

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
Oval office, 18, iLabs Centre,
Hitech City, Madhapur,
Hyderabad 500 081, India

K. S. Rao & Co.

Chartered Accountants
10/2 Khivraj Mansion,
Kasturba Road,
Bengaluru 560 001, India

INDEPENDENT AUDITOR'S REPORT

To the Members of GMR Hyderabad International Airport Limited

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying Consolidated Ind AS financial statements of GMR Hyderabad International Airport Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Joint Venture, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the 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 in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Ind AS Financial Statements.

Basis for qualified opinion

4. As more fully explained in Note 56 to the accompanying Consolidated Ind AS Financial Statements, as at March 31, 2018, the Group has goodwill amounting to Rs. 36.27 crore arising on additional investment by the Holding Company in a subsidiary company GMR Aerospace Engineering Limited (GAEL). GAEL has a wholly owned subsidiary GMR Aero Technic Limited ('GATL'), whose accumulated losses have fully eroded its net worth as at March 31, 2018. Based on the reasons fully explained in the aforesaid note, the management is of the view that there is no provision for impairment in the carrying value of goodwill at this juncture. However, in view of the current financial position of the step down subsidiary company and in the absence of sufficient appropriate audit evidence to support the key assumptions made by the management in their business plan, we are unable to comment on the carrying value of the goodwill, including adjustments, if any, that may be required to be made to carrying amount of such goodwill. This matter was also qualified during the year ended March 31, 2017.

Qualified opinion

5. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of a joint venture, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, of their consolidated profit including other comprehensive income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

6. We draw attention to note 36 (II)(C)(xxi) to the Consolidated Ind AS Financial Statements regarding the costs related to residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which continue to be adjusted against PSF (SC) fund pending the final decision from the Honourable High Court at Hyderabad for the State of Telangana and for the State of Andhra Pradesh and consequential instructions from the Ministry of Civil Aviation. Our opinion is not qualified in respect of this matter.

Other Matters

7. K.S Rao & Co. in their individual capacity have audited five subsidiaries whose financial statements reflect total assets of Rs. 290.05 crore, net assets of Rs. 114.72 crore as at March 31, 2018, total revenues (including other income and finance income) and net cash outflows of Rs. 32.37 crore and Rs. 12.18 crore respectively, for the year ended on that date. Our opinion, in so far as it relates to the amounts related to such subsidiaries and proportionate share of joint venture as at and for the year ended March 31, 2018, included in these Consolidated Ind AS Financial Statements, is based solely on the reports issued by K.S. Rao & Co. in their individual capacity.
8. We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose Ind AS financial statements include total assets of Rs 861.55 crore and net assets of Rs 145.35 crore as at March 31, 2018, and total revenues (including other income and finance income) of Rs 454.55 crore, net cash outflows of Rs 1.53 crore for the year ended on that date. Further, the consolidated Ind AS financial statements also include the Group's share of net profit (including other comprehensive income) of Rs. 4.03 crore for the year ended March 31, 2018 as considered in the consolidated financial statements, in respect of a joint venture which is not audited by us. These financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and joint venture, is based solely on the report(s) of such other auditors.
9. The Consolidated Ind AS Financial Statements of the Group for the year ended March 31, 2017, included in these Consolidated Ind AS Financial Statements, have been audited by the S.R.Batliboi & Associates LLP and Brahmayya and Co. (the 'predecessor joint auditors') who expressed a qualified opinion on those statements on July 19, 2017.

Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by section 143(3) of the Act based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and joint venture, as noted in the 'other matter' paragraph, to the extent applicable, we report that:
- (a) We/ the other auditors whose reports we have relied upon, have sought and except for the matter described in the Basis for Qualified Opinion paragraph 4 above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Ind AS Financial Statements;
 - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
 - (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
 - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;
 - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
 - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and a joint venture incorporated in India, none of the directors of the Group's companies, its joint venture incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
 - (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements of the Holding Company and its subsidiary companies, and a joint venture incorporated in India, refer to our separate report in "Annexure 1" to this report;
 - (i) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and a joint venture, as noted in the 'Other matters' paragraph:
 - i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, and a joint venture – Refer Note 55 to the Consolidated Ind AS Financial Statements;

- ii. The Group has made provision in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40 to the Consolidated Ind AS Financial Statements in respect of such items as it relates to the Group and a joint venture ; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and a joint venture incorporated in India during the year ended March 31, 2018.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

-Sd-

per Shankar Srinivasan

Partner

Membership No.: 213271

Place: Hyderabad

Date: July 18, 2018

For K.S. Rao & Co.,

Chartered Accountants

ICAI Firm registration number: 003109S

-Sd-

per Hitesh Kumar P

Partner

Membership No.: 233734

Place: Hyderabad

Date: July 18, 2018

ANNEXURE-I To the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of GMR Hyderabad International Airport Limited

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of GMR Hyderabad International Airport Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of GMR Hyderabad International Airport Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, and a joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "the internal financial 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements 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, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 with reference to these Consolidated Ind AS Financial Statements 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 with reference to these Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements, 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 judgement, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Consolidated Ind AS Financial Statements 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 with reference to these Consolidated Ind AS Financial Statements 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 Consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements, 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 with reference to these Consolidated Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements in case of its subsidiary companies and joint venture, which are companies incorporated in India, the following material weakness have been identified as at March 31, 2018:

The Holding Company's internal financial controls over use of assumptions for analysis of goodwill impairment were not operating effectively which could potentially result in the Company not providing for adjustments, if any, that may be required to be made to such carrying amounts of goodwill. This matter was also qualified during the year ended March 31, 2017.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria in respect of the Holding Company, its subsidiary companies, and a joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements were operating effectively as at March 31, 2018, based on “the internal control over financial reporting criteria established by the Holding 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”.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements insofar as it relates to nine subsidiaries and a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the Consolidated Ind AS Financial Statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2018, and the Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated July 18, 2018 expressed a qualified opinion.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

-Sd-

per Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: July 18, 2018

For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 0031095

-Sd-

per Hitesh Kumar P
Partner
Membership No.: 233734

Place: Hyderabad
Date: July 18, 2018

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Balance Sheet as at March 31, 2018

(All amounts in Rupees Crores, except otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
I. ASSETS			
Non-current assets			
Property, plant and equipment	3	1,986.96	2,079.08
Capital work-in-progress	3.1	347.86	115.83
Intangible assets	4	56.90	53.32
Intangible assets under development		1.21	0.00
Investment in joint venture	5.1	11.02	6.99
Financial assets			
- Loans	6	-	4.76
- Bank balances other than cash and cash equivalents	7	1.53	29.10
- Other non current financial assets	8	83.04	9.81
Non current tax assets	9.1	24.06	43.79
Deferred tax asset (net)	29	269.40	168.26
Other non-current assets	10	94.99	72.56
		2,876.97	2,583.50
Current assets			
Inventories	11	56.86	51.18
Financial assets			
- Investments	5.2	941.08	387.34
- Trade receivables	12	129.47	104.93
- Bank balances other than cash and cash equivalents	7	71.38	32.29
- Cash and cash equivalents	13	598.55	327.73
- Loans	6	2.73	0.99
- Other current financial assets	8	18.93	21.17
Current tax assets	9.1	15.45	28.62
Other current assets	10	11.45	13.45
		1,845.90	967.70
Total Assets		4,722.87	3,551.20
II. EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	378.00	378.00
Other equity	14.1		
- Capital reserve		107.00	107.00
- Retained earnings		148.56	(234.93)
- Cash flow hedge reserve		14.74	-
Equity attributable to equity holders of the parent		648.30	250.07
Non-controlling interest		58.27	52.55
Total Equity		706.57	302.62
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	15	3,045.84	2,411.67
- Other financial liabilities	16	241.67	289.01
Government grants	17	46.13	32.11
Deferred tax liability (net)	29	125.93	120.32
Other non-current liabilities	18	67.06	32.13
Long term provisions	20	1.65	2.40
		3,528.28	2,887.64
Current liabilities			
Financial liabilities			
- Borrowings	15.1	28.00	21.05
- Trade payables	19	136.51	110.88
- Other financial liabilities	16	239.90	185.07
Government grants	17	5.27	1.13
Other current liabilities	18	42.27	18.78
Short term provisions	20	12.66	10.78
Current tax liability (net)	9.2	23.41	13.25
		488.02	360.94
Total Equity and Liabilities		4,722.87	3,551.20
Summary of significant accounting policies	2.1		

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration
number: 101049W/E300004

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration
number: 0003109S

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

-Sd-
per Shankar Srinivasan
Partner
Membership No.: 213271

-Sd-
per Hitesh Kumar P
Partner
Membership No.: 233734

-Sd-
G B S Raju
Managing Director
DIN: 00061686

-Sd-
RSSLN Bhaskarudu
Director
DIN: 00058527

-Sd-
Anup Kumar Samal
Company Secretary
Place: Hyderabad
Date: July 18, 2018

-Sd-
Rajesh Arora
Chief Financial Officer

Place: Hyderabad
Date: July 18, 2018

Place: Hyderabad
Date: July 18, 2018

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(All amounts in Rupees Crores, except otherwise stated)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
REVENUE			
Revenue from operations	21	1,593.48	1,366.73
Other income	22	96.83	91.68
Finance income	23	62.36	17.09
Total revenue		1,752.67	1,475.50
EXPENSES			
Concession fee	50	52.95	46.20
Purchase of traded goods		47.84	55.89
Increase in inventory of traded goods	24	(0.71)	(6.89)
Employee benefits expense	25	147.12	127.22
Other expenses	26	393.17	300.13
Finance costs	27	258.12	258.87
Depreciation and amortization expenses		235.93	247.25
Total expenses		1,134.42	1,028.67
Profit before share of profit in joint ventures and tax		618.25	446.83
Share of profit in joint venture		4.03	4.06
Profit before tax		622.28	450.89
Tax expense	29		
Current tax - Minimum alternate tax		137.39	107.16
Tax of earlier years		-	(0.03)
Deferred tax			
Deferred tax expense		5.61	152.58
Minimum alternate tax credit entitlement	43	(101.14)	(101.03)
Total tax expense		41.86	158.68
Profit for the year		580.42	292.21
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		(0.18)	(0.42)
Items that will be reclassified to profit or loss			
Cash flow hedge reserve		14.74	-
Total comprehensive income for the year, net of tax		594.98	291.79
Profit attributable to			
Equity holders of the parent		565.63	283.81
Non controlling interest	30	14.79	8.39
Total comprehensive income attributable to			
Equity holders of the parent		580.21	283.43
Non controlling interest		14.77	8.36
Earnings per equity share			
Basic and diluted	31	14.96	7.51
Summary of significant accounting policies	2.1		

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration

number: 101049W/E300004

For K.S.Rao & Co.,

Chartered Accountants

ICAI Firm registration

number: 0003109S

For and on behalf of the Board of Directors of

GMR Hyderabad International Airport Limited

-Sd-

per Shankar Srinivasan

Partner

Membership No.: 213271

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per Hitesh Kumar P

Partner

Membership No.: 233734

-Sd-

G B S Raju

Managing Director

DIN: 00061686

-Sd-

RSSLN Bhaskarudu

Director

DIN: 00058527

-Sd-

Anup Kumar Samal

Company Secretary

-Sd-

Rajesh Arora

Chief Financial Officer

Place: Hyderabad

Date: July 18, 2018

Place: Hyderabad

Date: July 18, 2018

Place: Hyderabad

Date: July 18, 2018

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Cash flow statements for the year ended March 31, 2018

(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	622.28	450.89
Adjustment to reconcile profit before tax to net cash flows:		
Share of profit in joint venture	(4.03)	(4.06)
Depreciation and amortization expenses	235.93	247.25
Bad debts written off	-	0.04
Fair value loss on financial instruments at fair value through profit or loss	8.64	-
Inventories written off	0.53	0.75
Amortisation of deferred income	(0.95)	(0.72)
Provision for doubtful advances / debts	0.44	-
Provision for non moving inventories of stores and spares	-	0.17
Exchange difference on restatement of senior secured notes	(43.72)	-
Unrealised foreign exchange loss	0.10	0.09
Loss on sale / discard of property plant and equipment	1.21	0.28
Property, plant and equipment written off	0.03	-
Interest on financial assets at amortised cost	(62.36)	(9.94)
Fair value gain on financial instruments at fair value through profit or loss	(11.92)	(50.46)
Gain on sale of financial assets (mutual funds)	(20.82)	(27.39)
Reversal of provision no longer required	(1.03)	(1.48)
Interest on financial liabilities held at amortized cost	255.77	256.80
Income from government grants	(4.11)	(2.08)
Gain on fair valuation of financial assets (mutual funds)	(10.69)	(3.85)
Operating profit before working capital changes	965.30	856.29
Working capital adjustments:		
Increase in trade payables	23.00	15.09
Increase in other liabilities	51.30	0.13
Increase in other financial liabilities	29.43	34.51
Increase in provisions	0.72	3.11
Increase in government grants	22.27	22.11
(Increase)/ decrease in trade receivables	(24.81)	26.27
Increase in inventories	(4.97)	(6.99)
Decrease in other assets	91.04	17.40
Increase in other financial assets	(76.16)	(1.63)
(Increase) / decrease in loans	(0.08)	0.03
Cash generated from operations	1,077.04	966.32
Direct taxes paid (net)	(94.32)	(110.06)
Net cash flow from operating activities (A)	982.72	856.26
Cash flows from investing activities		
Purchase of property plant and equipment, including CWIP, capital advances and intangible assets under development	(339.72)	(100.54)
Proceeds from sale of property, plant and equipment	0.17	0.39
Repayment of loans by joint venture	4.56	1.51
Purchase of financial assests (mutual funds)	(6,395.97)	(3,023.46)
Sale of financial assets (mutual funds)	5,899.83	2,891.20
Interest received	48.41	10.24
Acquisition of a Joint venture, net of cash acquired	0.08	-
(Investment in) / withdrawal from deposits	(39.09)	(6.09)
(Investment in) / withdrawal from margin money deposit	27.57	(24.59)
Net cash flow used in investing activities (B)	(794.16)	(251.34)
Cash flows from financing activities		
Proceeds from long-term borrowings	2,653.74	175.00
Repayment of long-term borrowings	(2,097.61)	(216.71)
Proceeds from Short term borrowings	6.95	-
Repayment of Short term borrowings	-	(6.61)
Interest paid	(182.96)	(251.93)
Senior Secured Notes Issuance cost paid	(49.15)	-
Upfront fee paid/NCD issue cost	(2.33)	-
Termination of interest rate swap	(55.32)	-
Dividend paid	(158.72)	(1.81)
Dividend distribution tax paid	(32.31)	(0.33)
Net cash flow used in financing activities (C)	82.29	(302.39)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Net increase in cash and cash equivalents (A + B + C)	270.85	302.53
Cash and cash equivalents at the beginning of the year	327.73	25.24
Effects of exchange differences on cash & cash equivalents held in foreign currency	(0.03)	(0.04)
Cash and cash equivalents at the end of the year	598.55	327.73
Components of cash and cash equivalents		
Cash on hand	0.50	0.41
Cheques, credit card collection and drafts in hand	0.02	0.43
With banks		
- on current account	268.38	63.59
- in exchange earner foreign currency account	6.34	5.28
- cash credit / overdraft	0.89	-
- On escrow accounts	0.04	-
- on deposit account	322.12	258.02
Cash in transit	0.26	-
Total cash and cash equivalents (refer note 13)	598.55	327.73

Note:

Incase of GAEL, interest accrued on Indian rupee term loan from banks (secured) has been converted into Funded Interest Term Loan as per terms of agreement. The said transaction is considered as a non-cash transaction for the purpose of cash flow statement.

During the year GHIAL has written back liabilities amounting to Rs. 2.95 crore (March 17: Nil) and credited to fixed assets. The said transaction is considered as a non- cash for the purpose of cash flow statement

Changes in liabilities arising from financing activities

Particulars	
Opening Balance	2,532.20
Cash flows	
Repayments	(2,097.61)
Proceeds	2,653.74
Non Cash flows	
Foreign exchange movements	8.43
fair value change	(44.98)
Closing balance	3,051.77

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm registration
number: 101049W/E300004
Chartered Accountants

For K.S.Rao & Co.,

ICAI Firm registration
number: 0003109S
Chartered Accountants

For and on behalf of the Board of Directors of

GMR Hyderabad International Airport Limited

-Sd-

per Shankar Srinivasan

Partner

Membership No.: 213271

-Sd-

per Hitesh Kumar P

Partner

Membership No.: 233734

-Sd-

G B S Raju

Managing Director

DIN: 00061686

-Sd-

RSSLN Bhaskarudu

Director

DIN: 00058527

-Sd-

Anup Kumar Samal

Company Secretary

Place: Hyderabad

Date: July 18, 2018

-Sd-

Rajesh Arora

Chief Financial Officer

Place: Hyderabad

Date: July 18, 2018

Place: Hyderabad

Date: July 18, 2018

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Statement of Changes in equity for the year ended March 31, 2018

(All amounts in Rupees Crores, except otherwise stated)

a. Equity share capital:						
					No.	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid						
As at April 1, 2016					378,000,000	378.00
Issue of shares					-	-
As at March 31, 2017					378,000,000	378.00
Issue of shares					-	-
As at March 31, 2018					378,000,000	378.00
b. Other equity						
	Attributable to the equity holders of the parent (Refer note 14.1)				Non-controlling interest	Total equity
	Reserves and surplus		Other reserves	Total		
	Capital reserve*	Retained earnings	Cash flow hedge reserve			
As at April 1, 2016	107.00	(516.21)	-	(409.21)	44.19	(365.02)
Profit for the year	-	283.81	-	283.81	8.39	292.20
Other comprehensive income	-	(0.39)	-	(0.39)	(0.03)	(0.42)
Total comperhesive income	-	283.42	-	283.42	8.36	291.78
Less: Cash dividends	-	(1.81)	-	(1.81)	-	(1.81)
Less: Dividend distribution tax	-	(0.33)	-	(0.33)	-	(0.33)
As at March 31, 2017	107.00	(234.93)	-	(127.93)	52.55	(75.38)
Profit for the year	-	565.63	-	565.63	14.79	580.42
Other comprehensive income	-	(0.16)	14.74	14.58	(0.02)	14.56
Total comperhesive income	-	565.47	14.74	580.21	14.77	594.98
Less: Cash dividends	-	(151.20)	-	(151.20)	(7.52)	(158.72)
Less: Dividend distribution tax	-	(30.78)	-	(30.78)	(1.53)	(32.31)
As at March 31, 2018	107.00	148.56	14.74	270.30	58.27	328.57

*GHIAL has received a contribution of Rs. 107.00 crore from its shareholder i.e. Government of Telangana as per the terms of State Support Agreement for construction of Airport. This contribution received from Government of Telangana has been recognised as capital contribution from share holder of the Company.

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration

number: 101049W/E300004

For K.S.Rao & Co.,

Chartered Accountants

ICAI Firm registration

number: 0003109S

For and on behalf of the Board of Directors of

GMR Hyderabad International Airport Limited

-Sd-

per Shankar Srinivasan

Partner

Membership No.: 213271

-Sd-

per Hitesh Kumar P

Partner

Membership No.: 233734

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G B S Raju

Managing Director

DIN: 00061686

-Sd-

RSSLN Bhaskarudu

Director

DIN: 00058527

-Sd-

Anup Kumar Samal

Company Secretary

Place: Hyderabad

Date: July 18, 2018

-Sd-

Rajesh Arora

Chief Financial Officer

Place: Hyderabad

Date: July 18, 2018

Place: New Delhi

Date: July 18, 2018

GMR Hyderabad International Airport Limited
Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

1. Corporate information

The Consolidated Ind AS Financial Statements comprise financial statement of GMR Hyderabad International Airport Limited ('GHIAL' or 'the Holding Company'), its subsidiaries (together referred to as "the Group") and jointly controlled entity (hereinafter collectively referred to as 'the Group') for the year ended March 31, 2018. GHIAL, was incorporated on December 17, 2002, for managing the operations of Rajiv Gandhi International Airport at Hyderabad. The Group is principally engaged in construction and maintenance of airport and various related activities.

The Group is engaged in operation of airport infrastructure and other allied service such as cargo handling, development of airport city and SEZ area near airport, trading of goods in duty free area of airport, security services and hospitality services, maintenance, repair and overhaul facility (MRO) of aircraft at near and around the airport etc.

The Consolidated Ind AS Financial Statements are authorized for issue in accordance with a resolution of the directors passed in the Board meeting held on July 18, 2018.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated Ind AS Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The Consolidated Ind AS Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- Derivative financial instruments measured at fair value.
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Employee defined benefit assets/(liability) are remeasured at the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- Investments in joint ventures are accounted for using the equity method.

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The Consolidated Ind AS Financial Statements are presented in INR and all values are rounded to the nearest crore, except when otherwise indicated.

2.2 Basis of Consolidation

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

GMR Hyderabad International Airport Limited
Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Ind AS Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Ind AS Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Ind AS Financial Statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of GHIAL to enable GHIAL to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Ind AS Financial Statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and Property, plant and equipment, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

GMR Hyderabad International Airport Limited
Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

Group Information:

Information about subsidiaries

Name	Principal activities	Place and Country of operation	% equity interest	
			March 31, 2018	March 31, 2017
Hyderabad Menzies Air Cargo Private Limited (HMACPL)	Cargo handling operations at airport	Hyderabad, India	51%	51%
Hyderabad Airport Security Services Limited (HASSL)	Operation of airport allied services	Hyderabad, India	100%	100%
GMR Hyderabad Aerotropolis Limited (GHAL)	Development of commercial property	Hyderabad, India	100%	100%
GMR Hyderabad Aviation SEZ Limited (GHASL)	Development of SEZ	Hyderabad, India	100%	100%
GMR Hyderabad Airport Power Distribution Limited (GHAPDL)	Development of power distribution facility	Hyderabad, India	100%	100%
GMR Hospitality and Retail Limited (GHRL)	Operation of business hotel & duty free	Hyderabad, India	100%	100%
GMR Aerospace Engineering Limited (GAEL)	Development of facilities for maintenance, repair and overhaul (MRO) of aircrafts	Hyderabad, India	100%	100%
GMR Aero Technic Limited (GATL)	Operation of MRO	Hyderabad, India	100%	100%
Asia Pacific Flight Training Academy Limited (APFTAL)*	Flight Training	India	100%	40%
GMR Hyderabad Airport Resource Management Limited	Operation of airport allied services	Hyderabad, India	@	@
GMR Hyderabad Multiproduct SEZ Limited	Development of SEZ	Hyderabad, India	#	#
GMR Airport Handling Services Company Limited	Ground handling services	Hyderabad, India	#	#

@ During the previous year, entire equity share capital of GMR Hyderabad Airport Resource Management Limited has been sold to GMR Infrastructure Limited for a nominal value of Re. 1 and loss on the sale of the equity has been accounted for Rs. 0.05 Crore.

As at March 31, 2017, the subsidiary companies GMR Hyderabad Multiproduct SEZ Limited and GMR Airport Handling Services Company Limited were in the process of being struck off from the register of Companies and subsequent to the year end March 31, 2017, the names of these subsidiaries have been struck off from the register of Companies.

GMR Hyderabad International Airport Limited
Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

Information about jointly controlled entities

Name	Principal activities	Country of Incorporation	% equity interest	
			March 31, 2018	March 31, 2017
Laqshya Hyderabad Airport Media Private Limited (LHAMPL)	Advertisement	India	49%	49%
Asia Pacific Flight Training Academy Limited (APFTAL)*	Flight Training	India	100%	40%

* On October 9, 2017, the Company has bought out the balance stake i.e. 60% shareholding amounting to Rs. 5.34 Crore in Asia Pacific Flight Training Academy Ltd.(APFTAL) held by its JV partner M/s Asia Pacific Flight Training Academy, SDN, BHD, Malaysia (APFT-Malaysia) at a value of One US Dollar and since then it has become a wholly owned subsidiary of the Company.

2.3 Statement of significant accounting policies

a. Use of estimates:

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in Note 37. The Group based its assumptions and estimates on parameters available when the Consolidated Ind AS Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

b. Business combinations and goodwill:

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment (please refer note 56). The same first time adoption exemption is also used for joint ventures.

Business combinations other than common control business combinations are accounted for using the acquisition method. The cost of an acquisition other than in a common control business combination is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. Business combination involving entities under common control are accounted for using the pooling of interests method.

GMR Hyderabad International Airport Limited
Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- i. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- ii. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- iii. Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- iv. Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

GMR Hyderabad International Airport Limited
Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

c. Investment in jointly controlled entities:

A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the jointly controlled entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its jointly controlled entity are accounted for using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognized at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the jointly controlled entity since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity is eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the jointly controlled entity (which includes any long term interest that, in substance, form part of the Group's net investment in the jointly controlled entity), the entity discontinues recognising its share of further losses. If the jointly controlled entity subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss.

GMR Hyderabad International Airport Limited
Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity' in the statement of profit or loss.

d. Current versus Non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when:

- i) It is expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

e. Property, plant and equipment:

Freehold land is carried at historical cost less impairment loss, if any. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress, and the related advances are shown as loans and advances.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. Further, when each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

GMR Hyderabad International Airport Limited
Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

On Transition to Ind AS, GHIAL has availed the optional exemption on “Long term Foreign currency Monetary items” and has accordingly continued with the policy to adjust the exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset recognized in the financial statements for the year ended 31 March 2016 (as per previous GAAP), to the cost of the property, plant and equipment and depreciates the same over the remaining life. In accordance with the Ministry of Corporate Affairs (‘MCA’) circular dated August 09, 2012, exchange differences adjusted to the cost of property, plant and equipment are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the year. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

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

All spare parts, stand-by and servicing equipment qualify as plant, property and equipment (PPE) if they meet the definition of PPE i.e. if the Group intends to use these during more than a period of 12 months. The spare parts capitalized in this manner are depreciated as per useful life period, not exceeding a period of five years based on management estimate supported by technical evaluation.

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

f. Depreciation:

Depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013 and certain items of building, plant and equipment, the Group, based on technical assessment made by technical expert and management estimate, believes that the useful lives of such assets are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Group has used the following useful lives to provide depreciation on its Property, plant and equipment:

Particulars	Useful lives estimated by the management (years)
Improvements to leasehold land	15-30
Buildings on lease hold land*	10-30
Other Buildings	30-60
Runways and taxiways	30
Roads- Other than RCC**	10
Electrical installations**	10-15
Plant and machinery	15
Office Equipment	5
Computer equipment and IT systems	3-6
Furniture and fixtures	8-10
Vehicles	8-10

GMR Hyderabad International Airport Limited
Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

* The useful lives of modifications to buildings on leasehold land are estimated as 10 years.

**The useful lives of internal roads – other than RCC and certain electrical installations (transformers) are estimated as 10 years and 15 years respectively. These lives are longer than those indicated in schedule II.

Leasehold Improvements and buildings on leasehold land are amortized over shorter of estimated useful lives or lease period.

On June 12, 2014, the Airport Economic Regulatory Authority (“the Authority”) has issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. The Authority has initiated the process to enable it to issue a notification as appropriate, pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013 for this purpose. Pursuant to the above, the Authority has issued order no. 35/2017-18 on January 12, 2018 followed by amendment no. 1 to the order no. 35 /2017-18 on April 9, 2018 in the matter of Determination of Useful Life of Airport Assets, which will be effective from April 1, 2018. Based on preliminary assessment, the management is of the view that useful lives considered by the GHIAL for most of the assets except passenger related Furniture and Fixtures are in line with the useful life proposed by AERA in its order dated January 12, 2018, which is further amended on April 09, 2018. The impact, if any, based on the useful lives as notified by the authorities will be considered as per the Order.

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

g. Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Goodwill arising on consolidation is not amortized but tested for impairment.

Service concession arrangements:

HMACPL constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix A to Ind AS 11 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that HMACPL receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when HMACPL has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If HMACPL performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are separately identifiable.

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The concession arrangement is a service concession arrangement under appendix A to Ind AS 11. Through the concession agreement, GHIAL has granted further concession to HMA CPL along with sub-leasing of the part of cargo infrastructure facility to HMA CPL and since it has a right to charge the users for the services and therefore, the same has been classified under Intangible assets model.

The intangible asset is amortized over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use.

An asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal.

h. Amortization of intangible assets

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Cost relating to software licenses, which are acquired, are capitalized and amortized on a straight – line basis over their useful life not exceeding six years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

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

Amortization of intangible assets under service concession arrangements:

The intangible asset created as per service concession arrangement are amortized over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use.

i. Impairment of non-financial assets:

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre – tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the

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assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

j. Inventories

Stores and spares and traded goods are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition. However, stores and spares items held for use in providing the service are not written down below cost if the services are expected to be provided at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k. Borrowing cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l. Leases:

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

For arrangements entered into prior to April 1, 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

(a) Group as a lessee :

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

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

- i) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- ii) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit

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and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

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

(b) Group as a lessor :

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

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

m. Provisions, Contingent Liabilities and commitments

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when it cannot be measured reliably.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

n. Retirement and other employee benefits:

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

Retirement benefit in the form of Superannuation Fund and Employee State Insurance are defined contribution schemes, and the Group recognizes contribution payable to these schemes as an expense, when

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an employee renders the related service. The Group has no obligation, other than the contribution payable to the funds.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

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

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

- i) The date of the plan amendment or curtailment, and
- ii) The date that the Group recognises related restructuring costs

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

- i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ii) Net interest expense or income.

Short term employee benefits

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

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

However, the Group presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

i. Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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ii. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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iii. Derecognition:

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

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

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

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

iv. Impairment of financial assets:

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

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

The Group follows 'simplified approach' for recognition of impairment loss allowance on;

- a. Trade receivables or contract revenue receivables; and
- b. All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

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

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

As a practical expedient, the Group evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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

v. Equity Investments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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B. Financial liabilities

i. Initial recognition and measurement:

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit, financial guarantee contracts and derivative financial instruments.

ii. Subsequent measurement:

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

Financial liabilities at fair value through profit or loss:

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

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

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

iii. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

iv. Financial guarantee contracts:

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are

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recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

v. Derecognition:

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

C. Reclassification of financial assets:

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest."

D. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

E. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment;

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- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation. Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion relating to foreign currency portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in recognised liability and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

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p. Cash and cash equivalents:

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

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

q. Cash dividend to equity holders of the parent

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

r. Foreign currency Transactions

The Group's Consolidated Ind AS Financial Statements are presented in INR, which is also the functional currency of GHIAL. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

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

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

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

GHIAL treats foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference. Exchange difference arising on long term foreign currency monetary items related to acquisition of a Property, plant and equipment are capitalized and depreciated over the remaining useful life of the asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

s. Fair Value Measurement

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

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

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- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the group's external valuers, which valuation techniques and inputs to use for each case.

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

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- a) Disclosures for valuation methods, significant estimates and assumptions (note 37B)
- b) Quantitative disclosures of fair value measurement hierarchy (note 39)
- c) Financial instruments (including those carried at amortized cost) (note 38)

t. Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

1) Income from service:

- i. Revenue from Airport Operations i.e. Aeronautical and Non-Aeronautical Operations are recognized on an accrual basis, net of service tax and applicable discounts, when services are rendered and it is possible that an economic benefit will be received which can be quantified reliably. Revenue from Aeronautical operations includes landing and parking charges of aircraft, operation and maintenance of passenger boarding and other allied services. Revenue from Non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.

Further, Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in non-aeronautical revenue in the statement of profit or loss due to its operating nature.

- ii. In case of cargo handling revenue, revenue from outbound cargo is recognized at the time of acceptance of cargo with respect to non-airline customers and at the time of departure of aircraft with respect to airline customers and revenue from inbound cargo is recognized at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers.
- iii. Income from the concession arrangements earned under the intangible asset model consists of :
 - (a) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and
 - (b) payments actually received from the users.
- iv. Revenue from commercial property development rights granted to concessionaires is recognized on accrual basis, as per the terms of the agreement entered into with the customers.
- v. Revenue earned in excess of billings has been included under 'other assets' as unbilled revenue and billings in excess of revenue has been disclosed under 'other liabilities' as unearned revenue.
- vi. Revenue from hotel operations comprises of income by way of hotel room rent, sale of food, beverages and allied services relating to the hotel and is recognized net of taxes and discounts as and when the services are provided and products are sold.
- vii. Income from management / technical services is recognized as per the terms of the agreement on the basis of services rendered.

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2) Sale of Goods:

- i. Revenue from sale of goods is recognized at the time of delivery of goods to customers which coincides with transfer of risks and rewards to its customers. Sales are stated net of returns and discounts.

3) Revenues and cost of improvements to concession assets:

In conformity with appendix A of Ind AS 11, HMA CPL recognizes revenues and the associated costs of improvements to concession assets which it is obligated to perform at the airports as established by the concession agreement. Revenues represent the value of the exchange between HMA CPL and the government with respect to the improvements, given that HMA CPL constructs or provides improvements to the airports as obligated under the concession agreement and in exchange, the government grants HMA CPL the right to obtain benefits for services provided using those assets. HMA CPL has determined that its obligations per the concession agreement should be considered to be a revenue earning activity as all expenditures incurred to fulfill the concession agreement are included in the maximum tariff it charges its customers and therefore it recognizes the revenue and expense in profit and loss when the expenditures are performed.

The cost for such additions and improvements to concession assets is based on actual costs incurred by HMA CPL in the execution of the additions or improvements, considering the requirements in the concession agreement. The amount of revenues for these services is equal to the amount of costs incurred, as HMA CPL do not obtain any profit margin for these construction services. The amounts paid are set at market value.

4) Interest income:

- i. Interest on all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.
- ii. Interest for delayed payments from customers is accounted only when it is unconditionally accepted by the customers.

5) Dividend Income

Revenue is recognized when the group's right to receive the payment is established, which is generally when shareholders approve the dividend.

u. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Such grants related to income are deducted in reporting the related expense. When the grant is in the nature of capital subsidy it is treated as capital reserve.

GHIAL has deferred payment arrangement on the concession fee payable to Ministry of Civil Aviation (MoCA) without interest. The effect of this assistance is treated as a government grant. The assistance

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is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the assistance and the fair value. The grant is subsequently measured as per the accounting policy applicable to financial liabilities.

v. Taxes :

1) Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- i. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date

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and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

GHIAL and HMA CPL are entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2007-08, under Section 80-IA of the Income Tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

GHASL and GAEL are entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2010-11, under Section 80IAB of the Income Tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

GATL is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2011-12, under Section 10AA of the Income Tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The Group recognizes deferred tax asset for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as a deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is probable that it will pay normal tax during the specified period.

Expenses and assets are recognized net of the amount of sales/ value added taxes paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

w. Segment Reporting Policies

Identification of Segments:

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker ('CODM') has carried out evaluation of the Group's performance at an overall group level as one reportable operating segment i.e. 'Airport and allied services'.

Segment accounting policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Ind AS Financial Statements of the Group as a whole.

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x. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

y. Corporate Social Responsibility (CSR) expenditure:

The Group has charged its CSR expenditure during the year to the statement of profit and loss.

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3 Property plant and equipment

	Leasehold Improvements	Buildings on Leasehold Land	Plant & machinery	Runways	Roads	Furniture & fixtures	Office equipment	Computers	Electrical Installations	Vehicles	Free hold land	Buildings on freehold land	Total
Cost													
As at April 1, 2016	125.94	1,163.86	475.80	345.13	100.80	40.69	3.30	14.93	164.45	2.43	16.13	62.31	2,515.78
Additions	-	12.92	23.77	-	-	4.37	1.44	7.16	3.80	0.61	-	-	54.07
Disposals	-	(3.14)	(1.61)	(1.22)	(0.40)	(0.15)	(0.09)	(0.46)	(0.67)	-	-	(0.17)	(7.91)
Exchange differences	-	-	(1.01)	-	-	-	(0.45)	(0.39)	(0.57)	-	-	-	(2.42)
As at March 31, 2017	125.94	1,173.64	496.95	343.91	100.40	44.91	4.20	21.24	167.01	3.04	16.13	62.14	2,559.51
Additions	5.55	76.95	31.40	-	5.44	7.45	2.23	9.58	7.02	2.44	-	-	148.06
Exchange differences	-	(2.01)	(1.06)	(0.77)	(0.26)	(0.10)	(0.05)	(0.30)	(0.42)	-	-	0.17	(4.80)
Assets acquired on acquisition of APFTAL	0.21	-	0.77	-	-	0.10	0.05	0.03	-	-	-	-	1.16
Disposals	(0.07)	-	(1.87)	-	-	(1.90)	(0.16)	(1.00)	(0.33)	(0.96)	-	-	(6.29)
As at March 31, 2018	131.63	1,248.58	526.19	343.14	105.58	50.46	6.27	29.55	173.28	4.52	16.13	62.31	2,697.65
Depreciation													
As at April 1, 2016	5.87	54.26	65.52	14.90	32.32	13.03	2.05	6.37	45.62	1.01	-	1.11	242.06
Charge for the year	5.96	53.93	62.01	15.07	33.02	14.27	0.99	3.87	48.79	0.81	-	1.40	240.12
Disposals	-	-	(0.69)	-	-	-	(0.45)	(0.39)	(0.21)	-	-	-	(1.74)
As at March 31, 2017	11.83	108.19	126.84	29.97	65.34	27.30	2.59	9.85	94.18	1.83	-	2.51	480.43
Charge for the year	6.11	56.55	63.59	14.93	31.18	8.71	0.94	3.36	45.10	0.35	-	1.40	232.22
Disposals	(0.03)	-	(0.60)	-	-	(0.22)	(0.16)	-	-	(0.96)	-	-	(1.97)
As at March 31, 2018	17.91	164.74	189.82	44.90	96.52	35.79	3.37	13.21	139.28	1.22	-	3.91	710.68
Net book value													
As at March 31, 2018	113.72	1,083.84	336.36	298.24	9.06	14.67	2.90	16.34	34.00	3.31	16.13	58.40	1,986.96
As at March 31, 2017	114.11	1,065.45	370.11	313.94	35.06	17.61	1.61	11.39	72.83	1.21	16.13	59.63	2,079.08

Notes:

1. Disposals include reversal of outstanding liabilities of the Group amounting to Rs. 2.95 crore (March 31,2017:Nil) pertaining to project construction which are no longer payable now and reversal for depreciation thereon amounting to Rs. 2.76 crore (March 31, 2017: Rs. Nil) under depreciation charge of the year.

3.1		31-Mar-18	31-Mar-17
	Capital Work in progress	347.86	115.83

4. Intangible assets

	Goodwill*	Computer software	Technical Knowhow	Right to Operate - Cargo facility	Total
Cost					
As at April 1, 2016	36.27	4.08	8.98	15.16	64.49
Additions	-	2.08	-	3.86	5.94
Disposals	-	-	-	(0.09)	(0.09)
As at March 31, 2017	36.27	6.16	8.98	18.93	70.34
Additions	4.14	0.22	-	2.95	7.31
Assets acquired on acquisition of APTTAL	-	0.01	-	-	0.01
Disposals	-	-	-	(0.85)	(0.85)
As at March 31, 2018	40.41	6.39	8.98	21.03	76.81
Amortization					
As at April 1, 2016	-	2.17	6.12	1.69	9.98
Charge for the year	-	1.56	2.86	2.71	7.13
Disposals	-	-	-	(0.09)	(0.09)
As at March 31, 2017	-	3.73	8.98	4.31	17.02
Charge for the year	-	0.63	-	3.08	3.71
Disposals	-	-	-	(0.82)	(0.82)
As at March 31, 2018	-	4.36	8.98	6.57	19.91
Net book value					
As at March 31, 2018	40.41	2.03	-	14.46	56.90
As at March 31, 2017	36.27	2.43	-	14.62	53.32

*Refer note 56 on impairment testing of goodwill.

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5.1 Investment in joint ventures		
	Non-current	
	March 31, 2018	March 31, 2017
Investments as per equity method		
Unquoted equity shares (Refer note no. 55)		
Laqshya Hyderabad Airport Media Private Limited 9,800,000 (March 31, 2017: 9,800,000) Equity shares of Rs. 10 each fully paid-up	5.43	1.40
Investment in Laqshya Hyderabad Airport Media Private Limited arising on account of fair valuation of loan given below market rate	5.59	5.59
Total investments	11.02	6.99
Aggregate value of investment in joint ventures	11.02	6.99

5.2 Financial Assets - Investments				
	As at March 31, 2018		As at March 31, 2017	
	No of Units	Amount	No of Units	Amount
Investment at FVTPL :				
Investment in Mutual Funds (unquoted)				
Birla Sunlife Cash Plus Institutional Premium - Growth (face value of Rs. 100 each)	3,854,992.93	107.26	1,288,906.59	33.92
IDBI Liquid Fund - Regular plan Growth (face value of Rs. 1,000 each)	116,190.80	21.50	288,649.38	50.05
Birla Sun Life Savings Fund Instl. - Growth (face value of Rs. 100 each)	819,910.58	28.03	819,910.58	26.13
Birla Sun Life Short Term fund-Regular Growth. (face value of Rs. 10 each)	16,319,922.71	108.44	16,319,922.71	101.63
Birla sunlife cash plus- growth regular plan (face value of Rs. 100 each)	979,408.98	35.60	511,380.50	12.98
DHFL Pramerica Liquid Fund - Growth Option (face value of Rs. 1000 each)	1,023,730.92	23.03	1,948,073.56	41.05
Sundaram Money Fund Regular Growth (face value of Rs. 10 each)	4,142,960.61	15.12	-	-
Axis Liquid Institutional - Growth Option (face value of Rs. 1000 each)	2,701.77	0.52	50,229.81	9.04
ICICI Prudential Liquid Regular Plan - Growth (face value of Rs. 100 each)	5,765,798.47	147.83	1,116,540.68	26.82
ICICI Prudential mutual fund - liquid growth plan (face value of Rs. 100 each)	-	-	96,020.64	2.31
Kotak liquid fund Institutional premium - Growth (face value of Rs. 1000 each)	-	-	52,616.23	17.31
Kotak liquid fund regular plan - Growth (face value of Rs. 1000 each)	5,836.00	2.05	-	-
SBI Premier Liquid Fund - Regular Plan - Growth (face value of Rs. 1,000 each)	306,322.50	83.18	30,865.95	7.86
SBI Premier Liquid Fund - Regular Plan - Growth (face value of Rs. 100 each)	76,924.18	20.89	-	-
IDFC Cash Fund- Growth-Regular Plan (face value of Rs. 1,000 each)	26,516.07	5.58	47,830.70	9.43
HDFC Liquid Fund Growth (face value of Rs. 1000 each)	293,657.06	100.15	-	-
Invesco India Fund Regular Growth (face value of Rs. 1000 each)	42,038.45	10.02	-	-
Axis mutual fund- liquid growth plan (face value of Rs. 1000 each)	79,484.03	15.27	-	-
		724.47		338.53
Investment in commercial papers (unquoted)				
Srei Infrastructure Finance Ltd. (face value of Rs. 500,000 each)	4,500.00	216.61	1,000.00	48.81
		216.61		48.81
Aggregate value of investments in financial assets		941.08		387.34

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6	Loans			
	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Loan to employees	-	0.08	0.00
	Loans to joint venture (refer details below)	4.76	2.65	0.99
		4.76	2.73	0.99
Break up of loan to joint venture				
	Laqshya Hyderabad Airport Media Private Limited	4.76	2.65	0.99
		4.76	2.65	0.99
7	Bank balances other than cash and cash equivalents			
	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Non- current bank balances	5.00	-	-
	Margin money deposits*	24.10	53.43	-
	Deposits with remaining maturity less than 12 months	-	17.95	32.29
		1.53	29.10	71.38
				32.29
*Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Group.				
8	Other financial assets			
	Non-current		Current	
	31-Mar-18	March 31, 2017	March 31, 2018	March 31, 2017
	Unsecured, considered good			
	Security deposits	11.55	10.12	0.34
	Less: Provision for doubtful deposit	(0.20)	(0.31)	-
		11.35	9.81	0.34
	Non trade receivables	-	7.96	7.14
	Derivative not designated as hedge (Interest rate swap)*	-	-	8.64
	Grant receivable from authorities	-	0.04	0.04
	Unbilled revenue	-	3.84	1.44
	Interest accrued on fixed deposits	-	3.28	1.46
	Interest accrued on others	-	0.49	0.43
	Other financial assets	-	2.18	1.68
	Derivative designated as hedge (cross currency swap)	71.69	-	-
		83.04	9.81	18.93
				21.17
* In case of GAEL, Interest Rate Swap (IRS) arrangement was to obtain Loan Equivalent Risk (LER) facility for the cross currency arrangement for its term loan. The effective weighted average interest rate is 5.215% p.a (2017: 5.215% p.a.).				
9.1	Tax asset			
	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Advance income tax (net of provision for current tax)	24.06	15.45	28.62
		24.06	15.45	28.62
9.2	Tax liability			
			Current	
			March 31, 2018	March 31, 2017
	Provision for tax (net of advance tax)		23.41	13.25
			23.41	13.25
10	Other assets			
	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Capital advances			
	Unsecured, considered good	46.63	7.52	-
	(A)	46.63	7.52	-
	Advances other than capital advances			
	Passenger service fee (Security component) (refer note 36(II)(C)(xxi)	24.74	42.26	-
	Others	7.80	7.82	4.32
	Doubtful advances	0.04	0.04	-
		32.58	50.12	4.32
	Less: Provision for doubtful advances	(0.04)	(0.04)	-
	(B)	32.54	50.08	4.32
	Prepaid expenses	1.51	0.68	4.93
	Balance with statutory / government Authorities (Refer note 36 C)	14.31	3.69	4.20
	(C)	15.82	6.30	9.13
	Total (A+B+C)	94.99	72.56	13.45

GMR Hyderabad International Airport Limited
Notes to the Consolidated financial statements for the year ended as at March 31, 2018
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11 Inventories (valued at lower of cost or not relizable value)		
	March 31, 2018	March 31, 2017
Traded goods	18.02	16.82
Stores and spares	39.01	34.53
Less: Provision for non moving spares	(0.17)	(0.17)
	56.86	51.18

12 Trade receivables		
	Current	
	March 31, 2018	March 31, 2017
Secured, considered good		
Others	-	0.01
Unsecured, considered good		
Related parties	8.97	3.21
Others	120.50	101.71
Unsecured, considered doubtful		
Others	0.77	0.38
Less: Allowances for doubtful receivables	(0.77)	(0.38)
	129.47	104.93
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.		
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are secured to the extent of security deposits received, are interest bearing and settlement occurs in cash. For the year ended March 31, 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Rs. Nil). 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.		
In case of GHIAL and GHASL, trade receivables are interest bearing @18% p.a. and are generally with the credit term of 7 to 15 days and in case of other companies, the revenue is on cash or credit period not beyond 30 days.		

13 Cash and cash equivalents		
	Current	
	March 31, 2018	March 31, 2017
Cash and cash equivalents	4500	
-Cash on hand	0.50	0.41
-Deposits with original maturity of less than three months	322.12	258.02
-Balances with Banks		
- in current accounts	268.38	63.59
- in exchange earner foreign currency account	6.34	5.28
- cash credit / overdraft	0.89	-
- On escrow accounts	0.04	-
Cash in transit	0.26	-
Cheques, credit card collection and drafts in hand	0.02	0.43
	598.55	327.73

i) Cash at banks does not earn interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

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

	SBNs*	Other INR denomination notes	Total
Closing cash in hand as on 08.11.2016	0.64	0.07	0.71
(+) Permitted receipts**	0.43	12.21	12.64
(+) Non Permitted receipts	0.01	-	0.01
(-) Permitted payments	-	2.37	2.37
(-) Amount deposited in Banks	1.08	9.50	10.58
Closing cash in hand as on 30.12.2016	-	0.41	0.41

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**GHIAL has collected Rs. 0.43 Crore in Specified Bank Notes during the period November 9 to December 30, 2016 and disclosed the same as permitted receipts. These permitted receipts represents cash collected towards car parking charges and airport entry passes during the period November 9 to November 13, 2017. Management has considered that the aforesaid collections are permissible as these are towards public utility services which were subsequently waived through a government notification with effect from November 14, 2017. Accordingly, the management has accepted these SBN during the aforesaid period for uninterrupted functioning of the airport facilities.

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14	Equity				
			March 31, 2018	March 31, 2017	
	Authorized shares (No.)				
	400,000,000 (March 31, 2017: 400,000,000) equity shares of Rs. 10 each		400.00	400.00	
	Issued, subscribed and fully paid-up shares (No.)				
	378,000,000 (March 31, 2017: 378,000,000) equity shares of Rs.10 each fully paid up		378.00	378.00	
	Issued, subscribed and fully paid-up shares (No.)				
	378,000,000 (March 31, 2017: 378,000,000) equity shares of Rs.10 each fully paid up		378.00	378.00	
	Total		378.00	378.00	
	(a) Reconciliation of the shares outstanding at the beginning and at the end of the year				
		March 31, 2018	March 31, 2017		
	Equity Shares	No.	Amount.	No.	Amount.
	At the beginning of the year	378,000,000	378.00	378,000,000	378.00
	Issued during the year	-	-	-	-
	Outstanding at the end of the year	378,000,000	378.00	378,000,000	378.00
	(b) Terms/ rights attached to equity shares				
	The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Further all shareholders will have their representative in the board of directors of the company as per the terms of arrangement.				
	(c) Shares held by holding /ultimate holding company /holding company and/or their subsidiaries/associates.				
		March 31, 2018	March 31, 2017		
	Name of Shareholder	No.	Amount.	No.	Amount.
	GMR Airports Limited, holding company	238,139,000	238.14	238,139,000	238.14
	GMR Infrastructure Limited, GAL's holding company	1,000	0.00	1,000	0.00
		238,140,000	238.14	238,140,000	238.14
	(d) Details of shareholders holding more than 5% shares in the Company				
		March 31, 2018	March 31, 2017		
	Name of Shareholder	No.	% holding	No.	% holding
	Equity shares of Rs. 10 each fully paid				
	GMR Airports Limited, holding company	238,139,000	63.00%	238,139,000	63.00%
	Airports Authority of India	49,140,000	13.00%	49,140,000	13.00%
	Government of Telangana	49,140,000	13.00%	49,140,000	13.00%
	MAHB (Mauritius) Private Limited	41,573,540	11.00%	41,573,540	11.00%
	As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.				
	(e) No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.				
	(f) Shares reserved for issue under options				
	There are no shares reserved for issue under options and contract/commitments for the sale of shares/disinvestment.				
14.1	Other equity				
			March 31, 2018	March 31, 2017	
	Capital reserve		107.00	107.00	
	Retained earnings		107.00	107.00	
	Opening Balance		(234.93)	(516.21)	
	Add: Profit for the year		565.63	283.81	
	Less: Appropriation				
	Cash dividends		(151.20)	(1.81)	
	Dividend distribution tax		(30.78)	(0.33)	
	Items recognised directly in Other Comprehensive Income				
	Remeasurement of post-employment benefits obligations		(0.16)	(0.39)	
	Total Retained Earnings		148.56	(234.93)	
	Items recognised directly in Other Comprehensive Income				
	Cash flow hedge reserve				
	Gain / (losses) arising during the year on cross currency swap (refer note 39)		71.69	-	
	Reclassification adjustments included in the statement of profit and loss		(56.95)	-	
	Closing balance		14.74	-	
			270.30	(127.93)	

Note: In the absence of profits, GAEL has not created Debenture Redemption Reserve as per the provisions of the Companies Act, 2013.

GMR Hyderabad International Airport Limited
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15	Financial liabilities - Borrowings	Non Current		Current	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Bonds / Debentures				
	1,750 nos. 4.25% Senior Secured Notes of USD 200,000 each (secured)	2239.35	-	-	-
	Non Convertible Debentures (secured)	273.98	-	-	-
	Term loans				
	Indian rupee term loan from banks (secured)	40.78	1,554.28	2.31	59.89
	Foreign currency loan from banks (secured)	-	421.15	-	58.71
	Indian rupee term loan from financial institution (secured)	176.37	120.82	3.58	1.88
	Loans from others				
	Government of Telangana (unsecured)	315.05	315.05	-	-
	Inter-corporate deposits (unsecured)	0.31	0.37	0.04	0.05
		3,045.84	2,411.67	5.93	120.53
	The above amount includes				
	Secured borrowings	2,730.48	2,096.25	5.89	120.48
	Unsecured borrowings	315.36	315.42	0.04	0.05
		3,045.84	2,411.67	5.93	120.53
	Amount disclosed under the head "other current financial liabilities" (Refer note 16)	-	-	(5.93)	(120.53)
	Net Amount	3,045.84	2,411.67	-	-
	I) 4.25% Senior Secured Notes				
	a. During the year, GHIAL has issued 4.25% senior secured notes are issued on October 27, 2017 to refinance secured Rupee Term Loans and Foreign Currency Loans and airport expansion project works. The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 10 years i.e. October 27, 2027 (bullet repayment).				
	b. 4.25% senior secured notes are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land (to an extent of 2,136.455 acres) , freehold land of 8.824 acres and first pari-passu charge on all movable and immovable assets, all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; all the rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Agreements (i.e. Concession Agreement, State Support Agreement, Land Lease Agreement and the CNS-ATS Agreement) as detailed in the Indenture to the maximum extent permitted under the Project Agreements; floating charge on all the operating revenues/receivables of the Company; and floating charge on all the Company's accounts and each of the other accounts required to be created by the Company pursuant to the Security Documents (excluding any Excluded Accounts) and, including in each case, all monies lying credited/deposited into such accounts. The Company has to follow Fixed Charge Coverage Ratio as provided under the Indenture for any additional indebtedness and other limitations. The Company has complied with the financial covenants prescribed in the Indenture. In case of any "Event of default" as defined under the Indenture, the Holders of the Notes are entitled to remedies as defined under the Indenture.				
	II) Redeemable Non Convertible Debentures				
	i. During the year, GAEL has issued 1,000 Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (" GAEL NCDs") of face value of Rs. 1,000,000 each and fixed interest of 8.55% per annum payable semi-annually and the interest rate shall be reset at the end of 4 years from the allotment as per the terms of Debenture Trust Deed. Tenure of GAEL NCD is 7 years from the date of allotment and is due for payment at the end of 7th year from the date of allotment. GAEL NCDs are secured by:				
	(a) First pari-passu charge by way of equitable mortgage of leasehold rights of the land to the extent of 16.46 acres on which MRO facilities are constructed along with the buildings, structures, etc. on the land.				
	(b) First ranking pari passu charge on all movable assets of the GAEL, including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, intellectual property, uncalled capital, present and future.				
	(c) First ranking pari passu charge on the Transaction Accounts and all book debts, operating cash flows, current assets, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future of GAEL.				
	(d) First ranking pari passu charge and assignment on all the rights, title, interest, benefits, claims and demands whatsoever of company in the Project Documents and operation and maintenance related agreements, Clearances Approvals pertaining to their operations, both present and future and letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents and the insurance Proceeds received by GAEL.				
	(e) Unconditional and irrevocable corporate guarantee given by GHIAL as per Deed of guarantee dated October 04, 2017.				
	(f) As per the Debenture Trust Deed dated October 04, 2017, Debenture Trustee (acting on the instruction of Majority Resolution) may permit GAEL to create a charge on the Security in favour of lenders advancing Loan Equivalent Risk Facility("LER Facility") to GAEL. The Security Interest created over the Security for securing the LER Facility shall be second charge and shall rank subservient to the charge of GAEL NCDs Holders.				
	ii. During the year, GATL has issued 1,750 Senior, Rated, Listed, Unsecured, Redeemable, NCD of face value of Rs. 1,000,000 each and fixed interest of 8.55% per annum payable semi-annually and the interest rate shall be reset at the end of 4 years from the allotment as per the terms of Debenture Trust Deed. Tenure of Non Convertible Debentures (GATL NCDs) is 7 years from the date of allotment and is due for payment at the end of 7th year from the date of allotment. GATL NCDs are secured by:				
	(a) First ranking pari passu charge on all movable assets of GATL, including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, intellectual property, uncalled capital, present and future.				
	(b) First ranking pari passu charge on the Transaction Accounts and all book debts, operating cash flows, current assets, receivables, commissions, revenues of whatsoever nature and wherever arising, of Issuer, present and future of GATL.				
	(c) First ranking pari passu charge and assignment on all the rights, title, interest, benefits, claims and demands whatsoever of GATL in the Project Documents and operation and maintenance related agreements, Clearances Approvals pertaining to their operations, both present and future and letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents and the insurance proceeds received by GATL.				
	(d) Unconditional and irrevocable corporate guarantee given by GHIAL as per Deed of guarantee dated October 04, 2017.				
	(e) The Charge Created against Debt as per the Debenture Trust Deed dated October 04, 2017 in all respects, rank pari-passu inter se amongst the Debenture Holders and the working capital lenders, without any preference or priority to one over the other or others. The Working Capital Facility to be availed, shall be in the form and substance, satisfactory to the debenture holders, shall not exceed an amount of Rs. 35 crores (Rupees Thirty Five Crores Only).				

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III) Indian rupee term loan from banks (secured)

(i) Indian rupee term loans of GHIAL Rs. Nil (March 2017: Rs.1,286.39 crores) from banks (secured) carry interest at base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the year ranges from 10.25% to 10.70% p.a (2017: 10.25% to 10.70% p.a). The loans were repayable in 51 quarterly instalments beginning from October 31, 2016. However, during the year, the same were repaid utilising the proceeds from the issue of SSN.

(ii) In case of GHAL, term loan of Rs. 43.09 crore (March 31, 2017: Rs. Nil) is taken from State Bank of India under LRDS (Lease Rental Discounting Scheme) at an interest rate of 9% p.a., i.e., 1 year MCLR plus 1%. The loan is repayable over 144 structure monthly installments beginning from October 2017.

Term Loan is secured by Assignment of Lease Rental Receivables from Amazon India Seller Services Pvt. Ltd. accruing to GHAL arising from fulfillment center at GMR Hyderabad Airport City as a primary security and collateral security as exclusive first charge on all the fixed assets leased out to Amazon India Seller Services Pvt. Ltd. and equitable mortgage of leasehold rights of land as measuring 17 acres.

(iii) In case of GHASL, term loans of Rs. Nil (March 2017: Rs.60.61 crores) carried interest rate of 11% p.a and was repayable over 32 unequal quarterly installments beginning from June 2017. During the year, the entire loan was repaid.

The term loan was secured by Leasehold rights, title, interest and benefit in respect of sub-lease hold land and exclusive charge on movable and immovable assets, operating cash flows, book debts, receivables, commissions, revenue of whatsoever nature both present and future and exclusive charge on all the bank accounts of the project including TRA, Escrow account etc.

(ii). Indian rupee term loan from banks (secured) carry interest rate at base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the year was 11% p.a (March 31, 2017 : 11% p.a.). In the earlier years, the Indian rupee term loan from banks (secured) were restructured with a moratorium period of two years in repayment of loan beginning from May 2014 post repayment of first instalment of February 2014. The Loans are repayable in 40 quarterly unequal instalments beginning from July 2016 as against the earlier repayment term of 40 quarterly unequal instalments beginning from February 2014. Further, the interest for a period of 25 months commencing from March 2014 had been converted into Funded Interest Term Loan (FITL). FITL is repayable in 28 quarterly unequal instalments beginning from July 2016 and carry interest at base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the year was 11% p.a.

(iii) The Indian rupee term loan from banks was secured by:

(a) First pari-passu charge by way of equitable mortgage of leasehold rights of land (of GAEL and the subsidiary, GMR Aero Technic Limited) to the extent of 16.46 acres on which MRO facilities are constructed with all the buildings, structures etc. on such land.

(b) First charge (pari-passu) by way of hypothecation of all the movable assets of GAEL and the subsidiary, GMR Aero Technic Limited including, but not limited to plant & machinery, machinery spares, tools & accessories, current assets.

(c) First charge (pari-passu) on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future of the Company and the subsidiary, GMR Aero Technic Limited.

(iv) Indian rupee term loans from banks and FITL, post restructuring, were further secured by:

(a) First charge (pari-passu) on all rights, title, interests, benefits, claims and demands whatsoever of the Company and the subsidiary, GMR Aero Technic Limited with respect to the insurance contracts.

(b) First charge (pari-passu) on all the bank accounts of GAEL and the subsidiary, GMR Aero Technic Limited.

(c) Pledge of 51% of paid up share capital (i.e. 165,699,000 shares) of GAEL held by GMR Hyderabad International Airport Limited. Out of which, GAEL had pledged 135,864,000 shares as at March 31, 2017.

(d) Un-conditional and irrevocable Corporate Guarantee of GMR Hyderabad International Airport Ltd (GHIAL) pari passu among the Lenders for their respective Term Loans and Funded Interest Term Loans.

During the current year, Indian Rupee Term Loan and Indian rupee Funded Interest Term Loan from banks have been prepaid.

IV) Foreign currency loan from banks (secured)

(a) GHIAL had Foreign currency loan from a bank and carried interest @ LIBOR plus agreed spread, however GHIAL had entered into an Interest Rate Swap (IRS) arrangement to convert floating rate of interest into fixed rate of interest, as per the terms of the loan agreement. The effective weighted average interest rate is 8.295% p.a (2017: 8.295% p.a.). Foreign currency loan was repayable in 56 quarterly instalments beginning from July 01, 2010. However, during the current year, the same was repaid utilising the proceeds from the issue of SSN.

(b) GHIAL has Indian rupee loans, foreign currency loan including the IRS arrangement and loan from financial institution which were secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land (to an extent of 2136.455 acres), freehold land of 8.824 acres and first pari-passu charge on all movable and immovable assets, operating cash flows, book debts, receivables, intangibles and revenues, both present and future, as well as assignment of all right, title, interest, benefits, claims and demands available under the concession agreement and other project documents, security interest in the Trust and Retention account, Debt service reserve account and further secured by pledge of Nil (2017: 164,123,514) and Nil (2017: 28,656,486) equity shares, both present and future, held or to be held, upto 51% of the paid up share capital of GHIAL, as the case may be, by both, GAL (GMR Airports Limited) and MAHB (Mauritius) Private Limited respectively. Pursuant to the repayment of the aforesaid loans in the current year, the respective lenders have released charge over the assets.

V) Indian rupee term loan from Financial Institution (secured)

(a) In case of GHRL, term loan of Rs. 122.50 Crore is from Aditya Birla Finance Limited and India Infradebt Limited and carries interest at base rate plus agreed spread. The loan carries the interest rate of 9.25 % to 10.80% p.a. (2017: 10.80% p.a.). The loan is repayable in 54 quarterly instalments commencing from January 2017 to April 2030.

The Rupee term loan is secured by a pari passu first charge on immovable assets (including assignment of leasehold rights in the case of leasehold land), movable assets, revenues, book debts, bank accounts and a pledge over 30% of the equity shares of GHRL.

Further, the above loans are secured by an irrevocable and unconditional corporate guarantee given by GMR Hyderabad International Airport Limited.

(b) In case of GHASL, term loan of Rs. 59.70 Crore (March 31, 2017: Rs. Nil) is from Aditya Birla Finance Limited at an interest rate of 9.40% p.a., i.e., 1 year MCLR plus 1.2% margin. The same is repayable over 51 structured quarterly installments beginning from September 2017. The proceeds are utilised to repay the existing loan.

The Term loan is secured by first ranking charge on Leasehold rights, title, interest and benefit in respect of Sub-lease Land together with all buildings, structures etc on the said land, movable assets and intangibles of whatsoever nature in both present and future, revenues, book debts, receivables, bank accounts including TRA, DSRA etc. of GHASL.

VI) Loan from Government of Telangana (unsecured)

Interest free loan received by GHIAL from the Government of Telangana is repayable in five equal installments commencing from 16th anniversary of the commercial operations date (March 23, 2008).

VIII) Inter-corporate deposits (unsecured)

The inter-corporate deposit of HMA CPL for Rs. 0.50 crore is interest free and is repayable in 15 equal annual instalments of Rs. 0.10 crore from April 1, 2009.

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15.1 Short-term borrowings		
Secured	March 31, 2018	March 31, 2017
Cash credit from banks	-	21.05
Overdraft facility from banks	28.00	-
Total	28.00	21.05
Cash credit from banks i. Cash credit facility of GATL from bank was secured by way of First charge on entire current assets and cash flows including stocks, receivables, bank balances etc., (Paripassu charge with existing loan taken from its Holding company i.e. GAEL). ii. First pari passu charge by way of extension of equitable mortgage of leasehold rights of land to the extent of 16.46 acres standing in the name of the GAEL in Sy.No.99/1,Mamidipally village, Saroor nagar mandal, RR Dist, Telangana on which MRO facilities have been created along with all the buildings, structures. iii. First pari passu charge by way of hypothecation of all the movable assets belong to GATL and GAEL and including but not limited to plant and machinery, machinery spares, tools & accessories.(Paripassu charge with existing loan taken from GAEL). iv. Corporate guarantee from GAEL. v. The Cash credit facility was repayable on demand and carried interest of base rate plus 3.90%. (March 31, 2017 13.70%). The Cash credit facility was repaid during the year ended March 31, 2018. Overdraft facility from banks i.GATL's overdraft facility availed from IndusInd bank is repayable on demand and carries interest rate of fixed deposit plus 150 bps, which is secured by fixed deposit placed by GHIAL with Indusind bank as per terms of the sanction letter.		

16 Other financial liabilities				
	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
At FVTPL				
Derivative not designated as hedge (Interest rate swap)*	-	67.24	-	-
Total other financial liabilities at FVTPL	-	67.24	-	-
At Amortised cost				
Retention money	8.82	1.38	6.08	9.73
Deposit from concessionaires	20.84	24.41	24.71	24.46
Concession fee payable	212.01	195.98	22.15	-
Current maturities of long term borrowings	-	-	5.93	120.53
Non trade payables	-	-	7.54	8.89
Capital creditors	-	-	88.52	15.26
Interest accrued but not due on borrowings	-	-	84.97	6.20
Total other financial liabilities at amortised cost	241.67	221.77	239.90	185.07
Financial guarantee contracts	-	0.00	-	-
Total other financial liabilities	241.67	289.01	239.90	185.07
* In case of GHIAL, Interest Rate Swap (IRS) arrangement to convert floating rate of interest into fixed rate of interest, as per the terms of the loan agreement. The effective weighted average interest rate is 8.295% p.a (2017: 8.295% p.a.).				

17 Government grants		
	March 31, 2018	March 31, 2017
Opening Balance	33.24	13.21
Grant during the year	22.27	22.11
Less: Recognised in the statement of profit and loss	(4.11)	(2.08)
	51.40	33.24
Non Current	46.13	32.11
Current	5.27	1.13

Concession fee is payable by GHIAL to Ministry of Civil Aviation in respect of first 10 years in 20 equal half yearly installments commencing from the 11th anniversary of the commercial operations date (March 23, 2008). Concession fee from the 11th year is payable on a half yearly basis. The difference between the fair value and carrying value of such fee payable has been treated as a government grant as per Ind AS 20.

18 Other liabilities				
	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unearned revenue	39.91	10.59	9.88	4.09
Deferred income	27.15	21.54	4.33	3.43
Advances from customers	-	-	3.03	2.36
Statutory dues	-	-	25.03	8.89
	67.06	32.13	42.27	18.78

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19	Trade payables		
		March 31, 2018	March 31, 2017
	Trade payable		
	- Related parties	27.78	20.60
	- Others	108.73	90.29
		136.51	110.88

Terms and conditions of the above financial liabilities of the Group :

i) Trade payables are non-interest bearing and are normally settled on 30 days terms.

ii) The dues to related party are unsecured and are normally payable within 30 days from the date of receipt of

iii) For explanations on the Group's credit risk management processes, refer to Note 39

20	Provisions	Long Term		Short term	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Provision for compensated absences	-	-	11.57	10.18
	Provision for superannuation fund	-	-	0.14	0.13
	Provision for gratuity	1.65	2.40	0.95	0.47
		1.65	2.40	12.66	10.78

GMR Hyderabad International Airport Limited
Notes to the Consolidated financial statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

21	Revenue from operations	For the year ended March 31, 2018	For the year ended March 31, 2017
	Income from services		
	Aeronautical	805.54	708.27
	Non Aeronautical		
	Duty Free	118.86	106.52
	Retail	32.07	31.01
	Advertisement	40.41	35.98
	Food and beverages	32.96	23.95
	Cargo	92.09	86.43
	Ground handling	10.51	9.80
	Parking	49.57	40.42
	Land and space - Rentals	63.60	60.22
	Fuel farm	97.94	83.30
	Others	171.38	115.64
	Revenue from sale of services (A)	1,514.93	1,301.54
	Revenue from commercial property development	12.30	6.74
	Revenue from hospitality services	66.25	58.45
	Revenue from commercial property development (B)	78.55	65.19
	Revenue from Operations (A+B)	1,593.48	1,366.73
22	Other income	For the year ended March 31, 2018	For the year ended March 31, 2017
	Gain on account of foreign exchange fluctuations (net)	-	1.69
	Amortisation of deferred income	0.95	0.72
	Income from government grant	4.11	2.08
	Exchange difference on restatement of senior secured notes	43.72	-
	Provisions no longer required, written back	1.03	1.48
	Gain on sale of financial assets (mutual funds)	20.82	27.39
	Gain on fair valuation of financial assets (mutual funds)	10.69	3.85
	Gain on fair valuation of interest rate swap	11.92	50.46
	Other non-operating income	3.59	4.01
		96.83	91.68
23	Finance income	For the year ended March 31, 2018	For the year ended March 31, 2017
	<u>Interest on financial assets at amortised cost:</u>		
	Bank deposits and commercial papers	36.42	6.83
	Loan to joint venture	1.47	0.70
	Others	10.94	2.41
	Interest on interest rate swap arrangement	13.53	7.15
	Total	62.36	17.09
24		For the year ended March 31, 2018	For the year ended March 31, 2017
	Increase in inventory of traded goods		
	Opening stock of traded goods	16.85	10.70
	Closing stock of traded goods	17.56	17.59
	Increase in inventory of traded goods	(0.71)	(6.89)

GMR Hyderabad International Airport Limited

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

(All amounts in Rupees Crores, except otherwise stated)

25	Employee Benefits Expense	For the year ended March 31, 2018	For the year ended March 31, 2017
	Salaries, wages and bonus	123.25	108.22
	Contribution to provident and other funds [32 (a)]	8.16	7.06
	Gratuity expenses [Note 32 (b)]	2.54	1.52
	Staff welfare expenses	13.17	10.42
		147.12	127.22
26	Other expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
	Operator fee	5.45	4.87
	Operations, maintenance & manpower outsourcing expenses	53.64	44.74
	Electricity, Fuel and water charges	35.32	29.62
	House keeping charges	12.75	11.67
	Consumption of stores and spares	39.09	29.01
	Foods and beverages consumed	6.33	-
	Cargo handling charges	3.34	2.84
	Repairs and maintenance		
	Plant & Machinery	19.66	16.68
	Buildings	5.86	6.68
	IT Systems	15.27	12.58
	Other	12.11	11.32
	Insurance	4.92	4.38
	Security expenses	20.96	15.48
	Health and safety charges	0.12	-
	Rent	5.13	4.43
	Rates and taxes	17.96	17.32
	Advertising and business promotion	13.06	5.55
	Collection charges	4.95	4.20
	Travelling and conveyance	16.13	13.48
	Communication costs	4.58	4.71
	Office maintenance	3.35	2.79
	Legal and professional expenses	24.72	14.81
	Technical fees	8.07	7.21
	Management fee	33.85	24.65
	Printing and stationery	1.06	1.02
	Donation	2.94	-
	CSR expenditure (refer details below)	4.44	3.17
	Directors' sitting fees	0.24	0.30
	Payments to Auditors (refer details below)	0.70	1.02
	Provision for non moving inventories of stores and spares	-	0.17
	Loss on sale of fixed assets (net)	1.34	-
	Loss on account of foreign exchange fluctuations (net)	0.17	-
	Fair value loss on financial instruments at fair value through profit or loss	8.64	-
	Provision for doubtful advances / debts	0.44	-
	Inventories written off	0.53	0.75
	Bad debts written off	-	0.04
	Fixed assets written off	0.03	0.28
	Miscellaneous expenses	6.02	4.37
		393.17	300.13

GMR Hyderabad International Airport Limited

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

(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Payment to Auditors (Included in other expenses above)		
As Auditor		
Audit fee	0.29	0.36
Tax audit fee	-	0.03
Other services	1.40	0.57
Reimbursement of expenses	0.09	0.06
	1.78	1.02
Less: SSN issuance cost considered as an adjustment to borrowings*	(1.08)	-
	0.70	1.02
* The amount is paid to one of the joint auditors in connection with issue of senior secured notes.		

Details of CSR expenditure:	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Gross amount required to be spent by the Company during the year	4.44	3.17
(b) Amount spent in cash		
i) Construction/acquisition of any asset	1.50	-
ii) On purposes other than (i) above	4.44	3.17
(c) Total amount spent during the year		
i) Construction/acquisition of any asset	1.50	-
ii) On purposes other than (i) above	4.44	3.17

27	Finance costs	For the year ended March 31, 2018	For the year ended March 31, 2017
	Interest on debt and borrowings	194.74	242.32
	Net interest on cross currency swap	31.36	-
	Other borrowing cost	21.42	11.45
	Interest-others	8.25	3.04
	Bank charges	2.35	2.06
		258.12	258.87

28	Depreciation and amortization expense	For the year ended March 31, 2018	For the year ended March 31, 2017
	Depreciation on property, plant and equipment (note 3)	232.22	240.12
	Amortisation of intangible assets (note 4)	3.71	7.13
		235.93	247.25

GMR Hyderabad International Airport Limited
Notes to the Consolidated financial statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

C. Deferred tax:				
	Statement of profit or loss		Balance sheet	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred tax liability				
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	9.32	35.80	143.12	152.42
Fair value of financial assets/liabilities	0.09	0.01	0.01	0.10
Impact of notional interest on loan taken from Related Party	1.82	(1.77)	(0.00)	1.82
Gross deferred tax liability	11.23	34.04	143.13	154.34
Deferred tax asset				
Unabsorbed depreciation	(18.43)	(158.50)	11.99	30.41
On account of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis.	(0.41)	(27.11)	0.31	0.72
On account of income reduced from capital work in progress	3.80		3.80	-
On account of provision for doubtful trade, advances and dimunition in value of investment		-		-
Tax Holiday Reversals	(1.80)	(1.01)	1.10	2.89
Gross deferred tax asset	(16.84)	(186.62)	17.20	34.02
Credit during the year	(5.61)	(152.58)		
Net deferred tax liability			(125.93)	(120.32)
MAT credit entitlement	(101.14)	(101.02)	269.40	168.26
Deferred tax asset (unutilised tax credit)	(101.14)	(101.02)	269.40	168.26
Reconciliations of deferred tax liabilities/assets(net)				
			March 31, 2018	March 31, 2017
Opening balance			(120.32)	32.26
Tax income/(expense) during the period recognised in profit or loss			(5.61)	(152.58)
Closing balance			(125.93)	(120.32)
E. Other disclosures:				
i) Deferred tax on adjustments recognised on account of adoption of Ind AS are not considered as these adjustments get reversed in the subsequent periods and have no impact on the accounting or tax profit.				
ii) The Company off sets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.				
iii) The Company has tax losses which arose in India of Rs. Nil (March 31, 2017: Rs.45.45 Crore) that are available for offsetting against future taxable profits of the Company.				
iv) In case of GAEL, being entitled to claim tax holiday for any ten consecutive years out of fifteen years, from the year of commencement of commercial operations in 2011-12 under Section 80 IAB of the Income tax Act 1961. GAEL has recognised deferred tax asset on unabsorbed depreciation and carried forward losses only to the extent GAEL has sufficient taxable temporary differences.				
v) In case of GATL, being entitled to claim tax holiday for first ten consecutive years from the year of commencement of commercial operations in 2011-12 under Section 10AA of the Income tax Act 1961. GATL has recognised deferred tax asset on unabsorbed depreciation and carried forward losses only to the extent GATL has sufficient taxable temporary differences. Further, since the entire Deferred tax asset / Deferred tax liability on accelerated depreciation and unbilled revenue is reversed in the tax holiday period. No Deferred tax asset / Deferred tax liability is accounted for the same.				
vi) GHRL has accounted for deferred tax asset based on approval of business plan by Board and recognized deferred tax asset on unabsorbed depreciation and carryforward losses to the extent that GHRL has sufficient taxable temporary difference.				
vii) In case of GHASL, being entitled to claim tax holiday for any ten consecutive years out of fifteen years, from the year of commencement of commercial operations under Section 80-IAB of the Income Tax Act , 1956, with regard to income from SEZ operations. GHASL has commenced its commercial operations in 2010-11. Management, based on the projected future taxable income, expects to avail such tax holiday from Financial year 2020-21 which lasts up to Financial year 2023-24. Accordingly, GHASL has recognised deferred tax liability on temporary basis as on March 31, 2018 after considering the deferred tax reversal during the tax holiday period.				
viii) The temporary differences associated with investments in joint venture for which deferred tax liability has not been recognised, aggregating to Rs.0.60 crore (March 31, 2017 : NIL)				
During the year ended March 31, 2018 , the parent company has paid dividend to its share holders. This has resulted in payment of DDT to the taxation authorities. The group believes that DDT represents additional payment to taxation authority on behalf of the share holders. Hence DDT paid is charged to equity				

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
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30. Non-controlling interest:

	March 31, 2018	March 31, 2017
Balance at beginning of year (excluding share of CCPS)	34.55	26.19
Share of profit for the year	14.77	8.36
Dividend paid	(9.05)	-
Total	40.27	34.55
Share of compulsory convertible cumulative preference shares (CCPS) in HMA CPL	18.00	18.00
Balance at end of year	58.27	52.55

31. Earnings per share (EPS)

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 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.

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to equity holders for basic and diluted earning	565.63	283.81
Weighted average number of equity shares used for computing earnings per share (Basic and diluted)	37.80	37.80
Earnings per share (Basic and diluted) (Rs.)	14.96	7.51
Face value per share (Rs.)	10.00	10.00

32. Capital work in progress

During the year, the Group has capitalized the following expenses of revenue nature to capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

	March 31 2018	March 31 2017
Capital expenditure incurred on property, plant and equipment	264.07	75.35
Revenue items:		
Legal and professional	74.37	37.19
Employee benefits expense	0.76	-
Rates and taxes	0.64	0.72
Travelling and conveyance	0.31	0.32
Senior secured notes issue costs amortised	0.35	-
Land lease rentals	0.26	0.27
Finance costs	20.33	1.92
Other expenses	0.05	0.66
Total (i)	361.14	116.43

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
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Less:- Other income		
Interest income from bank deposit	(0.49)	-
Net gain on sale of current investments	(11.51)	-
Temporary lease rentals earned net of taxes	(0.58)	(0.60)
Fair valuation of investment in debt oriented mutual funds	(0.71)	-
Total (ii)	(13.29)	(0.60)
Net Capital work in progress (i-ii)	347.86	115.83

33. Retirement and other employee benefits

a) Defined contribution plan

Contribution to provident and other funds under employee benefits expense are as under:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to provident fund	5.43	4.97
Contribution to ESI and labour welfare fund	0.80	0.31
Contribution to superannuation fund	1.93	1.78
Total	8.16	7.06

b) Defined benefit plans

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

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in statement of profit and loss)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	2.46	1.37
Net interest cost	0.08	0.15
Cost recognized in statement of profit and loss	2.54	1.52

Amount recognized in other comprehensive income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial (gain)/loss due to DBO experience	0.14	(0.10)
Actuarial gain due to DBO assumption changes	(0.24)	(0.31)
Actuarial gain arising during the year	(0.10)	(0.41)
Return on plan assets greater than discount rate	(0.08)	(0.01)
Actuarial gains recognized in OCI	(0.18)	(0.42)

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
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Balance sheet

	March 31, 2018	March 31, 2017
Defined benefit obligation	(11.53)	(8.66)
Fair value of plan assets	8.93	5.79
Plan asset / (liability)	(2.60)	(2.87)

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

	March 31, 2018	March 31, 2017
Opening defined benefit obligation	8.66	7.14
Interest cost	0.53	0.52
Current service cost	1.68	1.37
Acquisition cost	0.46	0.04
Past service cost-plan amendments	0.76	-
Benefits paid (including transfer)	(0.86)	(0.88)
Acquisition cost of APFTAL	0.10	-
Actuarial losses/ (gain) on obligation-experience	0.20	0.47
Closing defined benefit obligation	11.53	8.66

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

	March 31, 2018	March 31, 2017
Opening fair value of plan assets	5.79	5.49
Expected return on plan assets	0.43	0.41
Contributions by employer	3.36	0.64
Acquisition adjustment	(0.01)	0.01
Benefits paid (including transfer)	(0.69)	(0.83)
Return on plan assets greater/ (lesser) than discount rate	0.13	(0.03)
Actuarial (gains) / losses	(0.08)	0.10
Closing fair value of plan assets	8.93	5.79

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

	March 31, 2018	March 31, 2017
Investments with insurer	100%	100%

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

Particulars	March 31, 2018	March 31, 2017
Discount rate (in %)	7.10%	7.10%
Salary Escalation (in %)	6.00%	6.00%
Attrition rate (in %)	5.00%	5.00%

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A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

	March 31, 2018	March 31, 2017
Discount rate		
Effect due to 1% increase in discount rate	0.96	(1.99)
Effect due to 1% decrease in discount rate	2.86	2.23
Attrition rate		
Effect due to 1% increase in attrition rate	0.08	1.44
Effect due to 1% decrease in attrition rate	(0.08)	(1.47)
Salary escalation rate		
Effect due to 1% increase in salary increase	2.74	2.05
Effect due to 1% decrease in salary increase	1.00	(1.92)

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

The following payments are expected contributions to the defined benefit plan in the future years:

	March 31, 2018	March 31, 2017
March 31, 2019	1.03	0.99
March 31, 2020	1.11	1.32
March 31, 2021	1.28	1.54
March 31, 2022	1.17	1.64
March 31, 2023 to March 31, 2028	9.99	6.80

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2017: 10 years).

34. Details of transactions with related parties:

A. Names of related parties and description of relationship:

Sl. No.	Relationship	Related party Name
(i)	Holding company	GMR Airports Limited (GAL)
(ii)	GAL's holding company	GMR Infrastructure Limited (GIL)
(iii)	Ultimate holding company	GMR Enterprises Private Limited (GEPL)
(iv)	Fellow Subsidiary Companies	GMR Aviation Private Limited
		GMR Aero Structure Limited ^s
		(formerly known as GMR Hyderabad Airport Resource Management Limited)
		GMR Energy Limited
		GMR Tambaram-Tindivanam Expressways Private Limited
		GMR Tuni-Anakapalli Expressways Private Limited
		Delhi International Airport Limited
		GMR Pochanpalli Expressways Limited
		GMR Corporate Center Limited
		GMR Infrastructure (Mauritius) Limited
		GMR Energy Trading Limited
		GMR SEZ and Port Holding Limited
		GMR Highways Limited
		GMR Corporate Affairs Private Limited
		GMR Hyderabad Vijayawada Expressways Private Limited
		GMR Vemagiri Power Generation Limited
		GMR Rajahmundry Energy Limited**
		GMR Warora Energy Limited
		GMR Chhattisgarh Energy Limited**
		GMR Kamalanga Energy Limited

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Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
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Sl. No.	Relationship	Related party Name
		GMR Airport Developers Limited
		GMR Power Corporation Limited
		GMR Male International Airport Private Limited
		GADL International Limited
		Kakinada SEZ Limited
		Raxa Security Services Limited
		GMR Sports Private Limited
		Geokno India Private Limited
		GMR Infrastructure (Singapore) Pte Limited
		GMR Kishnagiri SEZ Limited
		GMR Goa International Airport Limited
		GMR Business Process Services Private Limited
(vi)	Shareholders having significant influence	Government of Telangana
		Airports Authority of India
		MAHB (Mauritius) Private Limited
(vii)	Key management personnel	Mr. Srinivas Bommidala - Managing Director (resigned w.e.f. May 31, 2018)
		Mr. G B S Raju - Managing Director (from June 1, 2018)
		Mr. SGK Kishore - Chief Executive Officer
		Mr. Rajesh Arora- Chief Financial Officer
		Mr. Grandhi Kiran Kumar - Director
		Mr. Anup Kumar Samal - Company Secretary
		Mr. G M Rao - Chairman (Executive Chairman from June 1, 2018)
		Mr. HJ Dora - Director
		Mr. VR Hegde - Director
		Mr. S. Samanta - Director (Resigned with effect from March 14, 2017)
		Mr. Arvind Kumar IAS - Director
		Mr. Ramakrishna Rao IAS - Director
		Mr. Datuk Badlisham Bin Ghazali * - Director
		Mr. RSSLN Bhaskarudu- Independent Director
		Mr. NC Sarabeswaran- Independent Director
		Mrs. Vissa SivaKameswari -Independent Director
		Mr. Arvind Kumar IAS - Director (Resigned with effect from March 14, 2017)
		Mr. Jayesh Ranjan IAS - Director
		Mr. I.N. Murthy - Director
		Mr. P. Vijay Bhaskar- Independent Director (Resigned with effect from May 04, 2018)
(viii)	Joint Venture	Laqshya Hyderabad Airport Media Private Limited
		Asia Pacific Flight Training Academy Limited@
(ix)	Enterprises where key Directors and their relatives exercise significant influence	GMR Varalakshmi Foundation
(x)	Other entities in which Directors are interested	GMR Family Fund Trust
		Sri Varalakshmi Jute Twine Mills Private Limited

@ On October 9, 2017, the Company has bought out the balance stake i.e. 60% shareholding amounting to Rs. 5.34 crore in Asia Pacific Flight Training Academy Ltd.(APFTAL) held by its JV partner M/s Asia Pacific Flight Training Academy, SDN, BHD, Malaysia (APFT-Malaysia) at a value of One US Dollar considering the market potential of flight training business in India and since then it has become a wholly owned subsidiary of the company.

\$ During the previous year ended March 31, 2017, entire equity share capital of subsidiary company GMR Hyderabad Airport Resource Management Limited was sold to GMR Infrastructure Limited for a nominal sum of Rs. 1 and the loss on sale of equity was booked for Rs. 0.05 crore.

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** GMR Rajahmundry Energy Limited and GMR Chhattisgarh Energy Limited cease to exist as fellow subsidiaries w.e.f May 13, 2016 and February 23, 2017.

During the year, the subsidiary companies as at March 31, 2017, namely GMR Hyderabad Multiproduct SEZ Limited and GMR Airport Handling Services Company Limited were struck off from the register of Companies.

B. Remuneration paid to Key Managerial Remuneration:

Details of Key Managerial Personnel	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Short Term Employee benefits	Sitting Fees	Short Term Employee benefits	Sitting Fees
Remuneration to KMP	6.60	-	5.43	-
Mr. G M Rao – Chairman	-	0.01	-	0.01
Mr. HJ Dora – Director	-	0.01	-	0.01
Mr. VR Hegde – Director	-	0.01	-	0.01
Mr. S. Samanta – Director	-	-	-	0.02
Mr. Arvind Kumar IAS – Director	-	-	-	0.01
Mr. Ramakrishna Rao IAS – Director	-	0.01	-	0.00
Mr. Datuk Badlisham Bin Ghazali * - Director	-	0.00	-	0.00
Mr. RSSLN Bhaskarudu- Independent Director	-	0.04	-	0.05
Mr. NC Sarabeswaran- Independent Director	-	0.04	-	0.04
Mrs. Vissa Siva Kameswari -Independent Director	-	0.03	-	0.03
Mr. P. Vijay Bhaskar	-	0.02	-	0.01
Mr. Jayesh Ranjan IAS – Director	-	0.01	-	-
Mr. IN Murthy – Director	-	0.01	-	-

C. Summary of Transactions with related parties during the year is as follows:

Related Party Transactions	For the year ended 31-Mar-18	For the year ended 31-Mar-17
<i>Services received:</i>		
GMR Infrastructure Limited	12.64	12.75
GMR Airports Limited	21.99	12.63
Raxa Security Services Limited	17.78	14.21
GMR Aviation Private Limited	4.29	3.81
GMR Airport Developers Limited	22.58	18.91
GMR Corporate Affairs Private Limited	0.44	0.39
GMR Family Fund Trust	0.31	0.10
GMR Krishnagiri SEZ Ltd	-	0.01
Geokno India Private Limited	-	0.33
Delhi International Airport Limited	0.03	-
Laqshya Hyderabad Airport Media Private Limited	0.54	0.23
Government of Telangana	3.42	3.29
Airports Authority of India	0.13	0.05
Sri VaraLakshmi Jute Twine Mills Private Limited	0.18	-
GMR Varalakshmi Foundation	3.75	-
GMR Sports Private Limited	-	-
<i>Security Deposit (paid) /received:</i>		
Laqshya Hyderabad Airport Media Private Limited	-	0.02

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GMR Family Fund Trust	0.00	0.39
GMR Airport Developers Limited	0.07	-
Raxa Security Services Limited	0.00	-
GMR Infrastructure Limited	0.00	-
Delhi International Airport Limited	0.25	-
Sri Varalakshmi Jute Twine Mills Private Limited	(0.10)	-
GMR Varalakshmi Foundation	(0.00)	-
<i>Income from operations:</i>		
GMR Infrastructure Limited	0.02	0.08
GMR Airports Limited	0.39	0.48
GMR Aviation Private Limited	0.06	0.05
Kakinada SEZ Limited	0.41	0.35
GMR Airport Developers Limited	0.14	0.22
Raxa Security Services Limited	0.01	0.01
GEOKNO India Pvt Ltd	0.37	0.27
GMR Energy Trading Limited	0.01	0.01
GMR Highways Limited	0.28	0.26
GMR Business Process Services Private Limited	0.38	0.00
GMR Corporate Affairs Private Limited	0.00	-
GMR Goa International Airport Limited	-	0.00
GMR Vemagiri Power Generation Limited	-	0.00
Delhi International Airport Limited	0.03	0.00
GMR Warora Energy Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	38.15	33.67
Asia Pacific Flight Training Academy Limited	0.30	1.57
Airports Authority of India	3.20	3.01
GMR Varalakshmi Foundation	0.40	0.36
GMR Tuni-Anakapalli Expressways Ltd	0.00	-
<i>Unsecured loan received back:</i>		
Laqshya Hyderabad Airport Media Private Limited	4.56	1.50
<i>Interest on amortisation of interest free unsecured loan given:</i>		
Laqshya Hyderabad Airport Media Private Limited	1.46	0.74
<i>Interest on delayed payments from customers</i>		
GMR Highways Limited	0.00	-
Asia pacific Flight Training Academy Limited	-	0.20
Laqshya Hyderabad Airport Media Private Limited	0.04	0.02
GMR Aviation Private Limited	0.00	-
<i>Sale of Asset:</i>		
Kakinada SEZ Limited	-	0.01
<i>Purchase of Asset:</i>		
GMR Airport Developers Limited	22.39	2.41
<i>Corporate guarantee availed from the intermediate holding company against loan taken from banks:</i>		
GMR Infrastructure Limited	-	37.14
GMR Airport Limited	(41.00)	-
<i>CSR Expenditure</i>		
GMR Varalakshmi Foundation	4.44	2.46

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<i>Reimbursement of expenses claimed by the Group during the year from its related parties:</i>		
GMR Infrastructure Limited	0.02	0.03
GMR Airports Limited	0.47	0.15
Kakinada SEZ Limited	0.09	0.09
Delhi International Airport Limited	0.07	-
GMR Airport Developers Limited	0.90	0.45
GMR Highways Limited	0.06	0.05
Geokno India Private Limited	0.15	0.11
Asia Pacific Flight Training Academy Limited	-	0.21
Laqshya Hyderabad Airport Media Private Limited	1.36	1.17
Airports Authority of India	2.98	3.18
GMR Varalakshmi Foundation	0.08	0.07
GMR Hyderabad Vijayawada Expressways Private Limited		-
Raxa Security Services Limited	0.00	0.00
GMR Energy Trading Limited	0.00	0.00
GMR Rajahmundry Energy Limited	-	0.00
GMR Business Process & Services Private limited	0.04	-
GMR Sports Private limited	0.58	-
<i>Reimbursement of expenses claimed from the Group during the year by its related parties:</i>		
GMR Airports Limited	0.48	-
Delhi International Airport Limited	0.37	0.25
GMR Varalakshmi Foundation	-	0.00
Laqshya Hyderabad Airport Media Private Limited	0.03	-
GMR Airport Developers Limited	0.00	-
<i>Income on amortisation of deposit received:</i>		
Asia Pacific Flight Training Academy Limited	-	0.01
Laqshya Hyderabad Airport Media Private Limited	0.04	0.01
GMR Varalakshmi Foundation	0.01	0.01
GMR Infrastructure Limited	-	0.00
<i>Interest expense on amortisation of deposit received:</i>		
Asia Pacific Flight Training Academy Limited	-	0.01
Laqshya Hyderabad Airport Media Private Limited	0.04	0.01
GMR Varalakshmi Foundation	0.01	0.01
GMR Infrastructure Limited	-	0.00
Equity Dividend Paid		
GMR Airports Limited	95.26	-
GMR Infrastructure Limited	0.00	-
MAHB (Mauritius) Private Limited	16.63	-
Airports Authority of India	19.66	-
Government of Telangana	19.66	-

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Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
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D. Outstanding balances at the end of the year:

Particulars	31-Mar-18		31-Mar-17	
	Non-Current	Current	Non-Current	Current
<i>Balance Recoverable / (Payable):</i>				
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Infrastructure Limited	-	(1.76)	-	(3.06)
GMR Airports Limited	-	(7.69)	-	(2.37)
Raxa Security Services Limited	-	(2.38)	-	(1.95)
Delhi International Airport Limited	-	(0.02)	-	(0.17)
GMR Rajahmundry Energy Limited	-	0.04	-	0.04
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	(0.69)	-	(0.04)
GMR Airport Developers Limited	-	(9.46)	-	(3.31)
Kakinada SEZ Private Limited	-	0.40	-	0.34
GMR Energy Trading Limited	-	0.02	-	0.01
GMR Power Corporation Limited	-	-	-	-
GMR Corporate Affairs Private Limited	-	(0.10)	-	(0.11)
GMR Highways Limited	-	(0.00)	-	(0.00)
Geokno India Private Limited	-	1.02	-	0.38
GADL International Limited	-	-	-	-
GMR Warora Energy Limited	-	0.00	-	-
GMR Infrastructure (Singapore) Pte Limited	-	-	-	-
GMR Holdings Private Limited	-	0.01	-	-
GMR Energy Limited	-	-	-	-
GMR Tuni Anakapalli Expressways Private Limited	-	0.00	-	-
GMR Tambaram Tindivanam Expressways Private Limited	-	-	-	-
GMR Aerostructure Services Limited	-	0.03	-	0.01
GMR Goa International Airport Limited	-	-	-	0.00
GMR Vemagiri Power Generation Ltd.	-	0.00	-	-
GMR Kamalanga Energy Limited	-	0.01	-	-
GMR Business Process Services Private Limited	-	0.49	-	0.00
Laqshya Hyderabad Airport Media Private Limited	-	9.57	-	4.79
Asia Pacific Flight Training Academy Limited	-	-	-	2.50
Government of Telangana	-	(3.52)	-	(3.37)
Airports Authority of India	-	5.90	-	4.30
GMR Family Fund Trust	-	-	-	(0.09)
GMR Varalakshmi Foundation	-	(0.88)	-	(0.03)
<i>Security deposit received from / (paid) to related parties recognised at amortised cost:</i>				
GMR Infrastructure Limited	-	0.04	-	0.02
Raxa Security Services Limited	(1.75)	-	(1.75)	-
Asia Pacific Flight Training Academy	-	-	0.14	-

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Particulars	31-Mar-18		31-Mar-17	
Limited				
Laqshya Hyderabad Airport Media Private Limited	0.27	0.05	0.30	-
GMR Varalakshmi Foundation	0.15	-	0.12	-
GADL Internation Limited	-	0.07		
Sri Varalakshmi Jute Twine Mills	-	(0.10)	-	-
Delhi International Airport Limited	-	0.21	-	-
GMR Family Fund trust	(0.39)		(0.39)	-
<i>Deferred income on deposits received recognized at amortised cost</i>				
Asia Pacific Flight Training Academy Limited	-	-	0.01	-
Laqshya Hyderabad Airport Media Private Limited	0.01	0.03	0.03	0.03
GMR Varalakshmi Foundation	-	0.01	0.01	0.01
<i>Investment in joint venture company:</i>				
Asia Pacific Flight Training Academy Limited	-	-	3.56	-
Laqshya Hyderabad Airport Media Private Limited	9.80	-	9.80	-
<i>Investment in Joint venture on account of amortisation of Loans given and Fair valuation of Financial guarantees:</i>				
Laqshya Hyderabad Airport Media Private Limited	5.59	-	5.58	-
<i>Loans given :</i>				
Laqshya Hyderabad Airport Media Private Limited	-	2.87	4.76	0.99

E. Outstanding guarantees / pledge of equity shares at the end of the year:

Related Party Transactions	31-Mar-18	31-Mar-17
<i>Pledge of equity shares by the shareholders having significant influence in GHIAL, with banks against the loan taken:</i>		
GMR Airports Limited	-	164.12
MAHB (Mauritius) Private Limited	-	28.66
<i>Corporate guarantee availed from the intermediary holding company against loan taken from banks:</i>		
GMR Airport Limited	-	131.00

Note: GHIAL has provided certain corporate group support services such as internal audit services, software and IT support etc. to its joint venture companies, which are free of charge.

35. Operating segments are reported in such a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). As per the evaluation carried out by CODM the Group has only one reportable business segment i.e of airport and allied services. Accordingly, the amounts appearing in the financial statements relate to the Group's single business segment.

36. Commitments and Contingencies**I. Leases****Operating lease commitments:** Group as lessee

As per the terms of the Concession Agreement and Land Lease Agreement, the Government of Telangana leased the land to GHIAL for the concession period. The lease term neither constitutes a major part of the economic life nor the fair value of the land. Hence all significant risk and rewards of the ownership have not been transferred and accordingly lease is classified as an operating lease.

GHIAL has taken land and office spaces on operating lease having a term of 30 years and 5 years respectively. The land lease has an escalation of 5% per annum from the 8th anniversary of the Commercial Operations Date (i.e. March 23, 2008) and it has a renewal option for another thirty years which is co-terminus with the concession period. The office spaces leases have an escalation of 5% per annum and are renewable at the end of the lease period with mutual consent.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	March 31, 2018	March 31, 2017
Within one year	4.24	3.75
After one year but not more than five years	22.22	21.22
More than five years	726.79	731.38

Operating lease commitments: Group as lessor

Group has sub-leased land to various parties under operating leases having a term of 9 to 30 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiable.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	March 31, 2018	March 31, 2017
Within one year	49.21	42.17
After one year but not more than five years	105.79	100.15
More than five years	374.32	342.50

II. Litigation and Contingent Liabilities**1. Litigations provided for**

- Matters related to various service tax notices / orders referred in paragraph (C) below on contingent liabilities of GMR Hyderabad International Airport Limited for which an amount of Rs.0.81 crore (March 31, 2017: Rs.0.81 crore) have been provided for in the books of account.
- Matter related to service tax notice / order referred in note (C) below on contingent liabilities of GMR Hyderabad Aerotropolis Limited for which an amount of Rs. 0.85 crore (March 31, 2017: Rs. 0.85 crore. March 31, 2016: Rs. 0.85 crore) have been provided for in the books of account.
- As per the amended and restated joint venture agreement dated November 16, 2010 executed between GMR Hyderabad International Airport Ltd, Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) limited, Menzies Aviation (India) Private Limited and Hyderabad Menzies Air Cargo Private Limited, the Company shall pay preference dividend at a coupon rate of 11.97% on the paid up value of compulsorily convertible cumulative preference shares (Series A & B) which is amounting to Rs. 5,392,106 and tax thereon for the quarter ended March 31, 2018. Subsequent to the reporting date of financial statements, the Board of Directors have approved the declaration of preference dividend on April 12, 2018 through circular resolution.

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
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2. Contingent liability not provided for

A. Direct taxes:

- a) A search operation under section 132 of the Income Tax Act, 1961 was carried out at the premises of GHIAL by the Income Tax authorities on October 11, 2012 followed by another search closure visit on November 10, 2012, to check the compliance with the provisions of the Income Tax Act, 1961. Block Assessment in respect of A.Y. 2007-2008 to 2012-2013 was completed and GHIAL received the assessment orders, which disallowed certain expenses and made few additions to the income resulting in reduction of carried forward loss amounting to Rs. 109.44 crore and no additional tax liability was assessed to be payable by GHIAL. GHIAL had filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru against the said block assessment orders. During the current year, GHIAL received the orders from the Commissioner of Income Tax (Appeals), Bengaluru reducing the disallowances from Rs. 109.44 crore to Rs. 31.17 crore against which GHIAL has filed an appeal with Income Tax Appellate Tribunal, Bengaluru.
- b) GHIAL received an assessment order for A.Y. 2013-14 disallowing expenses amounting to Rs.23.68 crore against which GHIAL filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru (CIT). During the current year, GHIAL had received an order from CIT reducing the disallowance of expenditure from Rs. 23.68 crore to Rs. 3.76 crore against which GHIAL had filed an appeal with Income Tax Appellate Tribunal, Bengaluru.
- c) GHIAL received assessment orders for the A.Y. 2014-15 and 2015-16 disallowing expenses aggregating to Rs. 23.79 crore and Rs. 19.82 crore respectively against which, GHIAL has filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru.
- d) GHIAL received assessment orders for the A.Y. 2016-17 disallowing expenses aggregating to Rs. 22.78 crore against which, GHIAL has filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru.
- e) GHAL had filed the Appeal against the assessment order passed u/s 143(3) for AY 2012-13 from the office of Deputy Commissioner of Income Tax wherein the assessing officer had disallowed Rs. 0.10 crore (March 31,2017 Rs. 0.10 crore) debited to statement of profit and loss stating that the business is yet to start. During the year GHAL has received order stating that the said expenditure is not revenue in nature but allowed to treat the same as Capital work in progress.
- f) HMA CPL had received assessment order during previous years for the assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13 respectively, denying the deduction u/s 80-1A of the Income Tax Act, 1961 and demanding tax of Rs. 1.54 crore (March 2017: Rs. 1.54 crore) (including interest of Rs 0.22 crore) (March 2017: Rs. 0.22 crore), Rs. 2.73 crore (March 2017: Rs. 2.73 crore) (including interest of Rs 0.69 crore (March 2017: Rs. 0.69crore) and Rs. 3.03 crore (March 2017: Rs 3.03 crore) (including interest of Rs. 0.74 crore (March 2017: Rs. 0.74 crore) and Rs. 2.54 crore (March 2017: Rs. 2.54 crore) (including interest of Rs 0.66 crore (March 2017: Rs. 0.66 crore) for the respective assessment years. HMA CPL had filed an appeal with Commissioner of Income Tax (Appeals), Hyderabad and had paid Rs. 1.54 crore (March 2017 Rs. 1.54 crore) Rs. 2.73 crore (March 2017: Rs. 2.42 crore), Rs.3.03 crore (March 2017: Rs.3.03 crore) and Rs. 2.54 crore (March 2017: Rs. 2.54 crore) for the assessment years 2009–2010, 20102011, 2011-2012 and 2012-13 respectively under protest. During the previous years, the said appeals were dismissed by the Commissioner of Income Tax (Appeals), Hyderabad against which HMA CPL had filed an appeal with the Income Tax Appellate Tribunal, Hyderabad. During the previous year, HMA CPL has received a favorable order from Income Tax Appellate Tribunal, Hyderabad allowing the deduction u/ s 80 IA of the income tax Act, 1961 for the Assessment years 2009–2010, 2010-2011, 2011-2012 and 2012-13. However, the department has preferred further appeal before high court.

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
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- g) HMA CPL had received an order during previous years for the assessment year 2013-14 and 2014-15 respectively, denying the deduction u/s 80-IA of the Income Tax Act, 1961. Per this order the refund receivable to the Company has reduced by Rs. 4.18 crore for A.Y. 2013-14 and Rs. 3.11 crore for A.Y. 2014-15. Aggrieved by the reduction in refund and the demand, the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad. During the current year, the Company has received a favorable order from Commissioner of Income -Tax (Appeals),

Hyderabad allowing the deduction u/s 80-IA of the Income tax Act, 1961 for the Assessment years 2013-14 and 2014-15. The Department appealed against the CIT order before ITAT in respect of the aforesaid years.

- h) HMA CPL has received an order during current period for the assessment year 2015-16 denying the deduction u/s 80-IA of the Income Tax Act, 1961. Subsequently, the company filed for rectification of order u/s 154 of the Income-tax Act, 1961 and as per the rectified order there is a tax demand amounting to Rs. 4.17 crore for AY 2015-16. Aggrieved by the demand the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad.
- i) HMA CPL has received an order from Deputy Commissioner of Income tax, Hyderabad for the reopening of the assessment year 2008-09 disallowing an item of expense amounting to Rs. 0.85 crore (March 2017: Rs. 0.85 crore). The Company has filed an appeal with Commissioner of Income - Tax (Appeals), Hyderabad on May 5, 2015 and based on an internal assessment, Management is of the opinion that the said order is time barred and will not be sustainable under law.
- j) As per the amended and restated joint venture agreement dated November 16, 2010 executed between GMR Hyderabad International Airport Ltd, Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) Limited, Menzies Aviation (India) Private Limited and Hyderabad Menzies Air Cargo Private Limited (HMA CPL), GHIAL exercised its Buy Back Rights to buy the shares held by MACL in HMA CPL, MACL disputed GHIAL position as regards exercising the buyback rights. In view of the above dispute, GHIAL invoked Arbitration and post conclusion of proceedings of Arbitral Tribunal issued the final award on January 29, 2018 dismissing the claims of GHIAL with costs stating that the fair market value was not determined as per the requirements of Joint Venture Agreement (JVA).

B. Guarantees excluding financial guarantees

In case of GHIAL, Bank guarantees outstanding in respect of customs and others Rs. 8.91 crore (March 31, 2017: Rs. 20 crore).

In the case of GHRL, Bank guarantees outstanding in respect of customs department Rs. NIL (March 31, 2017: Rs. 0.74 crore).

In the case of GHIAL, Letter of credit amounting to Rs. NIL (March 31, 2017: Rs. 2.48 crore).

C. Matters under dispute are as follows:

- i. GHIAL had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated January 29, 2010 on irregular availment of the Cenvat amounting to Rs. 24.54 crore (March 31, 2017: Rs. 24.54 crore). The order also includes penalty of Rs. 31.11 crore (March 31, 2017: Rs. 31.11 crore). GHIAL had received stay order from CESTAT modified by High Court of Andhra Pradesh against the above said order subject to pre-deposit of Rs. 12.20 crore (March 31, 2017: Rs. 12.20 crore) and accordingly, GHIAL had deposited the same with the service tax department within the stipulated time.
- ii. GHIAL had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated October 28, 2009, as per which GHIAL is liable to pay an amount of Rs. 7.43 crore (March 31, 2017: Rs. 7.43 crore) towards penalty on delay in payment of service tax on the User Development Fee (UDF). GHIAL has got the stay order against the above said order in the earlier years.

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- iii. GHIAL had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated November 25, 2013 on non- payment of service tax on recovery of electricity and water charges from its concessionaires and irregular availment of Cenvat amounting to Rs. 1.53 crore (March 31, 2017: Rs. 1.53 crore), including penalty of Rs 1.67 crore (March 31, 2017: Rs. 1.67 crore). GHIAL had received a stay subject to pre-deposit of Rs. 0.15 crore and accordingly, GHIAL had deposited same with the service tax department within the stipulated time.
- iv. GHIAL had received an order dated December 27, 2017 (Show cause notice dated June 17, 2013) from the Office of Assistant Commissioner of Central Tax on non-payment of service tax on import of services amounting to Rs.0.25 crore (March 31, 2017: Rs. 0.33 crore). The orders also includes the interest payable thereon and penalty of Rs. 0.26 crore (March 31, 2017: Rs. 0.41 crore). Subsequent to the year end, GHIAL has filed an appeal before the office of Commissioner (Appeals) and deposited an amount of Rs.0.001 crore with the service tax department as required to file the appeal.
- v. GHIAL has received an order dated March 23, 2018 from the officer of commissioner of Central Tax on irregular availment of exemption on sale of space for advertisement, undervaluation of security services received from CISF, irregular availment of cenvat credit on capital goods & inputs and non-payment of service tax from the office of commissioner of Central Tax whereby the demand of service tax amounting to Rs. 2.39 crore. The order also includes a penalty of Rs. 1.80 crore and interest as applicable. Subsequent to the the year end, GHIAL has filed the appeal before the Customs, Excise and Service Tax Appellate Tribunal.
- vi. GHIAL had received an order (Show Cause Notice dated April 23, 2014) from the Office of Commissioner of Customs, Central Excise and Service tax dated June 11, 2015 on Irregular availment of cenvat credit amounting to Rs. 0.62 crore (March 31, 2017: 0.62 crore). The order also includes penalty of Rs. 0.62 crore (March 17 : 0.62 crore) GHIAL has filed the appeal before the Customs, Excise and Service Tax Appellate Tribunal and deposited an amount of Rs. 0.05 crore with the service tax department as required to file the appeal.
- vii. GHAL as preferred an appeal with CESTAT against the order passed by Commissioner of Customs, Central Excise & Service Tax in the matter of the Cenvat Credit demanding amounting to Rs. 0.29 crore (for the period October 2008 to March 2011) including a penalty of Rs 1.14 crore (March 31,2017 Rs 1.14 crore). Further, based on the internal assessment the management is confident that no provision is required to be made as at March 31, 2018.
- viii. GHAL had received an order (show cause notice dated June 7, 2016) from Commissioner of Customs, Central Excise & Service Tax dated June 22, 2016 regarding short payment of service tax of Rs.1.47 crore (March 2017 : 1.47 crore) - under RCM on Architecture service. GHAL had preferred an appeal with Commissioner of Customs, Central Excise & Service Tax and reversed cenvat credit of Rs.0.11 crore towards pre-deposit.
- ix. GHASL had received Show Cause Notice dated July 17, 2015 from the Office of the Assistant Commissioner of Customs, Central Excise and Service Tax wherein service tax refund of Rs.0.01 crore (March 31,2017: Rs.0.01 crore) has been denied.
- x. During the year , the Hon`ble High Court of judicature at Hyderabad for the State of Telangana and the State of Andhra based on writ petition file by GHASL against the SCN on granting exemption of service tax under renting of immovable property services without obtaining Form A1 / A2 for the period from October 2011 to March 2016, has given direction to the department that they should hear the issue by affording a personal hearing and without getting influenced by the counter filed by them and pass a speaking order. The Court further directed that such order shall stand suspended by four weeks to enable us to take appropriate recourse in case we wish to challenge order. Accordinlgy, PH was granted by the Commissioner of Central Tax and Order-In-Original was passed on February 2, 2018 confirming the demand of Rs 11.97 crore including a penalty of Rs 4.37 crore.

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- xi. GHRL has received a show cause notice from the assistant commissioner of service tax levying service tax on 100% value of Room retention charges amounting to Rs. 0.00 crore (March 31, 2017: Rs. 0.04 crore) as against the current practice of discharging the service tax on 60% value.
- xii. HMA CPL accrued customs officers' salaries stationed at Air Cargo Terminal based on debit notes raised by the customs department on GHIAL as the ultimate cost has to be borne by the custodian i.e. HMA CPL. GHIAL filed a writ petition under article, 226 of the constitution of India in the Honorable High Court of Judicature of Andhra Pradesh at Hyderabad against the demand raised in previous years, GHIAL had received an order from the Honorable High court of Andhra Pradesh (Single Judge), stating that the grounds on which the levy was made by customs department were wholly unsustainable and accordingly

HMA CPL had reversed the accrued customs cost amounting to Rs. 14.02 crore (March 2017 : Rs.14.02 crore) for the period from March 23, 2008 to March 31, 2012 as provision no longer required written back and included the same in other income.

Subsequent to the above order, the customs department preferred an appeal against the same and on November 2, 2012, a bench of two judges of the Honorable High Court of Andhra Pradesh passed an order for interim suspension of the said order passed by the Honorable Single Judge. The Management, based on internal assessment/legal opinion, is confident that there is no financial impact of this interim suspension order and accordingly, no adjustment has been made in the consolidated financial statements.

- xiii. HMA CPL had rendered cargo handling services for export cargo during the period March 2008 to June 2010 on which HMA CPL had not paid service tax in view of the exemption available under cargo handling services. HMA CPL had received a show cause notice from the Office of Commissioner of Customs & Central Excise requiring HMA CPL to show cause as to why the services rendered during March 2008 to June 2010 should not be classified under "Airport Services" and "Storage and Warehousing Services" ("Taxable Service").

On May 3, 2013, HMA CPL had received an order from Commissioner of Customs, Central Excise and Service tax. As per the said order, the commissioner had concurred with the departments view and classified the services of cargo handling for export cargo as Taxable Service. As a result of which, there was a demand levied of Rs.1.89 crore (March 2017 : 1.89 crore) crore as service tax for the period March 2008 to June 2010 under Airport Services and Rs. 1.07 crore (March 2017 : 1.07 crore) as service tax for the period March 2008 to June 2010 on Storage and Warehousing Services along with applicable interest and penalty.

Subsequently, the Customs, Excise & Service Tax Appellate Tribunal (CESTAT) in its stay order dated October 25, 2013 has mentioned that X-ray Screening, Terminal Storage and Processing, Unitization and Demurrage would be incidental and ancillary in relation to cargo handling service. As a result, there shall be a waiver of pre deposit of the dues and stay against recovery during pendency of the appeal.

- xiv. HMA CPL has received a show cause notice from the Office of Commissioner (Audit) Central tax requiring the Company to show cause as to why CENVAT credit of Rs. 0.65 crore along with applicable interest and penalty should not be reversed/demanded on certain exempted services. The Company has filed a reply to the Show Cause notice with the Office of Commissioner (Audit) Central tax on October 10, 2017. Personal hearing completed on 27th March 2018, AC has passed a order dated 28.03.2018 by disallowing Company demand, order received on 9th April 2018. As a result of which, there was a demand levied of Rs. 0.65 crore as service tax along with penalty of Rs. 0.63 crore. Further, the company is in the process of filing appeal against the order with Commissioner (Appeals), Central tax.
- xv. GHRL received notices of demand amounting to Rs. 0.34 crore (March 31, 2017: Rs. 0.36 crore) from commercial taxes department, levying Value Added Tax on leasing of Audio Visual equipment. GHRL has replied to the said department against the aforesaid demand notices.
- xvi. GHIAL had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction workers' Welfare Cess @ 1% of the cost of construction of Airport Metropolitan amounting to Rs. 25.20 crore (March 31, 2017: Rs. 25.20 crore). GHIAL had received the stay order against the said order in the earlier years.

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- xvii. GHIAL had received notice dated January 19, 2013, from Hyderabad Metropolitan Water Supply & Sewerage Board for disconnection of water connection for non-payment of sewerage cess arrears. GHIAL had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at March 31, 2017 amounts to Rs. 4.28 crore (March 31, 2017: Rs. 3.94 crore).
- xviii. APFTAL has received a show cause notice dated April 19, 2016, from the Office of Commissioner of Customs, Central Excise & Service Tax of Rs. 0.96 crore (March 31, 2017: Rs. 0.39 crore) for wrong availment of exemption from service tax on training courses offered and non-payment of service tax under reverse charge mechanism on aircrafts' lease rentals. The show cause notice also includes interest and penalty thereon. APFTAL has submitted its reply to the show cause notice on June 20, 2016.
- xix. APFTAL has received a show cause notice dated March 02, 2018, from the Office of Commercial Taxes Department of Rs. 0.88 crore/- for VAT on consumption of spares for repair of leased aircrafts and Hostel mess expenses. The SCN does not include the interest and penalty thereon. APFTAL has submitted the reply to show cause notice on March 27, 2018.
- xx. APFTAL has received a show cause notice dated March 12, 2018, from the Commissioner of State Department of Rs. 0.81 crore for wrong availment of exemption from GST on training courses offered. The show cause notice does not include interest and penalty thereon. APFTAL has submitted the reply to show cause notice on March 31, 2018.
- xxi. Recovery from PSF (SC) Escrow account:

- a) In case of GHIAL, the Ministry of Civil Aviation (MoCA) had issued the order vide order no. AV 13024 /03/2011-AS (Pt. I), dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred, since inception till date, towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of PSF (SC) escrow account opened and maintained by the Airport Operator in a fiduciary capacity. GHIAL had incurred Rs. 94.51 crore (March 31, 2017: Rs. 93.83 crore towards capital expenditure (including the construction cost and cost of land mentioned in note b and excluding related maintenance expense and interest thereon) till March 31, 2017 out of PSF (SC) escrow account as per SOPs, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

As the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by the MoCA from time to time in this regard, GHIAL had challenged the said order before Hon'ble High court of Andhra Pradesh. The Honorable Court, vide its order dated March 3, 2014 followed by further clarifications dated April 28, 2014 and December 24, 2014, stayed the MoCA order with an undertaking that, in the event the decision of the writ petition goes against GHIAL, it shall reverse all the expenditure incurred from PSF (SC).

Accordingly, the GHIAL is continuing to incur the procurement and maintenance cost of security systems / equipment from PSF (SC) escrow account and during the year ended March 31, 2018 incurred an amount of Rs. 3.50 crore (March 31, 2017 Rs. 2.88 crore) on maintenance of security systems / equipment from the PSF (SC) escrow account.

- b) As per the advice from the Ministry of Home Affairs and the SOP issued by the MoCA on March 06, 2002, GHIAL, through its wholly owned subsidiary, Hyderabad Airport Security Services Limited (HASSL) constructed the residential quarters for Central Industrial Security Force (CISF) deployed at the airport. After completion of such construction, the total construction cost including the cost of land amounting to Rs. 69.92 crore (March 31, 2017: Rs. 69.92 crore) was debited to the Passenger Service Fee (Security Component) Fund [PSF (SC) Fund] with intimation to the MoCA. The Comptroller & Auditor General, during their audits of PSF (SC) Fund, observed that, GHIAL had not obtained prior approval from the MoCA for incurring such cost from the PSF (SC) Fund as required by the guidelines dated January 8, 2010 and April 16, 2010 issued by the MoCA. However, Management of GHIAL is of the opinion that these guidelines were issued subsequent to the construction of the said residential

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quarters and approached the MoCA for approval of such debit notes to the PSF (SC) Fund account and also, made an application for an increase in PSF (SC) tariff to recover these dues and to meet the shortfall in discharging other liabilities from PSF (SC) fund. In the earlier years, the MoCA responded that, it is not in a position to consider the request for enhancement in the PSF (SC) tariff. As a result, GHIAL had requested the MoCA to advise the Airport Economic Regulatory Authority (AERA) for considering the cost of construction, land and other related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the airport. Pending final instructions from the MoCA, residential quarters continue to be accounted under the PSF (SC) Fund and no adjustments have been made to these financial statements.

- xxii. GATL, a penalty of Rs.0.05 crore has been imposed on the Company by the Development Commissioner, Vishakhapatnam Special Economic Zone for acceptance of payments in INR for services rendered. The Company, has filed an appeal to the Additional Secretary, Department of Commerce and Industry, Government of India against the penalty order received; and is expecting a favourable order for the same.
- xxiii. GATL has received letter from specified officer stating to pay customs duty on components used in Maintenance Repair and Overhaul (MRO) services for aircraft sent from Specific Economic Zone to Domestic Tariff Area. Management is confident that no liability in this regard would be payable, based on the clarification obtained by the Company from Ministry of Commerce and Industry, customs duty is not applicable on such transactions.
- xxiv. GAEL has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal {CESTAT} against the order of Commissioner of Service Tax for the rejection of service tax refund claim amounting to Rs. 1.02 crore.
- xxv. Fuel surcharge adjustments (FSA) for the period from April 2008 to March 2010 amounting to Rs. 2.05 crore (March 31, 2017: Rs. 2.05 crore).

Based on the internal assessment and / or legal opinion, the Management of the Group is confident that, for the aforesaid mentioned contingent liabilities, no further provision is required to be made as at March 31, 2018.

III. Commitments

a) Capital commitments

Estimated amount of contracts of the Group remaining to be executed on capital account and not provided for (net of Advances) amounting to Rs.188.80 crore (March 31, 2017: Rs.80.58 crore).

b) Other commitments

- i. As per the terms of concession agreement, the GMR Hyderabad International Airport Limited is required to pay concession fees to the Ministry of Civil Aviation (MoCA) @ 4% on all its gross revenue (as defined in Concession Agreement) of GHIAL for an initial term of 30 years starting from March 23, 2008 which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of the Concession Agreement.
- ii. For commitments pertaining to lease arrangement refer clause I of note 36.

37. Significant accounting judgments, estimates and assumptions:

The preparation of the Group's consolidated 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.

a. Judgments

In the process of applying the group's accounting policies, management has made the following judgments, which has the effect on the amounts recognised in the financial statements:

Non applicability of Service Concession Agreement (SCA) to GHIAL

GHIAL had entered into Concession agreement with the MoCA, which gives GHIAL an exclusive right of development, design, financing, construction, commissioning, maintenance, operation and management of the Hyderabad Airport on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years at the option of GHIAL. Under the agreement, the MoCA has granted exclusive right and authority to perform some of the functions of the AAI being the functions of operation, maintenance, development, design, construction, upgradation, modernization, finance and management of the Airport and to perform services and activities at the airport constituting 'Airport activities' (regulated services) and 'Non-Airport Activities' (non-regulated services). Airport Activities are regulated while there is no control over determination of prices for Non-Airport activities. Charges for Non-Airport activities are determined at the sole discretion of GHIAL.

Appendix A to Ind AS 11 contains provisions to cover arrangements between public and private enterprises- referred to as service concession arrangement ("SCA"). An entity is required to evaluate applicability of SCA for its arrangement under public to private partnership based on SCA guidance. The applicability of service concession depends whether the grantors control or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and also control the residual interest in the infrastructure.

GHIAL management conducted detailed analysis to determine applicability of Appendix A of Ind AS 11. The concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from GHIAL, MoCA and users/passengers perspective. Further, the regulated and non-regulated services are substantially interdependent and cannot be offered in isolation. Airport premises is being used both for providing regulated services and for providing non-regulated services. Based on GHIAL's proportion of regulated and non-regulated activities, the directors have determined that over the concession period, the unregulated business activities drives the economics of the arrangement and contributes substantially to the profits of GHIAL and hence concluded that SCA does not apply in its entirety to GHIAL.

Applicability of Service Concession Agreement (SCA) to HMA CPL

HMA CPL, constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include infrastructure used in public-to-private service concession arrangement for its entire useful life.

Appendix A to Ind AS 11 on Service Concession Arrangement ("SCA") provides that these arrangements are accounted for based on the nature of the consideration. An entity is required to evaluate applicability of SCA for its arrangement under public to private partnership based on SCA guidance. The applicability of service concession depends whether the grantors control or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and also control the residual interest in the infrastructure. The intangible asset model is used to the extent that HMA CPL receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when HMA CPL receives a right to receive cash or other financial assets from or at the direction of the grantor for the construction service.

Accordingly, though GHIAL has granted the further concession to HMA CPL alongwith leasing of the part of the cargo infrastructure facility but since HMA CPL has a right to charge the users of the services and therefore, the same has been classified under intangible asset model.

Leases: whether an arrangement contains a lease

As per the terms of the Concession Agreement and Land Lease Agreement, the Government of Telangana leased the land to the GHIAL for the concession period. The lease term neither constitutes a major part of the economic life nor the fair value of the land. Hence, all the significant risk and rewards of the ownership have not been transferred and accordingly the lease is classified as an operating lease

Concession Fee:

As per the Concession Agreement (CA), the GHIAL is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to include all pre-tax revenue of GHIAL with certain specified exclusions.

Management is of the view that certain income / credits arising on adoption of Ind-AS and also mark to market gain on valuation of IRS was not in contemplation of parties in December 2004 when this Concession agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent receipts from business operations, from any external sources and therefore, are not treated as "Gross Revenue" for computation of Concession fee to MoCA. Accordingly, GHIAL has not provided the concession fee on such income / credits. (Refer Note: 50)

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

Discounting rate

The Group has considered incremental borrowing rate of Airport sector i.e. 11.44% for measuring deposits, being financial assets and financial liabilities, at amortised cost.

Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. See Note 32 for further disclosures.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events. See clause II of Note 36 for further disclosures.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 38, 39 and 40 for further disclosures.

Tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. See Note 29 for further disclosures.

GAEL neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, GAEL has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Impairment of financial asset

The impairment provisions for financial assets are based on the assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

38. Fair values:

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

	Carrying value		Fair value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets				
At Fair Value through profit or loss				
Investments	941.08	387.34	941.08	387.34
At Fair Value through Other Comprehensive Income				
Cross Currency Swap (Derivative designed as cash flow hedge)*	71.69	-	71.69	-
Interest Rate Swap (Derivatives not designed as hedge)	-	8.64	-	8.64

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	Carrying value		Fair value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial liabilities				
Financial liabilities carried at fair value through profit or loss				
Interest Rate Swap (Derivatives not designed as hedge)	-	67.24	-	67.24

*Excluding accrued net interest of Rs. 40.36 crore

The management assessed the cash and cash equivalent, trade receivables trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Assumptions used in estimating the fair values:

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:

- Cross currency swap: The fair value of cross currency swaps is calculated as the present value of the estimated future cash flows based on observable yield curve.
- Interest rate swaps:-The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observables yield curve.
- The fair values of quoted mutual funds and commercial paper are based on price quotations at the reporting date.

39. Fair Value Hierarchy:

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at:

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			Level-1	Level-2	Level-3
Assets measured at fair value					
At FVTPL					
Investment	March 31, 2018	941.08	941.08	-	-
	March 31, 2017	387.34	387.34	-	-
Interest Rate Swap (Derivatives not designed as hedge)	March 31, 2018	-	-	-	-
	March 31, 2017	8.64	-	8.64	-
At FVTOCI					
Derivative designed as cash flow hedge (Cross currency swap)	March 31, 2018	71.69	-	71.69	-
	March 31, 2017	-	-	-	-

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Liabilities measured at fair value					
Derivative not designated as hedge (Interest rate swap)	March 31, 2018	-	-	-	-
	March 31, 2017	67.24	-	67.24	-

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

Valuation Techniques used to determine the Fair Value:

Specific valuation techniques used to value financial instruments include:

- i. The use of quoted market price of investments.
- ii. The Fair value of Interest rate swaps is calculated as the present value of estimated future cash flows based on observable interest yield curves.
- iii. The fair value of cross currency swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

40. Financial risk management objectives and policies:

The Group's activities expose it to variety of finance risk, market risk, credit risk and liquidity risk. The Group's focus is to foresee such risks and seek to minimize potential adverse impact on its financial performance.

Financial risk

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents are derived from its operations. The Group has entered into derivative transactions.

The Group's management oversees the mitigation of the risks. The Group's management is supported by its strategic planning, treasury and Finance department that advises on market risk, financial risk and the appropriate financial risk governance framework for the Group. The Finance department provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The same is further reviewed and reassured to the management by the internal assurance team. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The management / board reviews and agrees policies for managing these risks.

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 Demand risk. Financial instruments affected by market risk include loans and borrowings, Investments carried at FVTPL and deposits.

However, in case of GHIAL it may be noted that as part of one of principle source of revenue i.e. aeronautical charges which are regulated, the risks are mitigated to a larger extent in case of any movement as the same are allowed as true up through determination of aeronautical tariff for the next control period.

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

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The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The analysis for the contingent consideration liability is provided in Note 36 B.

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

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

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 Group's exposure to the risk of changes in market interest rates relate primarily to the Group's long-term debt obligations with floating interest rates.

In GHIAL, Long term debt obligations are in the forms of Senior secured notes with interest rate of 4.25% p.a. on total amount of USD 350 million which has been swapped for 8.65% p.a. (weighted average of all Cross Currency Swaps (CCS) contracts on INR notional of Rs.2,229.95 crore (total of all CCS contracts).

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to convert variable rate loan to fixed rate loan if the perceived uncertainty of such variable market rates is for a long term. As at March 31, 2018, approximately 7% (March 31, 2017: 74% after taking into account the effect of interest rate swaps) of the Group's borrowings are at fixed rate of interest.

GHIAL and GAEL used Interest Rate Swap (IRS) arrangement to manage the interest rate risk. However, during the current year the IRS arrangements were settled on account of refinancing of the underling floating interest loans.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period for actual outstanding balances as at year end:

Particulars	March 31, 2018	March 31, 2017
<u>Floating Interest rate</u>		
External Commercial Borrowings (ECB)	-	479.86
INR	225.65	1,410.77
<u>Fixed Interest Rate</u>		
Bonds/Debentures	2,286.90	-
INR	595.77	665.49

*The borrowings exposures are disclosed on the basis of actual transaction value.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

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	Movement in basis points	Impact on profit before tax
March 31, 2018		
INR	50	1.13
USD	50	-
March 31, 2017		
INR	50	8.88
USD		
External Commercial Borrowing (ECB)	50	(0.04)
Interest rate swap on ECB	50	0.04

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's borrowings and operating activities. To manage the risk, the Group has entered into Cross currency swaps & designed same as cash flow hedge.

Cash flow hedges

Cross Currency Swaps (CCS) measured at fair value and designated as hedging instruments in cash flow hedges of the stream of USD cash out flows on interest coupon and principal repayment in relation to issue of 4.25% Senior Secure Notes (SSN) amounting to USD 350 million (INR 2,239.35 crore) (March 31, 2017: Nil). CCS involve interest rate payments on the two legs in different currencies and exchange of principal at maturity. It can be seen as exchange of payments of two currencies. The company pays fixed interest on the INR notional as determined in the swap contract and receives fixed coupon on USD notional. The company pays INR notional of the swap and receives the USD Notional of the CCS. Critical terms of the swap contract (tenor and USD/INR notional) match with the Hedged Item i.e. the stream of USD cash out flows, to effectively cover the Company from risk of movement in the foreign currency.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in foreign currency is as follows:

As at	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
Foreign Currency	Foreign Currency	(Rs. in crores)	Foreign Currency	(Rs. in crores)
Payable				
EURO	135,206	1.10	110,258	0.77
SGD	-	-	7,198	0.03
AED	-	-	140,737	0.25
GBP	424,431	3.93	156,954	1.27
USD	2,127,657	13.88	2,503,312	16.42
CHF	20,828	0.14	44,225	0.29
CAD	31,718	0.16	-	-
USD-Loan	-	-	73,150,000	479.86
Receivable				
USD	3,298,314	21.46	921,103	5.99
CHF	2,095	0.01	15,047	0.10
EURO	1,474	0.01	746	0.01
Bank balances (including credit card collection)				
USD	970,866	6.34	833,520	5.47
Other advances				
USD	668,579	4.33	847	0.01
CHF	-	-	277	0.00
GBP	-	-	463	0.00
EUR	53,816	0.43	-	-

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Advances from customer				
USD	28,341	0.06	-	-
Cash in transit				
USD	40,249	0.26	-	-
Foreign currency on hand				
AED	10,616	0.02	9,526	0.02
AUD	1,141	0.01	186	0.00
CAD	325	0.00	160	0.00
CHF	47	0.00	7	0.00
EURO	1,033	0.01	593	0.00
GBP	85	0.00	110	0.00
HKD	548	0.00	28	0.00
JPY	42	0.00	17,042	0.00
KWD	484	0.01	151	0.00
MYR	162	0.00	140	0.00
NZD	8	0.00	8	0.00
OMR	102	0.00	244	0.00
QAR	1,395	0.00	675	0.00
SAR	7,626	0.01	9,420	0.02
SGD	121	0.00	381	0.00
THB	87	0.00	367	0.00
USD	40,308	0.26	31,719	0.21
LKR	7,350	0.00	-	-
BAH	40	0.00	-	-
CNY	500	0.00	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is as under:-

Foreign Currency	Nature of transaction	Change in Rate	March 31, 2018 Rs.	March 31, 2017 Rs.
USD	Change in fair valuation of financial liabilities and financial assets	5%	0.94	0.51
USD	Change in depreciation on account of capitalisation of foreign exchange gain or loss on ECB	5%	-	1.71

The Group's exposure to foreign currency changes for all other currencies is not material.

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. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Group as per approved debtors policy and established procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any credit to new customers are generally covered by appropriate security in the form of deposits and/ bank guarantees.

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At March 31, 2018, GHIAL had 10 customers (31 March 2017: 20 customers) that owed GHIAL more than 1% each of total receivable and accounted for approximately 86.94% (31 March 2017: 83%) of all the receivables outstanding. There were 4 customers (31 March 2017: 4 customers) with balances greater than 5% each accounting for approximately 74.69% (31 March 2017: 52%) of the total amounts receivable.

An impairment analysis is performed at each reporting date. The Group does not hold collateral as security. GHIAL evaluates the concentration of risk with respect to trade receivables as moderate, as its customers are broad-based, however, they operate largely in dependent market.

Collateral

GAEL has pledged part of its margin money deposits in order to fulfil the collateral requirements for the derivatives contracts. At 31 March 2018 and 31 March 2017, the fair values of the short-term deposits pledged were Rs. 5 crore and Rs. 5 crore respectively. There are no other significant terms and conditions associated with the use of collateral.

Financial instruments (security deposits) and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within prudent limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

The Group monitors its risk of a shortage of funds using a rolling cash flow forecasts.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities and bank loans. The Group's policy is to ensure that the repayments of borrowings are in sync with the cash flows generated from the operations. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders, if required.

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

	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 March, 2018						
Borrowings	-	1.18	3.86	47.98	3050.08	3103.10
Trade & other payables	3.54	123.98	26.51	-	-	154.03
Other financial liabilities	3.10	97.21	135.15	132.54	144.36	512.36
Total	6.64	222.37	165.52	180.52	3194.44	3,769.49
Year ended 31 March, 2017						
Borrowings	21.05	30.6	91.86	814.85	1,608.57	2,566.93
Trade & other payables	22.54	88.35	13.19	-	-	124.08
Other financial liabilities	2.58	26.11	35.75	116.67	166.54	347.65
Total	46.17	145.06	140.8	931.52	1,775.11	3,038.66

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Excessive risk concentration

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 Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group'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.

41. Capital management

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is debt divided by total capital plus debt. The Group's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Borrowings	3079.77	2,553.25
Borrowings	3,079.77	2,553.25
Equity	378.00	378.00
Other equity	270.30	(127.92)*
Total Capital	648.30	250.08
Capital and borrowings	3,728.07	2,803.33
Gearing ratio	82.61%	91.08%

*The above is inclusive of final dividend of Rs. 2.5 per fully paid equity share recommended by the Board of Directors of GHIAL in its meeting held on May 4, 2017. The proposed dividend would require total outflow of Rs. 113.74 crore inclusive of dividend distribution tax thereon. The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the 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 loans and borrowing in the current period.

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

- 42.** GHIAL has recognized, Minimum alternate tax (MAT) credit entitlement of Rs. 269.10 crore (March 31, 2017: Rs. 167.95 crore), as GHIAL based on estimates expects to adjust this amount after expiry of the tax holiday period (i.e. AY 2022-23) u/s 80IA of the Income Tax Act, 1961. Management is confident that in view of the anticipated tariff orders for the control periods which will be effective from financial year 2017-18, GHIAL's normal tax liability will be more than the MAT payable after considering the deduction under section 80IA of the Income Tax, Act, 1961.

43. GHASL continues to recognize, Minimum alternate tax (MAT) credit entitlement of Rs. 0.30 crore (March 31, 2017 Rs. 0.30 crore), Management is confident that GHASL's normal tax liability will be more than the MAT payable as per the Income Tax, Act, 1961.
44. Minimum Alternative Tax (MAT) Credit Entitlement claimed by HMA CPL in the income tax returns aggregating Rs. 32.31 crore have not been recognised in the books in View of the ongoing disputes/litigations with the tax authorities.
45. The Airport Economic Regulatory Authority ('AERA'), passed an Aeronautical tariff order No. 38 dated February 24, 2014, in respect of control period from April 1, 2011 to March 31, 2016. GHIAL had filed an appeal, challenging the disallowance of pre control period losses, foreign exchange loss on ECB and other issues for determination of its tariff with the AERA Appellate Tribunal (AERAAT) against the aforesaid order. Due to non-constitution of AERAAT Bench, GHIAL had filed a writ petition with the Honorable High Court at Hyderabad for the State of Telangana and for the State of Andhra Pradesh, which is yet to be heard.
46. GHIAL filed an application with AERA for determination of Aeronautical Tariff in respect of Second Control period from April 1, 2016 to March 31, 2021 including True up for shortfall of receipt vis a vis entitlement for the first control period. Pending determination of Aeronautical Tariff, AERA vide its order no. 43 dated March 28, 2018 has allowed to continue to charge the Aeronautical tariff as prevailed on 31.03.2018 for a period of 6 months w.e.f. April 1, 2018 or till determination of tariff for the aforesaid period whichever is earlier.
47. On December 19, 2017, AERA issued a Consultation Paper inviting comments from all stakeholders in connection with determination of Tariff of the Hyderabad Airport for the Second Control Period. However, as the aforesaid Consultation Paper does not address the existing issues arising out of the Tariff Order for the first control period, the Company filed a writ petition against the aforesaid Consultation Paper before the Honorable High Court at Hyderabad for the State of Telangana and for the State of Andhra Pradesh on February 6, 2018. Pending the disposal of the existing matters of the Tariff Order for the first control period, the Honorable High Court issued a stay order dated February 7, 2018 in respect of further proceedings in determination of Tariff order for the second control period.
48. The financial statements of GHIAL do not include Accounts for Passenger Service Fee- Security Component [PSF- (SC)] as the same are maintained separately in the fiduciary capacity by GHIAL on behalf of the Government of India and are governed by Standard Operating Procedure vide letter number AV/13024/047/2003-SS/AD dated January 19, 2009 issued by the Ministry of Civil Aviation, Government of India.
49. During the previous year, GMR Hotels and Resorts Ltd. (GHRL) and Hyderabad Duty Free Retail Ltd. (HDFRL), two of GHIAL wholly owned subsidiary companies filed a Scheme of Arrangement for merger of HDFRL into GHRL "the scheme" under Section 391 and 394 (1) of the Companies Act, 1956. The National Company Law Tribunal (NCLT) passed an order on April 18, 2017, approving the said scheme with appointed date as April 1, 2016. The aforesaid order was filed with the Registrar of Companies on April 27, 2016. Accordingly, HDFRL was merged into GHRL with appointed date as April 01, 2016.
50. As per the Concession Agreement (CA), the GHIAL is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to include all pre-tax revenue of GHIAL with certain specified exclusions.

Management is of the view that certain income / credits arising on adoption of Ind-AS and also mark to market gain on valuation of IRS was not in contemplation of parties in December 2004 when this Concession agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent receipts from business operations, from any external sources and therefore, are not treated as "Gross Revenue" for computation of Concession fee to MoCA. Accordingly, GHIAL has not provided the concession fee on such income / credits.

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

Income on forex restatement of SSN of Rs. 43.72 crore which has been recognized in the statement of profit & loss has not been considered for computation of Concession fee to MoCA.

Also, income generated on investment of part proceeds of SSN earmarked for airport expansion project and adjusted from the value of capital work in progress does not represent receipts from business operation and the same is not considered for computation of Concession fee to MoCA.

Additionally, Management is of the view that reversal of provision for impairment in the value of investment in GHRL recognized as an exceptional item does not represent receipts from business operation and the same is not considered for computation of Concession fee to MoCA.

Description	Incomes forming part of
Reversal of Fair value of financial instruments Interest Rate Swap on actual settlement	Finance income
Discounting of interest free loan given to subsidiaries#	Finance income
Discounting of interest free loan given to Joint Venture	Finance income
Income arising from fair valuation of financial guarantee#	Finance income
Discounting on fair valuation of deposit received from concessionaries	Non aero revenue
Income from government grant	Other income
Amortisation of deferred income	Other income
Provision for impairment in investments in subsidiary written back #	Exceptional Item

#These transactions got eliminated in the consolidated financial statement of the Group.

51. In case of HMA CPL, the Bureau of Civil Aviation (BCAS), through its order dated April 28, 2010, decided that there shall be a Sterile Cargo Holding Area at the airports. The access to cargo processing area will be regulated by airport entry permits issued by BCAS. Accordingly, Central Investigative Security Force (CISF) personnel were deployed as per the instructions of BCAS and the security charges includes accrual of security cost of CISF personnel amounting to Rs. 2.55 crore (March 31, 2017: Rs. 2.47crore). The Management is confident that there would be no additional liability other than the amount accrued in the books of account.
52. The Group has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the international and domestic transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the Consolidated Financial Statements.
53. Reimbursement of Expenses claimed by GHIAL have been reduced from the respective expense head as mentioned in the table below:

Expense head	For the Year ended March31, 2018	For the Year ended March31, 2017
Electricity and water charges	23.83	21.05
Salaries, wages and bonus	0.32	0.38
Staff welfare expenses	0.60	0.46
Miscellaneous expenses	0.32	-
Travelling and conveyance	0.02	0.02
Communication expenses	0.00	0.00
Office Maintenance	0.03	0.03

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

54. Disclosure as per the Schedule III of the Companies Act, 2013:**A) Net Assets, i.e. total assets minus total liabilities as at:**

	Name of the Entity	March 31, 2018		March 31, 2017	
		As % of consolidated net assets	Amount	As % of consolidated net assets	As % of consolidated net assets
1	GHIAL	78.14%	1,122.42	65.66%	685.99
2	HMACPL	6.94%	99.62	8.42%	87.92
3	HASSL	0.92%	13.22	1.26%	13.21
4	GHAL	3.54%	50.83	5.16%	53.87
5	GHASL	3.86%	55.44	5.70%	59.52
6	APFTAL	(0.33)%	(4.79)	-	-
7	GAEL including GATL	4.02%	57.77	11.87%	123.96
8	GHAPDL	0.00%	0.02	0.00%	0.03
9	GHRL	(0.84) %	(12.05)	(1.62)%	(16.88)
	Jointly controlled entities (as per Equity method)				
1	APFTAL		-	(0.46)%	(4.79)
2	LHAMPL	(0.30)%	(4.36)	0.80%	8.39
		100%	1,378.12	100.00%	1011.22
	Less: Consolidated adjustments/elimination*		(729.82)		(761.15)
	Grand Total		648.30		250.07
	Non -controlling interest in subsidiary				
1	HMACPL	4.06%	58.27	3.20%	52.55

*Consolidated adjustments/eliminations include intercompany eliminations and consolidated adjustments

B) Share of profit and loss for the financial year:

	Name of the entity	2017-18		2016-17	
		As % of consolidated profit or loss	As % of consolidated profit or loss	As % of consolidated profit or loss	Amount
1	GHIAL	103.77%	617.60	103.94%	434.34
2	HMACPL	4.28%	25.45	5.01%	20.95
3	HASSL	0.00%	0.01	0.00%	0.02
4	APFTAL	(0.11)%	(0.65)	-	-
5	GHAL	(0.51)%	(3.04)	(0.10)%	(0.40)
6	GHASL	(0.69)%	(4.08)	(1.24)%	(5.19)
7	GAEL including GATL	(10.72)%	(63.79)	(10.05)%	(42.05)
8	GHAPDL	0.00%	0.00	0.00%	0.00
9	GHRL	0.81%	4.83	(0.71)%	(2.98)
	Jointly controlled entities (as per Equity method)				
1	APFTAL	-	-	(0.27)%	(1.13)
2	LHAMPL	0.68%	4.03	0.97%	4.06
	Non-controlling interest in subsidiary				
1	HMACPL	2.49%	14.79	2.46%	10.27
	Sub total		595.15		418.31
	Less: Consolidated adjustments/elimination*		(14.93)		(134.50)
	Grand Total		580.22		283.81

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

55. Interest in Joint Venture

- a. The Group has a 49% interest in Laqshya Hyderabad Airport Media Private Limited (LHAMPL), a joint venture engaged in offering Out of Home (OOH) / Outdoor Media Services for display of advertisement at the airport. The Group's interest in LHAMPL is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised Balance Sheet as at March 31, 2018:

	March 31, 2018	March 31, 2017
Current assets, including cash and cash equivalents Rs. 0.45 crore (March 2017: Rs.1.16 crore)	25.21	27.59
Non-current assets	20.50	23.06
Current liabilities	(4.27)	(13.16)
Non-current liabilities including borrowing Rs. 10.29 crore (March 2017: Rs.15.91 crore)	(11.88)	(16.16)
Equity	29.55	21.33
Less: Equity component of borrowings	18.48	18.48
	11.08	2.85
Proportion of the Group's ownership	49%	49%
	5.43	1.40
Add: GHIAL's share of equity components of borrowings	5.59	5.59
Carrying amount of the investment	11.02	6.99

Summarised statement of Profit and Loss account as at March 31, 2018:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	68.05	60.44
Other income	0.80	0.35
Total Income	68.85	60.79
Employee benefit expenses	3.32	2.71
Other expenses	47.43	41.09
Depreciation	1.93	1.77
Finance cost	3.81	2.96
Total expenses	56.49	48.53
Profit before tax	12.36	12.26
Tax expenses	4.13	4.00
Profit after tax	8.23	8.26
Other comprehensive income	0.00	0.02
Total comprehensive income	8.23	8.28
Group's share of profit for the year	4.03	4.06

Group's share of contingent liabilities of the jointly controlled entity is Rs. 0.29 crore (March 2017: Rs. 0.23 crore).

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

b. The Group had 40% interest in Asia Pacific Flight Training Academy Limited (APFTAL), a joint venture engaged in the business of flight training academy for pilot training, advanced training, aeronautical and Ground Engineering training. On October 9, 2017, GHIAL has bought out the balance stake i.e. 60% shareholding amounting to Rs. 5.34 crore in Asia Pacific Flight Training Academy Ltd.(APFTAL) held by its JV partner M/s Asia Pacific Flight Training Academy, SDN, BHD, Malaysia (APFT-Malaysia) at a value of One US Dollar. Since then it has become a wholly owned subsidiary of GHIAL. During the previous year Group's interest in APFTAL was accounted by using the equity method in the consolidation financial statements. Summarized financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised Balance Sheet as at March 31, 2017:

	March 31 2017
Current assets, including cash and cash equivalents Rs. 1.38 crore	3.32
Non-current assets	1.46
Current liabilities	(9.08)
Non-current liabilities	(0.13)
Equity	(4.43)
Proportion of the Group's ownership	40%
Carrying amount of the investment	Nil*

*Restricted to the amount of investment in the entity.

Summarised statement of Profit and Loss account as at March 31, 2017:

	For the year ended March 31, 2017
Revenue from operations	6.43
Other income	0.14
Total Income	6.57
Employee benefit expenses	2.07
Other expenses	6.06
Depreciation	0.53
Finance cost	0.20
Total expenses	8.86
Loss for the year	(2.29)
Other comprehensive income	(0.03)
Total comprehensive income / (loss)	(2.32)
Group's share of loss for the year	(0.93)

Group's share of contingent liabilities of the jointly controlled entity as on March 31, 2017 was Rs. 0.39 crore.

56. Goodwill on acquisition:

During August 2014, GHIAL has made additional investment of 5% stake in GAEL, thereby making the shareholding from 50% to 55% making GAEL and GATL from jointly controlled entities to subsidiaries. Subsequently in December'14, GHIAL has acquired the balance stake thereby making GAEL and GATL 100% subsidiaries. On conversion of joint controlled entities to subsidiaries, the excess of Investment over the net assets as on the day of acquisition has been treated as Goodwill.

GMR Hyderabad International Airport Limited

CIN: U62100TG2002PLC040118

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018**(All amounts in Rupees Crores, except otherwise stated)**

(i) The interest of the GHIAL, as on the date of conversion during previous year, in the net assets of the GAEL& GATL (wholly owned subsidiary of GAEL) is given below:

Particulars	GAEL *	APFTAL
Net assets acquired on the date of acquisition (A)	(24.58)	(4.14)
Purchase consideration and investment by GHIAL (B)	11.69	-
Net Goodwill (A-B)	36.27	4.14

* Includes net assets of GATL (wholly owned subsidiary of GAEL).

Note: The Consolidated Financial statements as at March 31, 2018 include goodwill on additional investment by GHIAL during the financial year 2014-15 in subsidiary GAEL. GAEL has a wholly owned subsidiary GATL which has incurred losses of Rs. 57.47 crore (March 31, 2017: Rs. 39.18 crore) for the year and has accumulated losses as at March 31, 2018 of Rs. 421.51 crore (March 31, 2017: Rs. 363.92 crore) which exceeds its net worth. Also GATL has incurred cash loss in the current and preceding financial years. The future economic benefit from such goodwill is dependent upon the ability of the aforesaid wholly owned subsidiary to scale up its operations in future and achieve sustained profitability. Based on the future business plan and projections approved by the board of director of the subsidiary company and valuation assessment done by the management, the management of the Group expects that there will be significant increase in the operations of GATL that will lead to future economic benefits. Accordingly, these Consolidated Financial Statements do not include any adjustment relating to the Impairment of Goodwill.

Impairment testing of goodwill:

Goodwill acquired through business combinations has been allocated to the below business of maintenance, repair and overhaul (MRO) and business of flight training academy managed through the above referred operating entities for impairment testing:

Carrying amount of goodwill allocated to MRO and flight training business:

Intangible Assets	March 31,2018	March 31,2017
Goodwill-GAEL&GATL	36.27	36.27
Goodwill-APFTAL	4.14	-

MRO:

The Group performed its annual impairment test for year ended March 31, 2018 in April 2018, (hereinafter 'reference date', this is generally based on year-end). Based on the management approved Business plan and valuation assessment done by its management, the management of the Group expects that there will be significant increase in the operations of GATL achieve sustained profitability.

The projections of the business is above the book value of its equity, indicating no sign of impairment of goodwill and impairment of the assets of the operating business. Accordingly, these Special Purpose Unaudited Consolidated Interim Condensed Financial Information do not include any adjustment relating to the impairment of Goodwill acquired through business combination.

The recoverable amount of the MRO business, Rs. 36.27 crore as at March 31, 2018, has been determined based on the management approved business plan of the operating entity covering a ten-year period. The projected cash flows have been updated to reflect the decreased demand for services. The pre-tax discount

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

rate applied to cash flow projections for impairment testing during the current period is 13.53% (March 31, 2017: 13.69%) and cash flows beyond the ten-year period are extrapolated using a 3.0% growth rate (March 31, 2017: 3.0%) that is the same as the long-term average growth rate for the MRO industry. As a result of this analysis, there is no permanent diminution in the value of goodwill, accordingly, these financial information do not include any adjustments relating to impairment of goodwill.

The calculation of value in use for MRO business is most sensitive to the following assumptions:

- ▶ Revenue
- ▶ Discount rates
- ▶ Cost price inflation
- ▶ Growth rates used to extrapolate cash flows beyond the forecast period

Revenue:- Revenue are based on existing contracts and expected contracts from potential customers. These are increased over the projected period for anticipated efficiency improvements and increased demand. An increase of 5% growth rate per annum was applied.

Discount rates - Discount rates represent the current market assessment of the risks specific to the business, taking into consideration the time value of money. The discount rate calculation is based on the specific circumstances of the cost of equity. The cost of equity is derived from the expected return on investment by the Group's investors. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Cost price inflation – Estimates are obtained from general inflation indices, as well as data relating to specific material items. Forecast figures are used if data is publicly available, otherwise past actual material price movements are used as an indicator of future price movements.

Growth rate estimates – Rates are based on expected industry growth. For the reasons explained above, the long-term rate used to extrapolate the budget for the MRO business.

Sensitivity to changes in assumptions -

Revenue: The management has considered the possibility of greater than forecast increase in revenue. Revenue are based on existing contracts and expected contracts from potential customers for projected period. These are increased over the projected period for anticipated efficiency improvements and increased demand. An increase of 5% per annum was applied. A decreased demand can lead to a decline in revenue. A decrease in revenue growth by 2.40% would result in impairment.

Discount rates - A rise in pre-tax discount rate to 16.70 % (i.e. +3%) would result in impairment.

Cost price inflation – The management has considered the possibility of greater than forecast increases in cost price inflation. Forecast price inflation lies within a range of 7%. If cost price increase is greater than 10% and the Business Unit is unable to pass on or absorb these increases through efficiency improvements, then the Group will have an impairment.

Growth rate estimates -The management has considered stable perpetual growth rate of 3%. The management recognizes that the possibility of new entrants can have a significant impact on growth rate assumptions and a reduction of 9% perpetual growth rate after forecast period will result in impairment.

Flight Training Academy

The Group performed its impairment test for the period ended March 31, 2018 in April 2018, (hereinafter 'reference date'). Based on the management approved Business plan and valuation assessment done by its management, the management of the Group expects that there will be significant increase in the operations of APFTAL and achieve sustained profitability.

The projections of the business is above the book value of its equity, indicating no sign of impairment of goodwill and impairment of the assets of the operating business. Accordingly, these Special Purpose Unaudited Consolidated Interim Condensed Financial Information do not include any adjustment relating to the impairment of Goodwill acquired through business combination.

The recoverable amount of the APFTAL business, Rs. 4.14 crore as at March 31, 2018, has been determined based on the management approved business plan of the operating entity covering a twelve-year period. The pre-tax discount rate applied to cash flow projections for impairment testing for the period ended March 31, 2018 is 13.69% and cash flows beyond the twelve-year period are extrapolated using a 5.0% growth rate that is the same as the long-term average growth rate for the Flight Training Industry. As a result of this analysis, there is no permanent diminution in the value of goodwill, accordingly, these financial information do not include any adjustments relating to impairment of goodwill.

The calculation of value in use for APFTAL business is most sensitive to the following assumptions:

- ▶ Aircraft Utilisation (Flying Hours)
- ▶ Discount rates
- ▶ Revenue Escalation
- ▶ Growth rates used to extrapolate cash flows beyond the forecast period

Revenue:- Revenue are based the utilisation of Aircraft i.e flying hours, as there is sufficient number of student on board and also expects contracts from potential customers. Flying hours is expected to increase with the addition of new fleet over the projected period and with the anticipated efficiency improvements.

Discount rates - Discount rates represent the current market assessment of the risks specific to the business, taking into consideration the time value of money. The discount rate calculation is based on the specific circumstances of the cost of equity. The cost of equity is derived from the expected return on investment by the Group's investors.

Revenue Escalation - Estimates are obtained from general escalation rate, as well as considering the increase in market demand and positive outlook for the aviation business.

Growth rate estimates - Rates are based on expected industry growth. For the reasons explained above, the long-term rate used to extrapolate the budget for the APFTAL business.

Sensitivity to changes in assumptions -

Revenue: The management has considered the possibility of greater than forecast increase in revenue. Revenue are based the utilisation of Aircraft i.e flying hours, as there is sufficient number of on board students and also expects contracts from potential customers. Flying hours is expected to increase with the addition of new fleet over the projected period and with the anticipated efficiency improvements. Utilisation of 75% for existing aircrafts and 90% for new aircrafts is expected over the projected period. Unexpected congestion at RGIA or bad weather conditions can lead to a decline in flying hours. A decrease in utilisation above 14% (i.e +14 hours/ month/ Aircraft) would result in impairment.

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Discount rates - A rise in pre-tax discount rate above 19.69 % (i.e. +6%) would result in impairment.

Revenue Escalation - The management expects the possibility of greater than forecast increases in course fee. Revenue escalation lies within a range of 5%. If the course fee increase yoy is less than 3.10%, then would result in impairment.

Growth rate estimates -The management has considered stable perpetual growth rate of 5%. The management recognizes that the possibility of new entrants can have some impact on growth rate assumptions and a reduction of 26% in perpetual growth rate after forecast period will result in impairment.

57. Utilisation of money raised through issue of Senior Secured Notes (SSN)

During the year, the Company raised USD 350 million (INR 2,273.74 crore) through issue of 4.25% Senior Secured Notes (SSN) from overseas market for the following purpose:

- (i) repay the existing Rupee Facilities and the External Commercial Borrowing (ECB) Facility and pay the termination payments for the interest rate swaps (IRS) related thereto, and
- (ii) use any remaining amounts for capital expenditures with respect to Airport Activities (as defined in the Concession Agreement) as part of airport expansion

The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 10 years i.e. October 27, 2027.

	For the year ended March 31, 2018
Amount raised during the year (A)	2,273.74
Less: Amount utilised during the year:	
Repayment of ECB	449.55
IRS termination cost	55.32
Repayment of existing rupee facilities	1,261.97
Utilised for expansion project works	111.57
Total (B)	1,878.41
Add: Income on temporary cash investment (C)	12.00
Unutilised amount at the end of the year (A-B+C)	407.33

Details of temporary cash investment made from unutilized portion of Senior Secured Notes raised during the year ended as at March 31, 2018:

	No of Units	March 31, 2018
Investment in Liquid Growth Funds (at cost)		
HDFC Liquid Fund	293,657.06	100.00
ICICI - Liquid fund	4,765,468.23	121.96
AXIS Liquid Fund	2,701.77	0.52
SBI Premier Liquid Fund	286,959.04	77.78
Birla Sun Life Cash Plus	3,854,992.93	107.07
Total		407.33

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2018
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58. Amendment to Indian Accounting Standards (Ind AS) issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

a. Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Group has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

b. Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

c. Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its financial statements

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

For K.S Rao & Co.,
Chartered Accountants
ICAI Firm Registration
Number: 003109S

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

-Sd-
per Shankar Srinivasan
Partner
Membership No.: 213271

-Sd-
per Hitesh Kumar P
Partner
Membership No.:233734

-Sd-
G B S Raju
Managing Director
DIN.:00061686

-Sd-
RSSLN Bhaskarudu
Director
DIN.:00058527

-Sd-
Anup Kumar Samal
Company Secretary

-Sd-
Rajesh Arora
Chief Financial Officer

Place: Hyderabad
Date : July18, 2018

Place : Hyderabad
Date : July18, 2018

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Date : July18, 2018