-	-	-	50.85
Other financial liabilities	-	133.20	-	-	-	-	133.20
	-	5,409.97	3,363.00	3,689.00	8,784.00	29,858.17	51,104.15



Excessive risk concentration

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

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

42 Segment Reporting

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

43 Salient aspects of Service Concession Arrangement

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

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

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

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

Annuity

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

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

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

Concession Fee

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

Operation and Maintenance

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

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



Notes forming part of Financial Statements for the Year ended March 31, 2017

Monitoring and Supervision during Operation

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

The accompanying notes are an integral part of the financial statements

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



Akhilesh Gupta
Partner
(M.No.89909)

GMR Pochanpalli Expressways Limited

Mohan Rao M
Director
DIN 02506274

Arun Kumar Sharma
Director
DIN 02281905

Amit Kumar
Chief Financial Officer

Paramjeet Singh
Company Secretary

Place: New Delhi
Date: May 2, 2017

