HYDERABAD RAJIV GANDHI INTERNATIONAL AIRPORT

GMR

GMR HYDERABAD INTERNATIONAL AIRPORT LTD.

16TH ANNUAL REPORT 2018–19

Contents

GENERAL INFORMATION

CIN: U62100TG2002PLC040118

Board of Directors

Mr. G.M. Rao
Executive Chairman

Mr. G.B.S. Raju
Managing Director

Mr. Srinivas Bommidala
Director

Mr. Grandhi Kiran Kumar
Director

Mr. H.J. Dora
Director

Mr. C. Prasanna
Director

Mr. K. Ramakrishna Rao, IAS
Director

Mr. Jayesh Ranjan, IAS
Director

Mr. Venkatramana Hegde
Director

Mr. I.N. Murthy
Director

Mr. Raja Azmi Bin Raja Nazuddin
Director

Mr. R.S.S.L.N. Bhaskarudu
Independent Director

Mr. N.C. Sarabeswaran
Independent Director

Mrs. Siva Kameswari Vissa
Independent Director

Mr. Madhu Ramachandra Rao
Independent Director

Key Managerial Personnel

Mr. S.G.K. Kishore
Chief Executive Officer

Mr. Anand Kumar Polamada
Chief Financial Officer

Mr. Anup Kumar Samal
Company Secretary

Registered Office
GMR Aero Towers,
Rajiv Gandhi International Airport
Shamshabad,
Hyderabad - 500 108, Telangana

Audit Committee
Mr. R.S.S.L.N. Bhaskarudu - Chairman
Mr. N.C. Sarabeswaran - Member
Mrs. Siva Kameswari Vissa - Member
Mr. K. Ramakrishna Rao, IAS - Member
Mr. C. Prasanna - Member

Nomination and Remuneration Committee
Mr. R.S.S.L.N. Bhaskarudu - Chairman
Mr. N.C. Sarabeswaran - Member
Mr. I.N. Murthy - Member
Mr. C. Prasanna - Member

Corporate Social Responsibility Committee
Mr. R.S.S.L.N. Bhaskarudu - Chairman
Mr. Jayesh Ranjan, IAS - Member
Mr. C. Prasanna - Member

Share Allotment and Transfer Committee
Mr. R.S.S.L.N. Bhaskarudu - Chairman
Mr. I.N. Murthy - Member
Mr. C. Prasanna - Member

Statutory Auditors - Joint Auditors
M/s. S.R. Batliboi & Associates LLP, Chartered Accountants
[Firm Registration No.101049W/E300004]
Oval Office, 18, iLabs Centre, Hitech City, Madhapur
Hyderabad - 500 081, Telangana

M/s. K. S. Rao & Co., Chartered Accountants
[Firm Registration No.003109S]
2nd Floor, 10/2, Khivraj Mansion, Kasturba Road
Bengaluru – 560 001, Karnataka

Cost Auditors
M/s. Narasimha Murthy & Co., Cost Accountants
(Firm Registration No. 000042)
3-6-365, 104 and 105, Pavani Estate, Y V Rao Mansion
Himayath Nagar, Hyderabad - 500 029, Telangana

Secretarial Auditors
M/s. KBG Associates
1st Floor, 1-9-309/A, Above Kancheepuram Lavanya Silks
Atchuta Reddy Marg, Red Cross Blood Bank Road
Vidya Nagar,
Hyderabad, Telangana, India – 500 044

Bankers
Axis Bank Limited
ICICI Bank Limited
IDFC Bank Limited
Yes Bank Limited
Deutsche Bank AG
JPMorgan Chase Bank
The Hongkong and Shanghai Banking Corporation Ltd (HSBC)
Barclays Bank PLC

Registrar and Share Transfer Agent
Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032, Telangana

GMR Hyderabad International Airport Limited

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Tel : +91 40 6739 4099 / 6739 5000, Fax : + 91 40 6739 3043, Website : www.hyderabad.aero

NOTICE TO THE MEMBERS OF THE
SIXTEENTH (16TH) ANNUAL GENERAL MEETING OF THE COMPANY

Notice is hereby given that the Sixteenth (16th) Annual General Meeting of the Members of GMR Hyderabad International Airport Limited will be held on **Friday, September 27, 2019 at 11.00 A.M.** at the Registered Office of the Company at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad 500108, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the standalone audited financial statements of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon.

2. To consider and adopt the consolidated audited financial statements of the Company for the financial year ended March 31, 2019 and Auditors' Report thereon.

3. To appoint a Director in place of Mr. Grandhi Kiran Kumar (DIN 00061669), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Venkatramana Hegde (DIN 06689221), who retires by rotation and being eligible, offers himself for re-appointment.

5. To appoint a Director in place of Mr. K. Ramakrishna Rao IAS (DIN 05148824), who retires by rotation and being eligible, offers himself for re-appointment.

6. To appoint M/s. Walker Chandiok & Co LLP, Chartered Accountants, Hyderabad [ICAI Firm Regn. No. 001076/N500013] as one of the joint statutory auditors of the Company, by passing the following resolution as an **Ordinary Resolution**, with or without modification(s):

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Walker Chandiok & Co LLP, Chartered Accountants, Hyderabad [ICAI Firm Regn. No. 001076/N500013] be and are hereby appointed as one of the joint statutory auditors of the Company for a term of five (5) consecutive years, to hold office from conclusion of the 16th Annual General Meeting (AGM) of the Company till conclusion of the 21st AGM to be held in the year 2024, at such remuneration plus applicable taxes and reimbursement of out-of-pocket expenses in connection with audit as may be decided by Board of Directors of the Company."

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs.5,25,000/- (Rupees Five Lakhs Twenty-five Thousand only) plus applicable taxes and reimbursement of out of pocket expenses, payable to M/s. Narasimha Murthy & Co., Cost Accountants (Firm Regn No. 000042), Cost Auditors, for conducting the audit of cost records of the Company for the financial year 2019-20, be and is hereby ratified."

By Order of the Board
For GMR Hyderabad International Airport Limited

Date : August 26, 2019
Place: Hyderabad

Anup Kumar Samal
Company Secretary

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself or herself and such proxy need not be a member of the Company. The instrument appointing the Proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the AGM.

2. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business is annexed hereto.

3. All the documents referred to in the AGM Notice in respect of special business, Annual Report as well as Annual Accounts of the subsidiary companies and Register of Directors' Shareholding are kept open for inspection by the Members of the Company, during 11.00 A.M. to 5.00 P.M. on all working days at the Registered Office of the Company.

4. Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company Authorisation Letters along with certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.

5. In terms of the requirements of the Secretarial Standard-2, a Route Map for venue of the meeting is also annexed.

ANNEXURE TO NOTICE OF THE 16th ANNUAL GENERAL MEETING

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No. 7

The Board of Directors ("the Board") of the Company at its Meeting held on July 23, 2019, on recommendation of the Audit Committee had reappointed M/s. Narasimha Murthy & Co., Cost Accountants (Firm Regn No. 000042), as Cost Auditors of the Company for the financial year 2019-20, at a remuneration of Rs.5,25,000/- plus applicable taxes and reimbursement of out of pocket expenses.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, the Resolution as set out in Item No. 7 as an Ordinary Resolution, placed for ratification by the members.

The Board recommends the resolution as set out in Item No. 7, for your approval as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution as set out in item No. 7.

By Order of the Board
For GMR Hyderabad International Airport Limited

Date :	August 26, 2019	**Anup Kumar Samal**
Place:	Hyderabad	**Company Secretary**

GMR Hyderabad International Airport Limited

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ATTENDANCE SLIP

Sixteenth (16th) Annual General Meeting of Shareholders of GMR Hyderabad International Airport Limited held on **Friday, September 27, 2019 at 11.00 A.M.** at the Registered Office of the Company at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad 500 108, Telangana.

Name of the Member: ……...

Regd. Folio No. : ……………………………..

*DP ID No. : ……………...

*Client ID No. : ………………………..……..........

No. of shares held: ………………………..

Note: Member / Proxy must hand over the duly signed attendance slip at the venue.

* Applicable for the members holding shares in electronic form. Signature of the Member / Proxy

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Signature of the Member / Proxy

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FORM NO MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN : U62100TG2002PLC040118

Name of the Company : GMR Hyderabad International Airport Limited

Registered Office : GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad 500 108, Telangana

Name of the Member(s) :	
Registered Address :	
E mail Id :	
Folio No / Client Id :	
DP ID :	

I / We, being the holder(s) of shares of the above named company, hereby appoint:

(1) . ……………………………………………… r/o …………………………………………
having email ID …………………………………….. failing him;

(2) . ……………………………………………… r/o …………………………………………
having email ID …………………………………….. failing him;

(3) ………………………………………………… r/o …………………………………………
having email ID …………………………………….. failing him;

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company, to be held on **Friday, September 27, 2019 at 11.00 A.M.** at the Registered Office of the Company at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad 500 108, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Sno	Particulars of Resolution	For	Against
1	Adoption of the standalone audited financial statements of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon.		
2	Adoption of the consolidated audited financial statements of the Company for the financial year ended March 31, 2019 and Auditors Report thereon.		
3	Appointment of Mr. Grandhi Kiran Kumar (DIN 00061669), who retires by rotation.		
4	Appointment of Mr. Venkatramana Hegde (DIN 06689221), who retires by rotation.		
5	Appointment of Mr. K. Ramakrishna Rao IAS (DIN 05148824), who retires by rotation.		
6	Appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, Hyderabad [ICAI Firm Regn. No. 001076/N500013] as one of the joint statutory auditors of the Company.		
7	Ratification of the remuneration of Rs.5,25,000/- applicable taxes and reimbursement of out of pocket expenses, to cost auditors for the financial year 2019-20.		

Signed this ________ day of ______________________ , 2019.

Affix Revenue Stamp Re 1/-

Signature of the Shareholder…………………………………………
Signature of Proxy holder(s)

(1) Name …………………………………………..

(2) Name …………………………………………..

(3) Name …………………………………………..

Notes:

1) This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

2) This is only optional. Please put "✓" in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.

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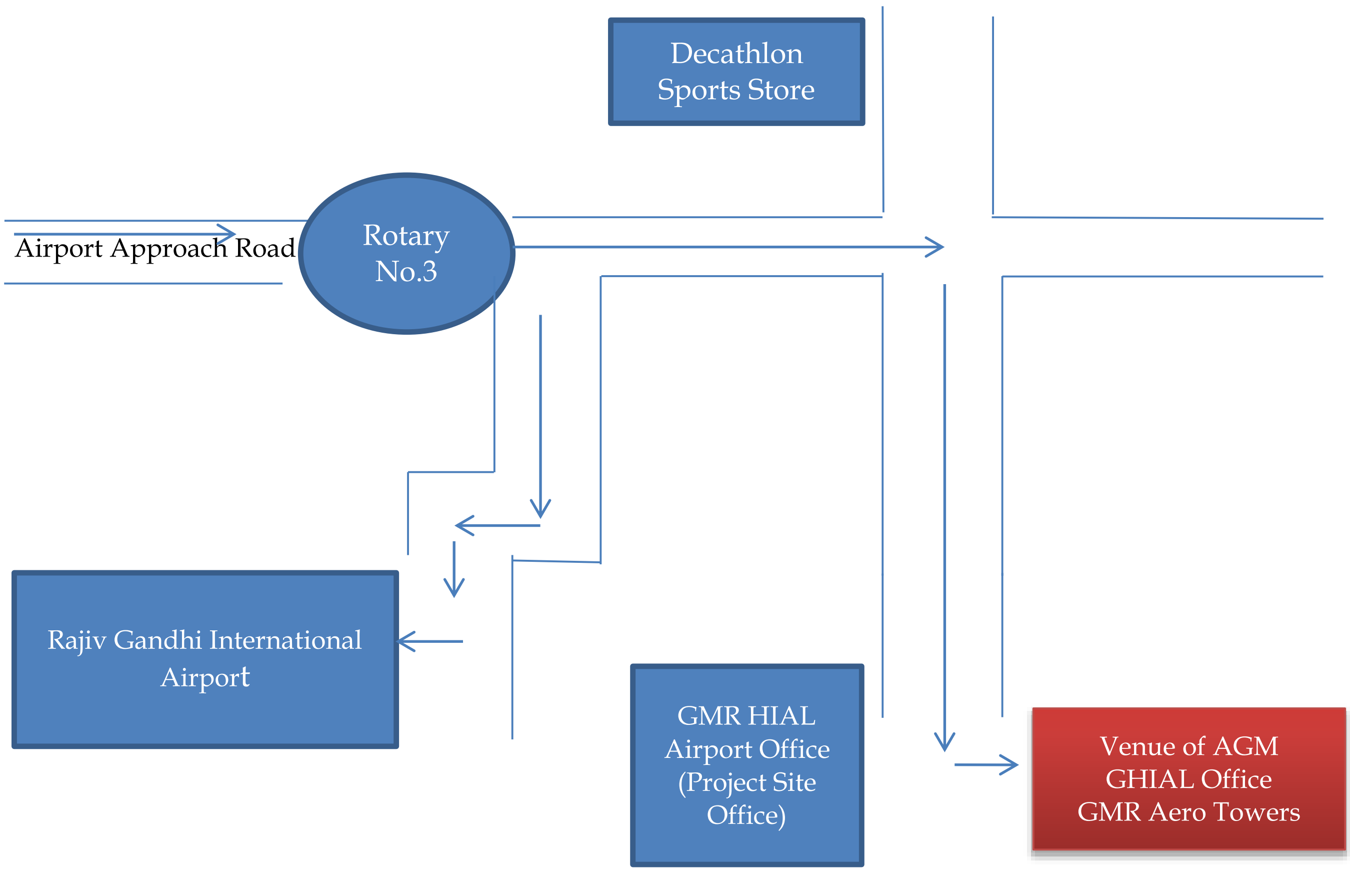
ROUTE MAP TO THE VENUE

Sixteenth (16th) Annual General Meeting of
GMR Hyderabad International Airport Limited,
to be held on **Friday, September 27, 2019 at 11.00 A.M**
at GMR Aero Towers, Rajiv Gandhi International Airport
Shamshabad, Hyderabad 500 108, Telangana



BOARD'S REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

Dear Shareholders,

Your Directors take pleasure in presenting the 16th Board's Report of the GMR Hyderabad International Airport Limited ("GHIAL" or "the Company") together with the audited financial statements for the financial year ended March 31, 2019 and the Auditors' Report thereon.

Your Directors take immense pride to report that Rajiv Gandhi International Airport at Hyderabad (RGIA or Hyderabad Airport) has consistently been one of the best ranked airports globally for last 10 years in terms of Service Quality. In its endeavour to provide outstanding customer experience, the airport follows best international standards in its operations and the same has been recognised by the passengers with RGIA being ranked World's Number Four in Airport Service Quality (ASQ) survey in the 15-25 MPPA category in the calendar year 2018.

Telangana is one of the fastest growing States in India, with investor friendly policies of the State Government helping to drive the growth in the region. Economic growth of Hyderabad is reflected in the strong traffic growth at the RGIA. Traffic growth is further boosted by affordable ticket pricing and increasing affinity for air travel amongst the people. The recent turmoil caused by the closure of a troubled airline followed by the grounding of few aircraft owing t technical problem, has slowed down the growth in the last quarter. However, your Directors are hopeful of a steady recovery over the next couple of quarters against the backdrop of strong delivery pipelines of airlines and reallocation of landing slots to existing airlines seeking to address growth opportunities.

OPERATIONAL PERFORMANCE:

During the financial year 2018-19, RGIA has successfully handled over 21.3 million passengers along with over 180,000 Air Traffic Movements (ATMs). The passenger growth has been impressive with an increase of 17% Year-on-Year (YoY), supported by a domestic traffic growth of 19% and an international traffic growth of 9%. Overall ATM growth has been 20% YoY with domestic ATM growth at 5% and an international growth at 23%.

Presently, RGIA is serving 67 nonstop destinations (15 international and 52 domestic) with 18 foreign carriers and 8 domestic carriers. RGIA has witnessed one of the highest percentage growth in passengers and ATMs in the financial year 2018-19 amongst all major airports in India.

RGIA handled over 148,000 metric tonnes of cargo during the financial year 2018-19, resulting in an increase of 8% year-on-year, thereby consolidating its position as the air cargo hub in the region. The domestic cargo grew by 10% and international cargo grew by 7%.

RGIA, being the gateway to South and Central India, caters to a large catchment area. With positive economic outlook, strong aircraft delivery pipeline and growing middle income households, your Company remains confident of a sustainable double digit growth in the coming years despite near term challenges attributable to a failed major domestic airline.

FINANCIAL RESULTS AND STATE OF THE COMPANY'S AFFAIRS:

A summary of the Company's financial results for the financial year 2018-19 is as under:

(Rs.in Crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	Variance FY 2018-19 Vs FY 2017-18
INCOME			
Revenue from operations	1,452.26	1,252.04	200.22
Other income	22.69	55.59	(32.90)
Finance income	94.47	94.69	(0.22)
Total income	**1,569.42**	**1,402.32**	**167.10**
EXPENSES			
Concession fee	61.53	52.95	(8.58)
Employee benefits expense	100.85	72.41	(28.44)
Other expenses	297.26	242.81	(54.45)
Total expenses	**459.64**	**368.17**	**(91.47)**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**1109.78**	**1,034.15**	**75.63**
Finance costs	198.17	198.27	0.10
Depreciation and amortization expenses	139.01	198.39	59.38
Profit before tax and exceptional item	**772.60**	**637.49**	**135.11**
Exceptional item	**0.00**	0.00	0
Profit before tax	**772.60**	**637.49**	**135.11**
Tax expenses			
Current tax-Minimum alternate tax	162.95	130.57	(32.38)
Deferred tax expense	13.21	5.36	(7.85)
Minimum alternate tax credit entitlement	(136.31)	(101.14)	35.17
Total tax expense	**39.85**	**34.79**	**(5.06)**
Profit after tax for the year	**732.75**	**602.70**	**130.05**
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain /(losses) on defined benefit plans	**(0.68)**	0.18	0.86
Items that will be reclassified to profit or loss			
Cash flow hedge reserve	34.02	14.74	(19.28)
Less: Deferred tax expense	(17.04)	0.00	17.04
Total Comprehensive income for the year	**749.05**	**617.62**	**131.43**

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business of your Company.

DIVIDEND:

The Board of Directors of your Company, after considering the company's dividend distribution policy, at its Board Meeting held on July 18, 2018 has declared and paid a first interim dividend of Rs.2.50 per equity share on the face value of Rs.10/- each (i.e @ of 25%) for the first quarter of the financial year

2018-19 and also at its Board Meeting held on October 24, 2018, declared and paid a second interim dividend of Rs.1.50 per equity share on the face value of Rs.10/- each (i.e. @ of 15%) for the second quarter of the financial year 2018-19. An amount of Rs. 194,245,993/- and Rs. 116,546,98/- was paid as dividend distribution tax on the first interim dividend and second interim dividend, respectively, during the year under review. Cumulatively, the total amount of Rs.4/- per equity share (@ of 40%) dividend was declared and paid to the shareholders of the Company, during the year under review.

Keeping in view the Company's dividend distribution policy and the funds needed for the ongoing airport expansion project, your Board of Directors has decided that it would be prudent not to recommend any final dividend for the year under review.

APPROPRIATIONS TO RESERVES:

No amount has been transferred to the reserves.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no material changes and commitments affecting the financial position of the Company between March 31, 2019 and the Board's Report dated July 23, 2019 except that subsequent to the year ended on March 31, 2019, your Company has raised USD 300 million from the International Capital Market to part finance its airport expansion expenditure. Further, your Company is embarking on an airport expansion and this major project would require significant capital expenditure commitments during the financial year 2019-20 and beyond.

GAL Equity Sale Transaction:

GMR Infrastructure Limited ("GIL"), the holding company of GMR Airports Limited ("GAL"), which in turn is the intermediate holding company of GHIAL currently holds, 74.50% directly and 19.65% indirectly (through its subsidiary and associate entities) of the equity share capital of GAL. SBI Macquarie and other private equity participants (PE Investors) hold the remaining 5.85% of the equity share capital. GIL has entered into a Binding Term Sheet with a consortium of investors including M/s. TATA Sons, one of the most reputed diversified Indian conglomerate having interest in aviation, GIC, a large Sovereign Wealth Fund from Singapore and SSG, a long term Fund who counts GIC as its Limited Partner (LP), to raise funds amounting to Rs. 8000 Crores. This will include Rs. 1000 Crores to be raised as primary capital into GAL and the balance Rs. 7000 Crore to be raised by way of secondary sale by GIL and its subsidiaries.

Post the Buyout of the PE investors' stake, GIL's holding in GAL would be 53.49%; TATA 19.75%; GIC 14.81%; SSG 9.88% and Employees Welfare Trust 2.07%. By the proposed stake sale in GAL to the consortium of Investors, they do not acquire any direct shareholding or ownership in GHIAL or any direct control over the Board of Directors of GHIAL. GAL will continue to remain in control of all Airport companies of the GMR Group under GAL's structure including GHIAL and will continue to provide all required management support including coordination of all the resources, expertise, management, technology & technical skills for the operation of the Airport. Each Investor would have one nominee Director on GHIAL's Board and one nominee director will be appointed on each of the statutory committees of GHIAL's Board.

MAJOR EVENTS AND ACHIEVEMENTS:

Route Development:

During the FY 2018-19, a number of new destinations were added to the RGIA's route network both on the domestic as well as the international fronts. During the period, Flynas started its operations from RGIA connecting Hyderabad to Saudi Arabia and Spicejet started daily flights to Bangkok.

On the domestic front, RGIA added connectivity to Amritsar, Bhopal, Dehradun, Durgapur, Imphal, Kannur, Port Blair, Vadodara and Udaipur. Under the Government of India's Regional Connectivity Scheme (RCS), RGIA was connected to Nashik.

Airport Expansion:

RGIA has witnessed a robust compound annual growth of around 20% in the last few years and accordingly, a large scale expansion of the airport facilities has been initiated to increase the annual handling capacity to 34 million passengers.

In the intervening period, in an effort to ensure continued growth momentum without compromising on the passenger experience, your Company has commissioned two dedicated interim terminals for the international departures and for domestic arrivals. The Interim International Departure terminal (IIDT) was inaugurated on October 23, 2018 and the Interim Domestic Arrival Terminal (IDAT) was inaugurated on March 23, 2019. With the commissioning of these interim terminals, RGIA now will be able to meet the capacity demand till the completion of ongoing expansion works.

As part of the capital expansion works, your Company commissioned additional capacity both on the landside and airside during FY 2018-19 by commissioning expanded approach ramp and remote parking Stands respectively, while the full scale expansion works for the main Passenger Terminal Building (PTB) were initiated.

During the year under review, your Company commissioned 26 new aircraft parking stands towards the east of the PTB and 5 new aircraft parking stands towards west side of the PTB on December 28, 2018. With the addition of these stands, the airport now has 69 parking stands from the earlier 38 (28 remote and 10 aerobridges). The new stands can hold 27 scheduled Code C aircraft and 4 Code B aircraft catering to general aviation or business jets.

To cater to the increased vehicular traffic along with the growing passenger traffic, the arrival and departure ramps at the airport's forecourt area were expanded to offer twice the number of vehicle lanes at both arrival and departure levels and the new ramps have now been put to use from December 29, 2018.

Operations:

In order to provide a unique customer experience, your Company is continuously improving the customer offerings through process and infrastructure improvements to enhance throughput and efficiency, emphasis on technology driven solutions and change in look and feel of the terminal ambience.

The major initiatives which came to fruition during financial year 2018-19 are as follows:

Operationalization and Transition to Interim Facilities

In addition to the newly constructed interim terminals, viz., the IIDT and IDAT facilities, a number of other interim capacity enhancement measures were implemented and operationalized during FY 2018-19, including 31 aircraft parking stands which helped to boost the available capacity for base flight departures and peak hour operations.

Enhancing Runway Capacity

During the financial year under review, your Company obtained re-declaration of capacity of the Main Runway from 33 to 36 hourly air traffic movements, enhancing the number of slots available during peak hours and boosting overall handling capacity.

Night Operations on Secondary Runway

The full length parallel taxiway–cum-secondary runway at the RGIA was upgraded to handle full scale night operations and following a series of trials, the Directorate General of Civil Aviation (DGCA) accorded its formal approval for night operations on the upgraded facility. With this, RGIA now offers truly 24x7 operations with the ability to transition its operations seamlessly between primary and secondary runways irrespective of time of day.

Automated Tray Retrieval Systems (ATRS)

Introduction of modern ATRS for hand baggage screening of passengers coupled with the operationalization of the country’s first Remote Screening facility helped to bring about significant reduction in security check waiting times and improved passenger experience. This initiative helped to enhance throughput without having to increase manpower significantly. During the financial year under review, all security check lanes in the Domestic Departure area of the terminal have been converted to ATRS, making RGIA the first Airport in the country to achieve this feat.

Facial Recognition based Passenger Processing System

RGIA is the first amongst the airports in the country to start trials of Face Recognition based end-to-end passenger processing system under DigiYatra Platform. Presently, trials have been running successfully for staff and the same shall soon be rolled out for the passengers.

RGIA Metro Link

State Government of Telangana announced plans to connect the RGIA through a high-speed rail link to the centre of Hyderabad city. This will enhance the airport connectivity and will provide a mass transit facility for airport passengers and other commuters.

Conversion of Taxiway Center Line Lights to Smart LED

RGIA has completed the conversion of 715 Taxiway Center Line lights from conventional Halogen to the innovative and energy efficient Safe LED IQ lamps. The project took a month to complete without any impact to airport operations. With this milestone, RGIA has converted around 58% of Airfield Ground Lighting to LED lamps. Around 80% of the entire lights at the RGIA are now LED.

Commercial/Non-aero

Your Company added 13 new stores by renowned brands such as BIBA, Jockey & Speedo, Almond House, Gadget Studio and Forest Essentials at the Airport Terminal, increasing the range of offerings and choices for the passengers and helping to enhance the non-aeronautical revenues.

During the year under review, your Company launched a Rewards & Recognition Programme to create a healthy competition among concessionaires with focus on sales growth and customer service.

REGULATORY AND TARRIFF INCLUDING SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

The aeronautical tariffs of your Company are determined by the Airport Economic Regulatory Authority (AERA or the Authority) for the control period spanning over five (5) years. Your Company has entered into the second control period of its operations and has submitted its Multi Year Tariff Proposal (MYTP) for the financial year period 2016-21. Subsequent to review of the Company's submissions of MYTP, the Authority issued a Consultation Paper for determination of aeronautical tariffs in respect of RGIA for the second control period. Since the major entitlements of your Company, viz., pre-control period entitlements, classification of Cargo, Ground Handling and Fuel Farm revenues as non-aeronautical, treatment of forex loss on External Commercial Borrowings (ECB) payouts etc., were not considered favorably by the Authority in the Consultation Paper, your Company filed a writ petition before the Hon'ble High Court of Telangana at Hyderabad, India and the Hon'ble High Court passed an interim order wherein AERA has been directed not to finalize the determination of aeronautical tariff in respect of GHIAL for the second control period, pending disposal of the writ petition. Subsequently, AERA has filed a counter for vacation of the stay granted and the case is scheduled to be listed for hearing on July 25, 2019.

RATING:

The existing facility of the USD 350 million Bonds carries an instrument rating of BB+ by S&P and Fitch. Your Company has also obtained an issuer rating of Ba1 by Moody's.

During April 2019, your Company successfully placed a second successive tranche of USD 300 million Bonds repayable in April 2024 carrying a coupon of 5.375%. The said Bonds carry an issue rating of BB+ by S&P and Fitch and issuer rating of Ba1 by Moody's.

The domestic rating of your Company is AA by CRISIL, ICRA and India Ratings.

US DOLLAR BONDS:

The proceeds of the USD 300 Million Bonds referred to earlier will be utilized to fund the airport capacity expansion projects. Your Company has taken appropriate hedge for the principal and interest payments considering the tenor of the instrument. The Bonds are listed and traded on the Singapore Stock Exchange.

Description of Bonds: 5.375% Senior Secured Notes Due 2024
Issue Size: US Dollar 300 Million
Date of Issue of Bonds: April 10, 2019
Issue Price: USD 2,00,000 per Note
Coupon Rate 5.375% p.a. payable semi annually
Maturity date: April 10, 2024
Credit Rating for the issue: BB+ by S&P, BB+ by Fitch

FINANCING ARRANGEMENT FOR AIRPORT EXPANSION:

Your Company intends to increase the terminal capacity from the existing 12 Million Passengers Per Annum (MPPA) to 34 MPPA. The unabated growth in passengers has put a strain on the existing infrastructure and hence it is imperative for your Company to embark on this expansion. The earlier estimated expansion cost based on 20 MMPA was approved by the Consultant appointed by the AERA. However, the surge in traffic has compelled your Company to rework its Airport expansion plans and presently, your Company is focusing on expanding the passenger terminal and related facilities to 34 MPPA by financial year 2023. The envisaged capital outlay plan including airport expansion, contribution towards metro connectivity and general maintenance capital expenditure would be around Rs.6,700 Crores (including Interest During Construction) which is expected to be funded by way of 70:30 Debt Equity Ratio (DER). However, depending upon the cash flow generation ability of your Company, the endeavor would be to improve the DER. All major contracts for the airport expansion have been awarded and the work is in full swim.

Apart from the USD 300 million Bonds issue, the Company has also received a sanction letter from Yes Bank Limited to part finance the capital outlay plan. The equity for the project shall be internally generated funds and no fresh call on equity is envisaged. Your Company has already generated a significant portion of the internal accruals needed and is well positioned to generate the balance funds needed in the next two financial years. The Company therefore believes that its funding commitments have been fully addressed.

AWARDS AND CERTIFICATIONS RECEIVED BY THE COMPANY / RGIA DURING THE PERIOD UNDER REVIEW:

Your Company received the following awards during the period recognizing the significant contributions made in different facets of functional excellence:

- Awarded "Excellent Energy Efficient Unit Award 2018" at the 19th National Award Ceremony of Confederation of Indian Industry (CII) for 'Excellence' in Energy Management;

- Received the prestigious Institute of Company Secretaries of India's (ICSI) Third CSR Excellence Award 2018 for Best Corporate (Emerging Category) from the ICSI;

- Won 4-Star recognition in CII – EHS Excellence Award 2018 by the Confederation of Indian Industry;

- Received Asia-Pacific Green Airports Recognition for 2019 (Silver Recognition) from Airports Council International (ACI) in the 10-45 MPPA category towards efforts in environmental sustainability (water conservation through rain water harvesting);
- Received ACI Asia-Pacific HR Excellence Bronze Recognition 2019 towards the organizational efforts in the area of "Change Management";

- ACI Asia-Pacific Young Executive of the Year 2019 to Mr. Tasneem Ejaz, Employee of your Company, for a research paper on 'How can airports understand and capitalize on their passengers' needs to advance their strategic visions";

- Won "Best Regional Airport" and "Best Airport Staff" in Skytrax World Airport Awards 2019, in India and Central Asia Regions;

- Ranked World #4 in Airport Service Quality (ASQ) survey in the 15-25 MPPA category for the year 2018;

- Won 1st place award in "Excellence in Cost Management 2017" in Transportation & Logistics category from The Institute of Cost Accountant of India;

- Won 'Smart Cargo Airport of the Year' by Maritime Gateway;

- Gold Category Recognition based on the Business Excellence Maturity Assessment Program from CII-Institute of Quality;

- Awarded "Excellence in Corporate Social Responsibility" by The Federation of Telangana Chambers of Commerce and Industry.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors and Key Managerial Personnel of your Company presently comprises of the following:

SNo.	Name of the Director	Representing
1	Mr. G. M. Rao, Executive Chairman	Sponsors (GMR Group)
2	Mr. G.B.S Raju, Managing Director	Sponsors (GMR Group)
3	Mr. Srinivas Bommidala	Sponsors (GMR Group)
4	Mr. Grandhi Kiran Kumar	Sponsors (GMR Group)
5	Mr. H. J. Dora	Sponsors (GMR Group)
6	Mr. C. Prasanna	Sponsors (GMR Group)
7	Mr. Raja Azmi Bin Raja Nazuddin	Sponsors (MAHB)
8	Mr. Venkatramana Hegde	State Promoters (Airports Authority of India)
9	Mr. I.N. Murthy	State Promoters (Airports Authority of India)
10	Mr. Jayesh Ranjan, *IAS*	State Promoters (Government of Telangana)
11	Mr. K. Ramakrishna Rao, *IAS*	State Promoters (Government of Telangana)
12	Mr. R.S.S.L.N. Bhaskarudu	Independent Director
13	Mr. N. C. Sarabeswaran	Independent Director
14	Mrs. Siva Kameswari Vissa	Independent Director
15	Mr. Madhu Ramachandra Rao	Independent Director

SNo	Name of the Key Managerial Personnel	Designation
1	Mr. S.G.K. Kishore	Chief Executive Officer
2	Mr. Anand Kumar Polamada	Chief Financial Officer
3	Mr. Anup Kumar Samal	Company Secretary

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

- Mr. G.B.S. Raju was appointed the Managing Director of the Company with effect from June 01, 2018 for a period of three years;

- Mr. G. M. Rao was appointed as the Executive Chairman of the Company for a period of three years with effect from June 01, 2018. Prior to June 01, 2018, Mr. G. M. Rao was the Non-Executive Chairman of the Company;

- Mr. Srinivas Bommidala resigned from the position of the Managing Director with effect from end of business hours of May 31, 2018 as part of changes in the organizational structure and he continues as a Non-Executive Director on the Board;

- Mr. Madhu Ramachandra Rao was appointed as an independent director of the Company in the previous (15th) Annual General Meeting for a term from July 02, 2018 upto the date of 19th Annual General Meeting (AGM) to be held in the year 2022;

- Mr. Raja Azmi Bin Raja Nazuddin who was appointed an additional director with effect from September 10, 2018 and was regularized as the Director of the Company in the previous (15th) AGM;

- Mr. P. Vijay Bhaskar ceased to be an Independent Director of the Company with effect from May 04, 2018, due to his untimely demise;

- Mr. Mohd Badlisham bin Ghazali resigned from the directorship of the Company with effect from June 23, 2018, consequent to withdrawal of nomination by Malaysia Airports Holdings Berhard;

- Mr. Grandhi Kiran Kumar; Mr. Venkatramana Hegde and Mr. K. Ramakrishna Rao, IAS retire at the ensuing 16th AGM by rotation and are eligible for re-appointment;

- Mr. Anand Kumar Polamada has been appointed as Chief Financial Officer of the Company with effect from June 01, 2019 in place of Mr. Rajesh Arora, who ceased to be the CFO of GHIAL with effect from May 31, 2019 and moved to GAL's Headquarters as part of the organizational changes.

BOARD COMMITTEES:

Following is the current composition of Board Committees:

Name of the Board Committee	**Composition**
Audit Committee	Mr. R.S.S.L.N. Bhaskarudu (Chairman) Mr. N.C. Sarabeswaran Mrs. Siva Kameswari Vissa Mr. C. Prasanna Mr. K. Ramakrishna Rao, IAS
Nomination and Remuneration Committee	Mr. R.S.S.L.N. Bhaskarudu (Chairman) Mr. N.C. Sarabeswaran Mr. I. N. Murthy Mr. C. Prasanna
Corporate Social Responsibility (CSR) Committee	Mr. RSSLN Bhaskarudu (Chairman) Mr. C Prasanna Mr. Jayesh Ranjan, IAS
Share Allotment and Transfer Committee	Mr. R.S.S.L.N. Bhaskarudu (Chairman) Mr. I.N. Murthy Mr. C. Prasanna

NUMBER OF MEETINGS OF THE BOARD HELD DURING THE FINANCIAL YEAR 2018-19:

Seven Board Meetings were held during the financial year 2018-19 and the details of attendance of Directors are as under:

SNo	Name of the Director	Dates of the Board Meetings						
		3-May-18	18-Jul-18	1-Aug-18	24-Oct-18	11-Jan-19	31-Jan-19	11-Mar-19
1	Mr. G.M. Rao	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mr. G.B.S. Raju	NA	Yes	Yes	Yes	LOA	Yes	Yes
3	Mr. Srinivas Bommidala	Yes	LOA	LOA	Yes	Yes	LOA	LOA
4	Mr. Grandhi Kiran Kumar	LOA	LOA	Yes	Yes	LOA	LOA	LOA
5	Mr. C. Prasanna	LOA	Yes	LOA	Yes	Yes	Yes	LOA
6	Mr. H.J. Dora	Yes	LOA	Yes	Yes	Yes	Yes	Yes
7	Mr. Jayesh Ranjan, *IAS*	LOA	Yes	Yes	LOA	Yes	Yes	Yes
8	Mr. K. Ramakrishna Rao, *IAS*	Yes	Yes	Yes	Yes	LOA	LOA	Yes
9	Mr. Venkatramana Hegde	Yes	LOA	Yes	Yes	Yes	Yes	Yes
10	Mr. I.N. Murthy	Yes	Yes	LOA	Yes	Yes	Yes	Yes
11	Mr. Datuk Badlisham bin Ghazali	LOA	NA	NA	NA	NA	NA	NA
12	Mr. Raja Azmi Bin Raja Nazuddin	NA	NA	NA	LOA	LOA	Yes	LOA
13	Mr. R.S.S.L.N. Bhaskarudu (ID)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
14	Mr. N.C. Sarabeswaran (ID)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15	Mrs. Siva Kameswari Vissa (ID)	Yes	Yes	Yes	LOA	Yes	Yes	Yes
16	Late Mr. P. Vijay Bhaskar (ID)	Yes	NA	NA	NA	NA	NA	NA
17	Mr. Madhu Ramachandra Rao(ID)	NA	Yes	Yes	Yes	Yes	Yes	Yes

(Attended-Yes; Leave of absence granted –LOA, Not Applicable-NA)

NUMBER OF COMMITTE E MEETINGS:

Audit Committee Meetings:

Five Audit Committee Meetings were held during the financial year 2018-19 and the details of attendance of the Members are as under:

SNo	Name of the Committee Member	Dates of the Audit Committee Meetings				
		3-May-18	18-Jul-18	24-Oct-18	31-Jan-19	11-Mar-19
1	Mr. R.S.S.L.N. Bhaskarudu (ID)	Yes	Yes	Yes	Yes	Yes
2	Mr. N.C. Sarabeswaran (ID)	Yes	Yes	Yes	Yes	Yes
3	Mrs. Siva Kameswari Vissa (ID)	Yes	Yes	LOA	Yes	Yes
4	Mr. C Prasanna	LOA	Yes	Yes	Yes	LOA
5	Mr. K. Ramakrishna Rao, IAS	Yes	Yes	LOA	Yes	Yes

(Attended-Yes; Leave of Absence granted-LOA; Not Applicable-NA)

Nomination and Remuneration Committee Meetings:

Two Nomination and Remuneration Committee (NRC) Meeting was held during the financial year 2018-19 and the details of attendance of the Members were as under:

SNo	Name of the Committee Member	Date of the NRC Meeting	
		3-May-18	1-Aug-18
1	Mr. R.S.S.L.N. Bhaskarudu (Chairman)	Yes	Yes
2	Mr. N.C. Sarabeswaran	Yes	Yes
3	Mr. I.N. Murthy	Yes	LOA
4	Mr. C Prasanna	LOA	LOA

(Attended-Yes; Leave of Absence granted-LOA; Not Applicable-NA)

Corporate Social Responsibility (CSR) Committee Meetings:

Three CSR Committee Meeting was held during the financial year 2018-19 and the details of attendance of the Members are as under:

SNo	Name of the Committee Member	Date of the CSR Committee Meeting		
		27-Apr-18	24-Oct-18	31-Jan-19
1	Mr. R.S.S.L.N. Bhaskarudu	Yes	Yes	Yes
2	Mr. C Prasanna	Yes	Yes	Yes
3	Mr. Jayesh Ranjan, IAS	LOA	LOA	Yes

(Attended-Yes; Leave of Absence granted-LOA; Not Applicable-NA)

Separate Meeting of the Independent Directors:

During the financial year under review, a separate meeting of the Independent Directors was held on February 08, 2019.

During the financial year, the following Circular Resolutions were passed:

SNo	Particulars	Date of Passing
1	Share Allotment and Transfer Committee	01-Oct-2018
2	Audit Committee	24-Jul-2018
3	Nomination and Remuneration Committee	28-Jun-2018 16-Jul-2018
4	Board of Directors	02-Jul-2018 10-Sep-2018

SECRETARIAL STANDARDS:

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in Note 2.1 of the Notes to the financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual financial statements have been prepared on a going concern basis;

e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively;

f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS:

Based on the declarations received from the Independent Directors and on evaluation of the relationships disclosed, the following Directors are independent in terms of Section 149(6) of the Companies Act, 2013:

a) Mr. R.S.S.L.N. Bhaskarudu
b) Mr. N.C. Sarabeswaran
c) Mrs. Siva Kameswari Vissa
d) Mr. Madhu Ramachandra Rao

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation for the financial year 2018-19, in respect of the Board and Committees, the Chairman, Self and Peers of the Directors.

Structured and separate questionnaires were prepared for the Board and its Committees' Evaluation; Directors' Self-Evaluation; Chairman's Evaluation and Directors' Peer Evaluation after taking into consideration various aspects of the management and governance issues.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Nomination and Remuneration Policy of the Company covering Directors' appointment, remuneration, criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of section 178 of the Companies Act, 2013, is available on the website of the Company i.e. http://www.hyderabad.aero/about-us / ourcompany /corporategoverancne/ Nomination and Remuneration Policy. The Salient features of the Nomination and Remuneration Policy are mentioned in **Annexure-1.**

A. Remuneration paid to Managing Director, Whole-time Directors and/or Manager during the financial year 2018-19:

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (Rs.)
		Mr. GM Rao[1] (Executive Chairman) (01.06.2018-31.03.2019)	Mr. GBS Raju[2] (Managing Director) (01.06.2018-31.03.2019)	Mr. Srinivas Bommidala[3] (Managing Director) (01.04.2018-31.05.2018)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	2,50,09,133	2,33,41,895	43,57,668	5,27,08,696
2	Stock Option	--			--
3	Sweat Equity	--			--
4	Commission - as % of profit - others, specify…	1,66,57,534*	1,56,16,438*	9,09,959*	3,31,83,931*
5	Others, please specify Sitting Fees**	20,000			20,000
	Total (A)	4,16,86,667	3,89,58,333	52,67,627	8,59,12,627
	Ceiling as per the Act				77,51,59,233

*provisions made in the books

** Sitting fees were paid to Mr. G.M. Rao before he was appointed as the Executive Chairman

1. Mr. G.M. Rao was appointed as the Executive Chairman of the Company with effect from June 01, 2018
2. Mr. G.B.S. Raju was appointed as the Managing Director of the Company with effect from June 01, 2018
3. Mr. Srinivas Bommidala was Managing Director of the Company from April 01, 2018 to May 31, 2018

Sitting fees paid to the Non-Executive Directors during the financial year 2018-19:

Sl. No.	Name of the Non-Executive Directors (including Independent Directors)	Sitting fees paid (Amount in Rupees)
1	Mr. G.M. Rao	20,000
2	Mr. H.J. Dora	1,20,000
3	Mr. Venkatramana Hegde	1,20,000
4	Mr. I.N. Murthy	1,40,000
5	Mr. Jayesh Ranjan, IAS	1,20,000
6	Mr. K. Ramakrishna Rao, IAS	2,00,000
7	Mr. Raza Azmi bin Raja Nazuddin	20,000
8	Mr. R.S.S.L.N. Bhaskarudu (ID)	6,00,000
9	Mr. N.C. Sarabeswaran (ID)	5,20,000
10	Mrs. Siva Kameswari Vissa (ID)	4,00,000
11	Late Mr. P. Vijay Bhaskar (ID)	40,000
12	Mr. Madhu Ramachandra Rao (ID)	2,40,000
Total		**2,540,000**

Other than the aforesaid payment of the sitting fees during the Financial Year 2018-19, there were no other pecuniary relationships or transactions between the Non-Executive Directors and the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The following loans or guarantees given or security provided or investments were made by the Company during the financial year 2018-19:

Sl No	Name of the entity	Relation	Amount (Rs.)	Particulars
1	GMR Hyderabad Air Cargo And Logistics Private Limited (GHACLPL)	Subsidiary	59,75,00,000	Investment - 4,99,800 equity shares having face value of Rs. 10 each and 18,000 series A preference shares having face value of Rs.10,000 each at Rs.1060.25 per equity share and Rs.3,754.86 per preference share, respectively, for a total consideration of Rs.59.75 Crores
2	GMR Aerospace Engineering Limited (GAEL)	Subsidiary	13,50,00,000	Investment - 1,35,00,000 equity shares of Rs.10/- each at par by way of subscription
3	Asia Pacific Flight Training Academy Limited (APFTAL)	Subsidiary	78,64,000	Investment – 7,86,400 equity shares of Rs.10/- each at par by way of subscription
4	GMR Hospitality and Retail Limited (GHRL) (formerly GMR Hotels and Resorts Limited)	Subsidiary	29,38,97,940	Investment – 2,93,89,794 equity shares of Rs.10/- each at par by way of conversion of Interest Free Loan provided in the earlier years
5	GMR Hyderabad Aerotropolis Limited (GHAL)	Subsidiary	31,00,00,000	Loans were given in tranches during the financial year.
6	GMR Hospitality and Retail Limited (GHRL) (formerly GMR Hotels And Resorts Limited)	Subsidiary	120,93,75,000	Guarantee - Corporate guarantee was given to the Lenders of GHRL for securing the loans of GHRL
7	GMR Hospitality and Retail Limited (GHRL)	Subsidiary	32,89,76,750	Pledge of 3,28,97,675 Equity Shares of Rs.10/- each in favour of the Lenders of GHRL for securing the loans of GHRL.

Your Company being an infrastructure Company is exempted from complying with the provisions of section 186 (1) of the Companies Act, 2013 relating to any loan or investments made and / or any guarantees or security given.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013:

All transactions entered into with the related parties during the financial year under review were on arm's length basis and in the ordinary course of business. Your Company has not entered into any contracts or arrangements with the related parties referred to in Section 188(1) of the Companies Act, 2013 and as such no particulars are required to be given.

All related party transactions (RPTs) are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which were of a repetitive nature. All the transactions with the related parties are audited by the Management Assurance Group (Internal Auditors) of the Company, before the same are placed before the Audit Committee for their review and approval. All RPTs are mentioned in the Note no. 33 to the Notes to the Financial Statements of the Company for the financial year 2018-19.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since the Company does not own any manufacturing facility, the particulars relating to technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable. However, the particulars relating to conservation of energy are provided in **Annexure-2** to the Board's Report.

The particulars for foreign exchange earnings and outgo in the financial year 2018-19, are given below:

(a) Earnings in foreign currency (on accrual basis):

(Rupees in Crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Concession fees	-	33.77
Total		**33.77**

(b) Expenditure in foreign currency (on accrual basis):

(Rupees in Crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Professional charges	2.18	4.84
Interest	-	22.13
Other borrowing cost*	4.36	4.29
Others	4.06	3.61
Total	**10.60**	**34.87**

i) In addition to above during the previous year, the following were incurred in foreign currency:

a. *Senior Secure Notes (SSN) issuance cost of Rs. 45.74 Crores which is amortised over its tenure of 10 years.

b. Interest rate swap termination cost of Rs. 55.32 Crores out of the mark to market provision made earlier.

*Interest on SSN amounting to Rs. 79.04 Crores is not considered above as the same is hedged and are payable in INR.

RISK MANAGEMENT POLICY:

Your Company has established an Enterprise Risk Management (ERM) framework to identify, assess, monitor and mitigate various risks that may affect the organization. As per the ERM framework, the risks are identified considering the internal and external environment. While there were no risks perceived to threaten the existence of your Company, following have been identified as certain key risks, which are being monitored at regular intervals along with mitigating measures:

SNo	Nature of Risk
1	Unfavourable outcome on pending issues [Cargo, Ground Handling and Fuel farm (CGF) as Non Aero, Foreign Exchange Variation (FEV), Pre Control Period Losses, Treatment of Land, etc].
2	Financial health of few subsidiaries straining GHIAL financials
3	Delay in receiving outstanding amount from Air India (AI) Group Companies
4	Delay in completion of expansion works
5	Sustained increase in fuel price
6	Financial and operational difficulties faced by airline sector

INTERNAL CONTROL SYSTEM:

Your Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations.

Your Company's internal control procedures ensure compliance with various policies, practices and statutes in keeping with the organisation's pace of growth and increasing complexity of operations. The Management Assurance Group (Internal Auditors) of the Company, carries out extensive audits throughout the year, across all functional areas and submits its reports to the Audit Committee.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY:

Your Company has adopted policies and procedures including 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 Company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures under the Companies Act, 2013.

During the year under review, such controls were reviewed and tested by the Internal Auditors and found to be adequate.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company is driven by the Group's vision on CSR to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Company partners with the communities around the Airport to drive various initiatives in the areas of education, health, hygiene, sanitation, empowerment, livelihood and community development. Your Company has been implementing community development initiatives in the villages surrounding RGIA since 2005. The intensive activities in these thrust areas have been focused in six villages i.e. Airport Colony (rehabilitation colony), Gollapally, Mamidipally, Shamshabad, Charinagar and Ranganayakula Thanda (R.N. Thanda). The CSR initiatives also extend to another 17 villages surrounding the airport and few places in the State of Telangana. Implementation of various activities under these three verticals is being carried out directly by GHIAL CSR with the professional support of GMR Varalakshmi Foundation (a Section 8 company, the CSR arm of GMR Group) from planning to execution.

Details about the CSR policy and initiatives taken by your Company on CSR during the financial year 2018-19 are given in the CSR Annual Report, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, which is annexed to this report as **Annexure-3.**

SHARE CAPITAL:

The paid up equity share capital of your Company as on March 31, 2019 was Rs.378,00,00,000/- (Rupees Three Hundred Seventy Eighty Crores only) comprising of 37,80,00,000 (Thirty-Seven Crores Eighty Lakhs) equity shares of face value of Rs.10/- (Rupees Ten) each. During the financial year under review, your Company had not issued any new shares. Being the holder of 63% of the paid up equity share capital of your Company, as on March 31, 2019, GMR Airports Limited is the Holding Company of your Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the financial year 2018-19, the following corporate restructuring initiatives have taken place:

Acquisition of GHACLPL: Your Company has acquired entire stake of Menzies Aviation Cargo (Hyderabad) Limited, Mauritius held by it in GMR Hyderabad Air Cargo And Logistics Private Limited ("GHACLPL" formerly "Hyderabad Menzies Air Cargo Private Limited") i.e. 4,99,800 equity shares having face value of Rs.10 each and 18,000 series A preference shares having face value of Rs.10,000 each. Thereby, with effect from November 02, 2018, GHACLPL has become 100% subsidiary of your Company.

Divestment in APFTAL: Your Company has divested its entire stake held in Asia Pacific Flight Training Academy Limited ("APFTAL" a wholly owned subsidiary of GHIAL) i.e 96,78,823 equity shares having face value of Rs.10 each. Thereby, with effect from March 01, 2019, APFTAL ceased to be a subsidiary of your Company.

Voluntary liquidation of HASSL: A voluntary liquidation process of Hyderabad Airport Security Services Limited ("HASSL" a wholly owned subsidiary of GHIAL) has been initiated and an Insolvency Professional was appointed to oversee voluntary liquidation process.

Scheme of Arrangement amongst GHACLPL, GAEL & GATL: The petitions have been filed with Hon'ble National Company Law Tribunal, Hyderabad Bench, seeking its approval for the composite Scheme of Arrangement envisaging merger of GHACLPL with GAEL and demerger of MRO Business Undertaking of GATL with GAEL, with April 01, 2018 being the appointed date.

Statement under Section 129(3) of the Companies Act, 2013

In accordance with Section 129(3) of the Companies Act, 2013 and applicable Accounting Standards, the Company has prepared a consolidated financial statement of the Company and all its subsidiaries and joint venture companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the following subsidiary and joint venture companies, in the prescribed Form AOC-1 is attached to the consolidated financial statements of the Company:

1. GMR Hospitality And Retail Limited (GHRL, formerly "GMR Hotels And Resorts Limited" - Subsidiary)
2. GMR Hyderabad Aerotropolis Limited (GHAL - Subsidiary)
3. GMR Hyderabad Aviation SEZ Limited (GHASL - Subsidiary)
4. GMR Aerospace Engineering Limited (GAEL - Subsidiary)
5. GMR Aero Technic Limited (GATL – Subsidiary of GAEL)
6. GMR Hyderabad Airport Power Distribution Limited (GHAPDL - Subsidiary)
7. GMR Hyderabad Air Cargo And Logistics Private Limited (GHACLPL formerly "Hyderabad Menzies Air Cargo Private Limited"- Subsidiary)GMR Logistics Park Private Limited (GLPPL-Subsidiary of GHAL)
8. Laqshya Hyderabad Airport Media Private Limited (LHAMPL - JV)

Business highlights and achievements in Subsidiaries and Joint Ventures, during the financial year 2018-19:

GHRL (Hotel Division)

- Constructed a mini Convention Center which can accommodate around 2,000 people
- Achieved 6% YoY growth in revenue with higher occupancy of 74% against 71% in last year

GHRL (Duty Free Division)

- Achieved 36% YoY growth in revenue and achieved strong double digit sales growth in various categories
- Commenced New Departure Store and New Bonded Warehouse
- Introduced automatic Passport and Boarding Pass reading system, one of its kind in the duty free shops business

GHAL

- Entered into Sub Sub Lease Agreement with Coldman Logistics Pvt. Ltd. for 4 acres of land

GHASL

- Signed long term Sub Sub Lease Agreement with Cyient DLM Pvt. Ltd. (manufacturer of Aerospace and Defence, Medical Transportation, Communication & Industrial products) for land admeasuring 10.19 acres
- Entered into Agreement to Lease 3.18 acres of land to Safaran Electrical and Power India Pvt. Ltd.

GATL

- During the FY 2018-19, financial performance of the company has improved significantly from Rs. 109.52 Crores in the FY 2017-18 to Rs.155.64 Crores in the FY 2018-19 (YoY up by 42%)
- The company is aggressively working on Line Maintenance business

GHACLPL

- In the financial year 2018-19, the company has handled cargo volume of 1,35,987 Metric Tonnes (YoY up by 9%)

LHAMPL – JV

- In the financial year 2018-19, the company achieved Revenue of Rs. 58.27 Crore and net profit of Rs.7.66 Crore.

AUDITORS:

Statutory Auditors:

M/s. S. R. Batliboi and Associates LLP, Chartered Accountants [ICAI Firm Registration No.101049W / E00004] were appointed as Joint Statutory Auditors of the Company for a term of two (2) years to hold office from the conclusion of the 14th Annual General Meeting (AGM) held in year 2017. M/s. S. R. Batliboi and Associates LLP ceases to hold their office from the conclusion of ensuing 16th AGM.

M/s. K. S. Rao & Co, Chartered Accountants [ICAI Firm Registration No. 003109S] were appointed as one of the Joint Statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of the 14th AGM held in year 2017.

Statutory Auditors Qualified Opinion:

As more fully explained in Note 42 to the standalone Ind AS financial statements, as at March 31, 2019, the Company has investments and share application money totaling to Rs. 267.31 Crores, made in a wholly owned subsidiary Company, GMR Aerospace Engineering Limited ('GAEL') and Rs. 2.34 Crores in GMR Aero Technic Limited ('GATL'), a subsidiary of GAEL. GAEL has significant receivables from GATL whose accumulated losses have fully eroded its net worth as at March 31, 2019. The recovery of the aforesaid investments is dependent upon the ability of GATL to scale up its operations in future and achieve sustained profitability. Based on the reasons fully explained in the aforesaid note, the management is of the view that there is no impairment in the value of such investments and share application money required at this juncture. However, in view of the current financial position of GATL and in the absence of sufficient appropriate audit evidence to support the key assumptions made by the management of GATL in the business plan, we are unable to comment on the carrying value of the investments and share application money including adjustments, if any, that may be required to be made to such carrying amounts of investments and share application money.

Directors Comments:

Based on the future business plans and projections approved by the Board of Directors of the subsidiary company and the valuation assessment done, your Board of Directors is of the view that there is no permanent diminution in the value of such investments. Accordingly, these financial statements do not include any adjustments relating to the recoverability of the aforesaid investments.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board had reappointed M/s. KBG Associates, a firm of Company Secretaries in Practice (CP No. 6262) represented by its Partner Mr. Srikrishna Chintalpati, to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report is annexed as **Annexure-4** and forms an integral part of this Board's Report.

There are no qualifications, reservations or adverse remarks in the secretarial audit report for the financial year 2018-19.

Cost Auditor:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records. The Board of Directors has reappointed M/s. Narasimha Murthy and Co., Cost Accountants (Firm Registration No. 000042), as Cost Auditor to audit the cost records of the Company for the financial year 2019-20. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

There are no qualifications, reservations or adverse remarks in the cost audit report for the financial year 2018-19.

Further, the Auditors of your Company have not reported any incident of fraud by the Company or by the officers and employees of the Company in the financial year under review.

EXTRACT OF THE ANNUAL RETURN:

The extract of the annual return as on March 31, 2019 in the format prescribed under section 92(3) of the Companies Act, 2013 is annexed to this Report as **Annexure-5.**

PUBLIC DEPOSITS:

During the financial year under review, your Company has not accepted any deposits from the public within the meaning of Section 73 and other applicable provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

HUMAN RESOURCES AND DEVELOPMENT:

Recruitment: Your Company has continued HR Business Partner (HRBP) concept and increased the screening levels with the motive of enhancing the quality of candidates hired. As on March 31, 2019, there were 781 employees on the Company's rolls.

***Learning and Development**:* Your Company provides opportunities to all its employees to attend training programs to develop their technical and behavioral skills through various training programs spread across domains like Airside, Safety, Firefighting, Hazard Management, Aviation security, Soft skills, Values and Beliefs, MS office, etc.

***Employee Relations**:* During the year under review, relations between the employees and the management continued to remain cordial. Recognitions and Rewards were conferred on the employees who have performed beyond the call of duty.

***Communication forums**:* Your Company gives a platform for employees to communicate directly with the CEO and promotes a bottom up communication flow through the CEO's Town Hall Meeting, which is held once in a quarter. In this platform, the CEO shares all the insights pertaining to the group, business verticals and sectors along with organizational performance, plans, goals and objectives. All the strategies, hits and misses of the last quarter are conveyed to the employees. This is also a platform to recognize the contributions of employees and welcome new employees aboard. Your Company also conducted departmental skip level meetings and orientations for new joiners / hires.

***Employee Development Initiatives**:* Your Company has in place Multi-Tier Leadership Development Programs (MTLDP) which equips employees at various management levels with managerial and execution skills required at their levels to excel as versatile leaders. Participants are prepared to take on higher cross-functional responsibilities and drive a high-performance culture in the organization. During the year under review, junior management employees underwent Young Leaders Program (YLP) which is designed to enhance leadership skills and personal effectiveness of the participants and make them ready for future roles.

Employee recognition: Recognition culture in your Company saw a positive trend among employees in terms of motivation, performance and continuing endeavor for achievement. Your Company recognizes exemplary performers through various initiatives like Star of the Month (SOM-Individual and Team), Star Team of the Quarter, Thank you and Well done cards. Increasing trend of SOM Nominations and card redemptions indicates positive change in the recognition culture.

Employee Engagement and Wellness:

Employee engagement is amongst the top most priorities for your Company. Employee engagement survey is conducted with help of a third party survey administration partner. Summaries of survey results are shared with employees and these engagement survey findings become the basis for developing employee engagement initiatives across departments. Department wise action plans are developed to ensure that engagement factors affecting each department are well addressed.

Engagement interventions include initiatives like Job rotation / enlargement opportunities for employees, V-Connect for new joinees, sports events, recognition platforms, festival celebrations, professional development initiatives etc. Also your Company has extended engagement to employee's families and also to Airport stakeholders through events like Pariwar Milan in the financial year 2018-19. Your Company has been conducting stakeholder engagement initiatives like "One Family, One Mission", under which various events like International Yoga Day, Sankranti Celebrations, Women's day, Dandiya night, etc., were organized for the RGIA community.

Various health awareness sessions, blood donation camps and medical screening camps were conducted as part of the employee wellness initiative- "Ayushi". Employees undergo annual health checkup as per eligibility and it is mandatory for employees of departments like ARFF and Security and Control.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

An Anti-Sexual Harassment Policy is in place in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to address complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. Details of sexual harassment complaints received and disposed off during the financial year 2018-19, are as under:

- Number of complaints received: Nil
- Number of complaints disposed off: Nil

VIGIL MECHANISM:

Your Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors, regular employees and other stakeholders of the Company, including advisors, consultants and employees on contract. The Policy also applies to third parties with any commercial dealings with the Company, including vendors, service providers, partners, joint venture employees and customers. The policy has adequate safeguards to ensure that no complainant is victimized on account of raising a genuine concern under the Policy and has a provision for direct access to the Chairperson of the Audit Committee, in appropriate and exceptional cases.

Any Whistle Blower making a complaint under the Policy may make a disclosure to the Ombudsperson – Mr. H J Dora, Director of the Company, through the following modes:

(a) Written or oral complaints through teleconference or by personally meeting the Ombudsperson.

(b) An Ethics Helpline was established with a Toll Free No. 1800-1020-467 and maintained for reporting the complaints and concerns of employees, suppliers and other stakeholders. This is managed by a Third Party Agency and confidentiality is maintained in all the complaints and concerns raised. This facility is also extended through fax, mail and post. Anybody can reach through e-mail: gmr@ethicshelpline.com.

The Ombudsperson will ensure that concerns received under the Policy are investigated in a fair manner and that the decisions are reported to appropriate authorities for taking necessary action.

The Ethics & Intelligence (E&I) Department of GMR Group will confirm to the Audit Committee on half yearly basis about implementation of Vigil Mechanism Policy of the Company including fraud (if any).

SAFETY AND ENVIRONMENT:

Your Company's continual efforts in the areas of Safety and Environment excellence at RGIA has been widely acclaimed and also received regional/global recognitions. The Safety and Environment performance of RGIA has seen significant improvements in comparison to the previous years.

Some of the salient features of your Company's safety and environment management are indicated below:

I. Safety:

1. RGIA Safety Mission Statement:

"We are committed to developing, nurturing and proactively promoting a safety culture at RGIA with the philosophy 'Safety first.'"

2. Synopsis

In line with the Safety Management System framework defined by the International Civil Aviation Organization (ICAO) and the Directorate General of Civil Aviation, India (DGCA), your Company has made consistent efforts to sensitize the stakeholders on various safety & environment processes. During the past year, continual engagement of all stakeholders and meticulous implementation of improvement processes have yielded very good results in the area of Safety Performance Indictor against the Target score (Composite Safety Incident score) this is inspite of significant increase in Air Traffic Movements and number of stakeholder personnel and equipment.

3. Safety Performance and assurance

The Company's Safety Performance for the financial year 2018-19:

Your Company has continued its efforts in giving safety assurance to all its stakeholders through proactive and preventive measures. As part of safety assurance, during the financial year, considering the ongoing airport expansion works, your Company has introduced a Safety

Action Group (SAG) consisting of safety Single Point of Contacts (SPOCs) of all the agencies operating at RGIA to discuss various safety measures and strengthen the Safety Management System (SMS). Safety department has trained selected SPOCs from internal and external stakeholders on SMS. As part of safety assurance, safety oversight inspections, Audits & CAPA (Corrective Action and Preventive Action) effectiveness checks were carried out throughout the RGIA.

4. Safety compliance

The 'Safety Management System' at RGIA is in compliance with DGCA regulatory guidelines. Also the Aerodrome License [AL/Public/021] has been renewed and is valid till March 03, 2020. Also, as part of the IMS recertification process, the OHSAS 18001:2007 has been certified and is valid till March 11, 2021.

5. Safety Initiatives

As a continual improvement of safety initiatives and in consideration of the ongoing airport expansion works, your Company has introduced a Safety Action Group (SAG) consisting of Pilots, Aircraft Engineers, ATC controllers, and safety SPOCs of all the agencies operating at RGIA to jointly address the various safety concerns and improve processes. Your Company has conducted number of safety assessments of all critical airport expansion projects to proactively identify the hazards and adequate mitigation measures. All the stakeholders are encouraged to voluntarily report hazards and safety occurrences through online reporting portals and various other modes. Regular Safety briefing sessions are organized for all the stakeholders' employees.

6. Safety Promotion

Safety promotion is an integral part of the safety management system implementation at RGIA. During the National Safety Week many safety awareness programmes and initiatives were launched with the dedicated participation of senior leaders from all stakeholders. Also the stakeholders are sensitized regularly through safety bulletins, safety alerts through various communication mediums.

7. Recognition

Mr. Narayanasamy Venkatachalapathy, Head-Safety of your Company has been elected as the Chairman of the ACI's Regional Operations Safety Committee for the Asia Pacific Region. This election is construed as an honour and recognition of your Company's efforts in maintaining very high safety standards at RGIA.

II. Environment Activities

During the financial year 2018-19, some of the significant achievements on the environment management processes are as under:

- Environmental Policy of your Company has been reviewed and updated in line with the latest the National Civil Aviation Policy, ISO guidelines, etc.
- ISO 14001 : 2004 the Company's International Environmental Management system was upgraded to the latest version of ISO 14001: 2015.

- For the third consecutive year, your Company has successfully received the "**Level 3+: Carbon Neutrality"** certification from the Airport Carbon Accreditation program by the Airports Council International in December 2018. The **Level 3+, Neutrality** is the highest level of environmental achievement and recognition of the airport's great efforts in reducing/ neutralizing carbon emissions.

- Your Company has been awarded with **Green Airports Recognition 2019 – Silver** for its best Rainwater Management at RGIA by the Airports Council International.
- Your Company has initiated the environmental clearance process for the expansion of RGIA from 25 MPPA - 50 MPPA. In this regard, the Ministry of Environment, Forest and Climate Change (MoEF and CC) has issued Terms of Reference (ToR) to your Company.
- World Environment Day and World Water Day were observed at the Airport to sensitize the airport community / passengers on the use of jute products instead of plastic material, and also importance of the water conservation.

PARTICULARS OF REMUNERATION

Your Company being an unlisted Company is not required to provide the details of the remuneration under the provisions of section 197 (12) of the Companies Act, 2013 vis-à-vis Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their sincere thanks and gratitude to the Government of India, State Government of Telangana, various Government Departments / Authorities, Airports Authority of India, Malaysia Airports Holdings Berhad, MAHB (Mauritius) Private Limited, GMR Group, Concessionaries, Customers, Suppliers, Vendors and Lending Banks, Financial Institutions and Joint Venture Partners, and Financial Investors for their co-operation.

Your Directors place on record their sincere appreciation for the contributions made by employees at all levels through their hard work, dedication, solidarity and support.

For and on behalf of the Board of Directors

		Sd / -	Sd / -
Place :	Hyderabad	**G. B. S. Raju**	**R.S.S.L.N. Bhaskarudu**
Date :	July 23, 2019	Managing Director	Director
		DIN : 00061686	DIN 00058527

GMR Hyderabad International Airport Limited

Annexure-1 to GHIAL Board's Report FY 2018-19

Salient Features of the Nomination and Remuneration Policy

The Nomination and Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013 and the applicable rules made thereunder. The Board has, on the recommendation of the Nomination and Remuneration Committee (Committee) approved the policy for selection and appointment of Directors, Senior Management and their remuneration.

(1) The Key Objectives of the Committee are:

(a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management.

(b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

(c) To recommend to the Board a policy relating to Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

(2) Appointment criteria and qualifications

(a) Subject to the applicable provisions of the Companies Act, 2013, other applicable laws, if any and GMR Group HR Policy, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or other Employees at Senior Management level and recommend to the Board his / her appointment.

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

(3) Term / Tenure

(a) Managing Director / Whole-time Director / Manager (Managerial Personnel)

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

(b) Independent Director

(i) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment is made in the Board's report.

(ii) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director in the Company.

(4) Evaluation

Subject to Schedule IV of the Companies Act, 2013, the Committee shall carry out the evaluation of Directors at such intervals as may be considered necessary.

(5) Removal

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

(6) Retirement

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

(7) Provisions relating to Remuneration

(a) The remuneration / compensation / commission etc. to Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

(b) The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

(c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs / scales approved by the Shareholders in the case of Managerial Personnel.

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

(e) The remuneration / commission to Non-Executive Directors shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

(f) The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof and such fees shall not exceed the maximum amount as prescribed in the Companies Act, 2013.

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

(h) The Independent Director shall not be entitled to any stock option of the Company.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	G.B.S. Raju	**R.S.S.L.N. Bhaskarudu**
Place : Hyderabad	Managing Director	Director
Date : July 23, 2019	DIN 00061686	DIN 00058527

GMR Hyderabad International Airport Limited

Annexure - 2 to the GHIAL Board's Report FY 2018-19

Particulars relating to conservation of energy as per the Companies (Accounts) Rules, 2014

(a) Energy Conservation Measures taken in the FY 2018-19:

- Air Handling Unit (AHU) Condensate recovery – Terminal Building
- UPS-3 Distribution enhancement (from Level B to PTB other areas) – Terminal Building
- Conversion of sodium vapor lamp to LED at 220 KV Substation - Airside – Landside (ALS)
- LED Conversion Taxiway Centre Line (TCL)– Airfield Ground Lighting
- Upgradation of pumping system for ALS buildings using IE3 Motor – ALS

Brief Summary of some Key Projects:

- AHU Condensate recovery

  Heating Ventilating and Air Conditioning (HVAC) Operations consumes enormous quantity of - Power and Water System of Terminal Building comprises of Water Cooled Chiller System & Chilled Water Circuit, it has 103 Air Handling Units and Fan Coil Units.

  These Units generates lots of condensate water in the cooling coils which is generally drained to the waste line. Instead of draining out the condensate water, a collection system was installed to pump and feed the cold water to Chiller condenser-Cooling tower circuit, thereby improving the chiller efficiency & water conservation.

- LED Conversion of TCL – Airfield Ground Lighting

  Taxiway center line lights are provided as per the International Civil Aviation Organization's (ICAO) mandatory requirements when runway visual range condition falls below or any other adverse conditions. At Airport 715 No's of Taxiway Centre Line Lights of 36 W were installed and these lights are with Individual Light Monitoring Switch (LMS), which have now been replaced with 1W New LED (in-built LMS) Light Fixtures resulting in good amount of energy saving.

(b) Additional investments and proposals implemented for reduction of consumption of energy in the FY 2018-19:

- AHU Condensate recovery – Terminal Building –Rs.10 Lakhs
- UPS-3 Distribution enhancement (from Level B to PTB other areas) – Rs.2 Lakhs
- Conversion of SV Lamp to LED at 220 KV Substation - Rs.5 Lakhs
- LED Conversion TCL– Rs. 377 Lakhs
- Upgradation of pumping system for ALS buildings using IE3 Motor – Rs.20 Lakhs

(c) Impact of the above measures at (a) for reduction of energy consumption:

Overall Specific Energy Consumption was reduced by 6.9 % per passenger as compared with previous year. As a result, it achieved lower energy consumption per passenger in FY18-19 i.e 1.62 units per passenger as against 1.74 units per passenger in the previous year.

Following initiatives are planned in the FY 2019-20 for reduction of energy consumption:

- Online tube cleaning system for condenser of Chillers –Rs. 50 Lakhs
- Replacement of pumps using energy efficient motors – Rs. 33 Lakhs
- LED Conversion at Main Access Road – Rs.29.50 Lakhs
- Energy and Water meters for PTB & ALS - Rs.20 Lakhs

For and on behalf of the Board of Directors

		Sd/-	Sd/-
		G. B. S. Raju	**R.S.S.L.N. Bhaskarudu**
Place :	Hyderabad	Managing Director	Director
Date :	July 23, 2019	DIN : 00061686	DIN 00058527

GMR Hyderabad International Airport Limited

Annexure - 3 to the GHIAL Board's Report FY 2018-19

CSR Annual Report for the financial year 2018-19

1	The brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	GMR Hyderabad International Airport Limited ("GHIAL" or "the Company"), a part of GMR Group has adopted the CSR Policy of GMR Group. GMR Group (the Group) recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. GHIAL is driven by Group's vision to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Company, partners with the communities around the Airport to drive various initiatives in the areas of education, health, hygiene, sanitation, empowerment, livelihood and community development. Implementation of various activities under these three verticals is being carried out directly by GHIAL CSR with the professional support of M/s GMR Varalakshmi Foundation from planning to execution. GHIAL has been implementing community development initiatives in the villages surrounding Rajiv Gandhi International Airport (RGIA) since 2005. The intensive activities in these thrust areas have been focused in 6 villages i.e. Airport Colony (rehabilitation colony), Gollapally, Mamidipally Shamshabad, Charynagar and R.N Thanda as these are the villages most affected by the Airport (Local Villages). The CSR initiatives also extend to another 17 villages surrounding the airport and few places in the State of Telangana. CSR activities in these villages have created a win-win situation for the community and the company. Weblink http://hyderabad.aero/our-company.aspx and for overview of Projects or Programs is http://hyderabad.aero/our-company.aspx
2	The Composition of the CSR Committee	Mr. RSSLN Bhaskarudu, Independent Director (Chairman); Mr. Jayesh Ranjan Mr. C Prasanna
3	Average net profit of the company for last three financial years 2015-16; 2016-17, 2017-18	Rs.20853 lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs.417.06 lakhs
5	Details of CSR spent during the financial year 2018-19	
	(a) Total amount spent for the financial year	Rs.716.78 Lakhs
	(b) Amount unspent, if any;	
	(c) Manner in which the amount spent during the financial year is detailed below:	

CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DIRECTLY OR INDIRECTLY

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SNo.	**CSR project or activity identified and Execution Details**	**Activity as per Schedule VII of the Companies Act 2013**	**Projects or programs (1) Local area or other (2) District where projects or Programs was undertaken**	**Amount outlay (budget) project or programs wise (Rs in lakhs)**	**Amount directly spent on the projects or programs (Rs in lakhs)**	**Amount indirectly spent on the projects or programs (Rs in lakhs)**	**Total Amount spent on the projects or programs (Rs in lakhs)**
1	**Infrastructure and learning support to 12 Government Schools adopted in airport surrounding villages and supporting 119 Gifted Children:** 1. Rs. 3.70 Lakhs has been contributed by Group employees for "Akshardaan Notebook Donation Drive 2018" benefitting 3500 Govt. School Children. 2. Workbooks for classes 1 to 5 for enhancing learning levels; 3. Providing extra Vidya volunteers and after school tuition support in adopted Government Schools; 4. Four Gifted Children including two girl of the 2nd batch selected for engineering course in a reputed college of Hyderabad & 6 children of the 1st batch are perusing various degree courses.	Promotion of Education	Local Villages near Rajiv Gandhi International Airport, Shamshabad, Rangareddy District, Telangana	19.00	-	19.39	19.39
2	Support for Mobile Medical Unit, Evening clinics, Nutrition centers and RO water plants: 1. 28000 treatments provided to elderly people in 23 villages during 2018-19 2. Running Evening Clinics in 7 project villages 3. Running Nutrition Centre for pregnant and Lactating women at Airport colony, Mamidipally and R.N Thanda village benefitting around 270 women 4. Two RO plants are functional at Airport Rehabilitation Colony and Gollapally benefitting more than 600 families with safe drinking water.	Promotion of Health	Local Villages near Rajiv Gandhi International Airport, Shamshabad, Rangareddy District, Telangana	52.30	-	52.27	52.27

3	**Running skill training centre activities at Airport campus, Shamshabad, Telangana.** 1. Trained 1182 youth in 11 trades and 979 trainees settled either by way of wage or self-employment. 2. 86 candidates working in airport were trained for RPL in House Keeping course and all the candidates cleared the external assessment & got Govt. certification. 3. 161 staff working in airport were trained for RPL in Gardener course and 98 % of the candidates cleared the external assessment & got Govt. certification.	Employment enhancing vocation skills especially among children, woman	All Districts of Telangana with special preference to villages around Airport.	395.38	10.17	384.10	394.27
	Running two more training centres at Raikal(Jagtyal dist.) and Nagaram (Sircilla dist.), Telangana 1. Raikal Centre is now running three courses: Electrical House wiring and Home appliances Repair for boys, two wheeler Repair technician course for boys and Tailoring course for girls. 315 were trained and 85% were settled. 2. Nagaram centre runs courses namely Asst. Electrician, Asst. Solar PV Technician and Automobile Two and Three Wheeler Technician for boys and Bed side attendant course for girls. 278 candidates were trained and 88% were settled.	Employment enhancing vocation skills especially among children, woman	Jagtyal and Karimnagar districts of Telangana state. Sircilla and Siddipet districts of Telangana state.		-		
	Women Empowerment through 1. Training women on craft based jute product making 2. Facilitating marketing of products made by women groups	Empowering women	Local Villages near Rajiv Gandhi International Airport, Shamshabad, Rangareddy District, Telangana State				
4	Community Development Following small infra-structure works have been taken up in the project villages. • Support for drainage works, street lights etc.	Infrastructure support to the project villages	Airport Colony, Mamidipally, Gollapally, RN Thanda, Charynagar, Shamshabad, (Villages around Airport) Telangana State	4.00	-	4.09	4.09
	• Supported for 10,000 LED street lights in 76 villages of Sircilla Dist. of Telangana state.		76 Villages in Sircilla District Telangana State	228.00	-	228.61	228.61

	Support to Orphanages • Provided support to one orphanage run by Miracle Foundation in Mahboobnagar, Telangana benefitting about 60 children.	Support to one Orphanage in Telangana run by Miracle foundation	Orphanage in Mahboobnagar in Telangana	10.33	-	10.33	10.33
	Support to Goshala in Shamshabad • Support to Sri Balaji Venkateshwara Temple Goshala, Mamidipally – For organizing Annadanam & support for upkeep of the same.	Support to Shamshabad Goshala – For organizing Annadanam and support for upkeep of the same.	Goshala in Shamshabad, Ranga Reddy District, Telangana State	-	0.45	--	0.45
5	Administrative Expenses of Community Service Wing	-	-	6.50	-	7.37	7.37
	Total			715.**51**	**10.62**	**706.16**	**716.78**

For and on behalf of the Board of Directors

Place : Hyderabad
Date : July 23, 2019

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

Sd / -
R.S.S.L.N. Bhaskarudu
Director
DIN 00058527

Form No. MR-3
Secretarial Audit Report
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
GMR Hyderabad International Airport Limited
(CIN: U62100TG2002PLC040118)
GMR Aero Towers
Rajiv Gandhi International Airport
Shamshabad, Hyderabad – 500 108
Telangana, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GMR Hyderabad International Airport Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

Sl	Particulars
1.	The Companies Act, 2013 ("the Act") and the Rules made thereunder;
2.	The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
3.	Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
4.	We have also examined compliance with the applicable clauses of the Secretarial Standard-1 on Meetings of the Board of Directors and Secretarial Standard-2 on General Meetings, issued by The Institute of Company Secretaries of India. During the period under review, the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc.

KBG Associates Hyderabad Company Secretaries

1st Floor, 1-9-309/A, Above Kancheepuram Lavanya Silks, Near Red Cross Blood Bank
Atchuta Reddy Marg, Vidya Nagar, Hyderabad, Telangana, India - 500 044.
Ph : +91 80084 02731, Email : secretarial.consulting@gmail.com

Sl		Particulars
1.	**Under the Companies Act, 2013**	
A.	Based on our examination and verification of the records produced to us and according to the information and explanations given to us by the Company's officers, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder and Memorandum and Articles of Association of the Company, inter alia with regard to :	
	a.	Maintenance of various statutory registers and documents and making necessary entries therein;
	c.	Forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
	d.	Service of documents by the company on its Members, Directors and Registrar of Companies.
	e.	Notices, Agenda and Minutes of proceedings of General Meetings and of the Board and its Committee meetings including Circular Resolution;
	f.	The meetings of : i.) the Board of Directors held on 03-05-2018, 18-07-2018, 01-08-2018, 24-10-2018, 11-01-2019, 31-01-2019 and 11-03-2019; ii) Audit Committee held on 03-05-2018, 18-07-2018, 24-10-2018, 31-01-2019 and 11-03-2019; iii) Nomination & Remuneration Committee held on 03-05-2018 and 01-08-2018; iv) CSR Committee held on 03-05-2018, 24-10-2018 and 31-01-2019; v) Board sub-committee on merger held on 10-12-2018.
	g.	The Annual General Meeting held on 27th September, 2018 and two Extra Ordinary General Meetings were held on 21st June, 2018 and 6th February, 2019;
	h.	Approvals of the Members, the Board of Directors, the Committees of Directors wherever required,
	i.	Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors.
	j.	Payment of remuneration to Directors
	k.	Appointment and remuneration of Auditors;
	l.	Transfers or transmission of Company's shares and issue and dispatch of duplicate share certificates (There were four transfers and no transmission of shares during the financial Year under review);
	m.	Declaration and distribution of dividends: a) an interim dividend of - Rs. 2.50/- per equity share (on the face value of Rs. 10/- each i.e., 25%) for the first quarter of FY 2018-19 was approved at the board meeting held on 18th July, 2018 and; b) an interim dividend of - Rs. 1.50/- per equity share (on the face value of Rs. 10/- each i.e., 15%) was approved at the board meeting held on 24th October, 2018.

SI		Particulars
	n.	Transfer of Unpaid and Unclaimed dividend to the Investor Education and Protection Fund. (Not applicable as the Company does not have any unpaid and unclaimed dividend).
	o.	Borrowings and registration, modification and satisfaction of charges wherever applicable;
	p.	Investment of the Company's funds including investments and loans to others;
	q.	Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
	r.	Directors' Report;
	s.	Contracts, common seal, registered office and publication of name of the Company.
B.	**Under the Companies Act, 2013, we further report that :**	
i.	The Board of Directors of the Company is duly constituted with proper composition of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. **Further we report that** during the year under review, the Company has appointed Mr. Madhu Ramachandra Rao as an additional director (Independent) w.e.f 2nd July, 2018 to hold the office for a period of five years till the conclusion of 19th AGM to be held in 2022 and Mr. Raja Azim Bin Raja Nazuddin as additional director w.e.f 10th September, 2018 and approved by the members at the Annual General Meeting held on 27th September, 2018. **Further we report that** Mr. Srinivas Bommidala has resigned as a managing director of the company and Mr. GBS Raju was appointed as an additional director and Managing director of the Company for a period of three years w.e.f 1st June, 2018 and the same was approved by the members at the Annual General Meeting held on 27th September, 2018. Mr. G.M. Rao was appointed as the Executive Chairman of the Company for a period of three years w.e.f 1st June, 2018 and the same was approved by the members at the Annual General Meeting held on 27th September, 2018.	
ii.	Adequate notice is given to all directors to schedule the Board Meetings and the Board Committee Meetings, the agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.	

1st Floor, 1-9-309/A, Above Kancheepuram Lavanya Silks, Red Cross Blood Bank Road,
Spencer's Vidyanagar Super Market, Atchuta Reddy Marg, Vidya Nagar,
Hyderabad, Telangana, India – 500 044

Sl	Particulars
iii.	All decisions at Board Meetings and Committee Meetings are carried out on requisite majority and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
iv.	The meetings of shareholders were conducted in a proper manner and adequate notice of the meeting given to the Shareholders and others entitled.
v.	There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, Depositories Act, and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
vi.	The Directors (including Independent Directors) have complied with the disclosure requirements in respect of their eligibility of appointment, initial annual, subsequent disclosures / declarations.
2.	**Under the Depositories Act, 1996, we report that :**
	The Company has complied with the provisions of the Depositories Act, 1996 and the Bye laws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
3.	**Under FEMA, 1999, we report that :**
	The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.
4.	**Under other applicable laws, we report that :**
	Based on the Quarterly Compliance Certificate issued by the CEO of the Company for all the four quarters of the financial year 2018-19 and noted by the Board at the Board Meetings we are of opinion there has been due compliance of all the Laws to the extent applicable including the Aircraft Act, 1934, the Aircraft Rules, 1937, the AERA Act, 2008, other Civil Aviation Requirements (CAR) Rules, Labour Laws, Finance & Taxation Laws, Corporate Laws and Pollution Laws, Orders Rules, Regulations, Guidelines and other legal requirements of the Central and State Government as well as Local Authorities concerning the business and affairs of the Company.
5.	**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

KBG ASSOCIATES Hyderabad

1st Floor, 1-9-309/A, Above Kancheepuram Lavanya Silks, Red Cross Blood Bank Road,
Spencer's Vidyanagar Super Market, Atchuta Reddy Marg, Vidya Nagar,
Hyderabad, Telangana, India – 500 044

Sl	Particulars
6.	**We further report that** the board at its meeting held on May 03, 2018 accorded its in-principle approval for the proposed merger amongst GMR Hyderabad Air Cargo And Logistics Private Limited ("GHACLPL" formerly Hyderabad Menzies Air Cargo Private Limited), GMR Aerospace Engineering Limited ("GAEL") and GMR Aero Technic Limited ("GATL"), and a Board Sub-Committee was constituted to consider any further proposal / request received from the aforesaid wholly owned subsidiaries in connection with the said merger process. Accordingly, the Board Sub-Committee on Merger at its meeting held on December 10, 2018: a) accorded for the proposed merger of GHACLPL with GAEL and for the proposed demerger of MRO Business undertaking of GATL into GAEL by way of Composite Scheme of arrangement with the appointed date being April 01, 2019 or such other day as may be sanctioned by the Honorable National Company Law Tribunal (NCLT), Hyderabad. b) approved the draft scheme of Arrangement for the said Merger / De-merger. **We further report that the** board of directors at their meeting held on October 24, 2018 approved the proposal for disinvestment of its entire stake in Asia pacific Flight Training Academy Limited (JV).
7.	**We further report that** the board at its meeting held on 11th March, 2019 has approved the proposal for raising funds up to USD 60,00,00,000 (USD Six Hundred Millions Only) by issuing foreign currency bonds ("FCB's or "Notes") which were listed on Singapore stock exchange. There are no other such specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place.
8.	**We further report that** the Company being a subsidiary of a Listed Company, necessary information has been shared to the Holding Company for its compliance requirements with the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'),.

For KBG Associates
Company Secretaries

KBG ASSOCIATES ★ Company Secretaries Hyderabad

(Srikrishna S Chintalapati)
Partner
CP # 6262

Place: Hyderabad
Date: 6th July, 2019

ANNEXURE-A'

To,
The Members
GMR Hyderabad International Airport Limited
(CIN: U62100TG2002PLC040118)
GMR Aero Towers
Rajiv Gandhi International Airport
Shamshabad, Hyderabad – 500 108
Telangana, India

Our report for the even date to be read with the following Letter:

Sl	Particulars
1.	Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2.	We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3.	We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4.	Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5.	The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6.	The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7.	The Foreign currency bonds issued in 2017 and 2019 respectively; for repayment of rupee term loan INR 2723 Crores ($ 350 Millions) and for expansion of airport project of rupee equivalent INR 2067 Crores (US $ 300 Millions) respectively are issued by raising money in Singapore market and complying regulations therefor and obtaining permissions thereto; and hence SEBI, BSE and NSE regulations are not applicable and comments need not be offered in this regard.

For **KBG Associates**
Company Secretaries

KBG ASSOCIATES Hyderabad Company Secretaries

(Srikrishna S Chintalapati)
Partner
CP # 6262

Place: Hyderabad
Date: 6th July, 2019

1st Floor, 1-9-309/A, Above Kancheepuram Lavanya Silks, Red Cross Blood Bank Road,
Spencer's Vidyanagar Super Market, Atchuta Reddy Marg, Vidya Nagar,
Hyderabad, Telangana, India – 500 044

GMR Hyderabad International Airport Limited

Annexure 5 to GHIAL Board's Report FY 2018-19
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	Corporate Identity Number (CIN)	:	U62100TG2002PLC040118
ii)	Registration Date	:	17-12-2002
iii)	Name of the Company	:	GMR Hyderabad International Airport Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares
v)	Address of the Registered office and contact details	:	GMR Aero Towers, Rajiv Gandhi International Airport Shamshabad, Hyderabad 500 108, Telangana, India Tel : +91-40- 6739 4099 / 6739 5000
vi)	Whether listed company	:	Unlisted Company
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Fintech Private Limited Operations Office: Karvy Selenium Tower-B, Plot Nos.31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampaly Hyderabad – 500 032, Telangana, India Tel +91- 40-67161717

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SNo	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Airport Operator (Operation of terminal facilities such as airway terminals and airport)	5223	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Appli-cable Section
1	GMR Airports Limited SKIP House, Museum Road, Bangalore 560 025, Karnataka, India	U65999KA1992PLC037455	Holding	63%	2(46)
2	GMR Hyderabad Aerotropolis Limited GMR Aero Towers, Rajiv Gandhi International Airport, Hyderabad 500 108, Telangana, India	U45400TG2007PLC054827	Subsidiary	100%	2(87)
3	GMR Hyderabad Aviation SEZ Limited GMR Aero Towers, Rajiv Gandhi International Airport, Hyderabad 500 108, Telangana, India	U45209TG2007PLC056527	Subsidiary	100%	2(87)
4	Hyderabad Airport Security Services Limited* GMR HIAL Airport Office, Rajiv Gandhi International Airport, Hyderabad 500 108, Telangana, India	U74920TG2007PLC054862	Subsidiary	100%	2(87)

5	GMR Hospitality and Retail Limited (formerly GMR Hotels And Resorts Limited) GMR Aero Towers, Rajiv Gandhi International Airport, Hyderabad 500 108, Telangana, India	U52100TG2008PLC060866	Subsidiary	100%	2(87)
6	GMR Hyderabad Airport Power Distribution Limited 4th Floor, Aero Towers, Rajiv Gandhi International Airport, Hyderabad 500 108, Telangana, India	U40108TG2012PLC083190	Subsidiary	100%	2(87)
7	GMR Aerospace Engineering Limited Plot No.1, C/o. GMR Hyderabad Aviation SEZ Ltd Rajiv Gandhi International Airport, Hyderabad 500 108, Telangana, India	U45201TG2008PLC067141	Subsidiary	100%	2(87)
8	GMR Aero Technic Limited Plot No.1, C/o GMR Hyderabad Aviation SEZ Ltd, Rajiv Gandhi International Airport, Hyderabad 500 108, Telangana, India	U35122TG2010PLC070489	Subsidiary of GMR Aerospace Engineering Limited	100%	2(87)
9	GMR Hyderabad Air Cargo and Logistics Private Limited (formerly Hyderabad Menzies Air Cargo Private Limited) Air Cargo Terminal, Rajiv Gandhi International Airport, Shamshabad, Hyderabad 500 108, Telangana, India	U62100TG2006PTC049243	Subsidiary	100%	2(87)
10	GMR Logistics Park Private Limited GMR Aero Towers, Rajiv Gandhi International Airport, Hyderabad, Rangareddi, Telangana, India, 500108	U70109TG2018PTC129207	Subsidiary	100%	2(87)
11	Laqshya Hyderabad Airport Media Private Limited Jaganlaxmi, Laqshya House, Next to Rameshwar Temple, Saraswati Baug, Society Road, Jogeshwari (East), Mumbai – 400 060, Maharashtra, India	U74300MH2007PTC176612	Joint Venture	49.00%	2(6)

*** The Company is under Voluntary liquidation**

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April 2018]				No. of Shares held at the end of the year [As on 31st March, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) **Indian**									
a) Individual/ HUF	Nil	5*	5*	0.00	1*	-	1*	0.00	Negligible
b) Central Govt	49140000	-	49140000	13.00	49140000	-	49140000	13.00	None
c) State Govt(s)	-	49140000	49140000	13.00	49140000	-	49140000	13.00	None
d) Bodies Corp.	238139995	--	238139995	63.00	238139999**	--	238139999**	63.00	Negligible
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	287279995	49140005	336420000	89.00	336420000	-	336420000	89.00	None
(2) Foreign									
a) NRIs -	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
b) Other –	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	41573540	6460	41580000	11.00	41573540	6460	41580000	11.00	None

d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	41573540	6460	41580000	11.00	41573540	6460	41580000	11.00	None
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**328853535**	**49146465**	**378000000**	**100.00**	**377993540**	**6460**	**378000000**	**100.00**	**None**
B.Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas									
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**328853535**	**49146465**	**378000000**	100.00%	**377993540**	**6460**	**378000000**	100%	**None**

** 5 shares are held in the name of nominee shareholders holding one share each, on behalf of GMR Airports Limited. There were transfer of 4 shares from individual nominee shareholders to corporate nominee shareholders

(ii) **Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year [As on 1st April, 2018]			Shareholding at the end of the Year [As on 31st March, 2019]			
		No. of Shares	% of total Shares of company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Airports Authority of India	49140000	13.00	--	49140000	13.00	--	None
2	Hon'ble Governor of Telangana	49140000	13.00	--	49140000	13.00	--	None
3	Malaysia Airports Holdings Berhad	6460	--	--	6460	--	--	None

4	MAHB (Mauritius) Private Ltd	41573540	11.00	--	41573540	11.00	--	None
5	GMR Airports Limited(GAL)*	238139000	63.00	--	238139000	63.00	--	None
6	GMR Infrastructure Limited	1000	--	--	1000	--	--	None
	Total	378000000	100.00	--	378000000	100.00	--	None

*including 5 shares held in the name of nominee shareholders holding one share each

iii) **Change in Promoters' Shareholding - no change**

Sl. No.		Shareholding at the beginning of the year [As on 1st April, 2018]		Shareholding at the end of the Year [As on 31st March, 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-NA-			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-NA-			
	At the End of the year	-NA-			

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year [As on 1st April, 2018]		Shareholding at the end of the Year [As on 31st March, 2019]		% change in shareholding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. SGK Kishore, CEO*				
At the beginning of the year		1 equity share	--	1 equity share	-
Date wise Increase / Decrease in Shareholding during the year					
At the end of the year		0	100%	-	100%
2	Mr. Rajesh Kumar Arora CFO**				
At the beginning of the year		1 equity share	--	1 equity share	-
Date wise Increase / Decrease in Shareholding during the year					
At the end of the year		1 equity share	--	1 equity share	-

* The share was transferred to a Corporate nominee on October 01, 2018 from Mr. SGK Kishore to GMR Corporate Affairs Private Limited

** holding share on behalf of GMR Airports Limited as a nominee shareholder.

V. INDEBTEDNESS

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

(**Amount in Rs Crores)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,239.35	328.02	43.52	2,610.89
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	84.91		-	84.91
Total (i+ii+iii)	2,324.26	328.02	43.52	2,695.80
Change in Indebtedness during				
the financial year				
• Addition	138.72		37.12	175.84
• Reduction		-		-
Net Change	138.72	-	37.12	175.84
Indebtedness at the end of the financial year				
i) Principal Amount	2,376.93	328.02	80.64	2,785.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	86.05			86.05
Total (i+ii+iii)	2,462.98	328.02	80.64	2,871.64

A. Remuneration paid to Managing Director, Whole-time Directors and/or Manager during the financial year **2018-19:**

(Amount in Rupees)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (Rs.)
		Mr. GM Rao [1] (Executive Chairman) (01.06.2018-31.03.2019)	Mr. GBS Raju [2] Managing Director (01.06.2018-31.03.2019)	Mr. Srinivas Bommidala Managing Director [3] (01.04.2018-31.05.2018)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,50,09,133	2,33,41,895	43,57,668	5,27,08,696
2	Stock Option	--			--
3	Sweat Equity	--			--
4	Commission - as % of profit - others, specify…	1,66,57,534*	1,56,16,438*	9,09,959*	3,31,83,931*
5	Others, please specify Sitting Fees**	20,000	-	-	20,000
	Total (A)	41,686,667	3,89,58,333	52,67,627	8,59,12,627
	Ceiling as per the Act				77,51,59,233

*provisions made in the books

** Sitting fees paid to Mr. G.M. Rao before he was appointed as the Executive Chairman

1. Mr. G.M. Rao was appointed as the Executive Chairman of the Company w.e.f. June 01, 2018
2. Mr. GBS Raju was appointed as the Managing Director of the Company w.e.f. June 01, 2018
3. Mr. Srinivas Bommidala was Managing Director for the period April 01, 2018 to May 31, 2018

B. Remuneration to other directors:

(Amount in Rs.)

Particulars of Remuneration	Name of the Director						Total Amount
	Mr RSSLN Bhaskarudu	Mr NC Sarabeswaran	Ms. Siva Kameswari Vissa	Late Mr. P. Vijay Bhaskar	Mr. Madhu Rao		
Independent Directors Fee for attending board / committee meetings Commission Others, please specify	6,00,000 -- --	5,20,000 -- --	4,00,000 -- --	40,000 -- --	2,40,000 -- --		18,00,000 -- --
Total (1)	6,00,000	5,20,000	4,00,000	40,000	2,40,000		18,00,000
Name of the Director	Mr. HJ Dora	Mr. K. Ramakrishna Rao, IAS	Mr. Jayesh Ranjan, IAS	Mr. Raja Azmi bin Raja Nazuddin	Mr. VR Hegde	Mr. I.N. Murthy	Total Amount
Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	1,20,000 -- --	2,00,000 -- --	1,20,000 -- --	20,000 -- --	1,20,000 -- --	1,40,000 -- --	7,20,000 -- --
Total (2)	1,20,000	2,00,000	1,20,000	20,000	1,20,000	1,40,000	7,20,000
Total(B)=(1+2)	7,20,000	7,20,000	5,20,000	60,000	3,60,000	1,40,000	25,20,000
Total Remuneration							
Overall Ceiling as per the Act	Maximum of Rs.1,00,000/- sitting fee per meeting per director						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rupees)

SNo	Particulars of Remuneration	Key Managerial Personnel			
		Mr. SGK Kishore (CEO)	Mr. Rajesh Arora (CFO)	Mr. Anup Kumar Samal (CS)	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	1,94,15,553	1,18,55,425	32,81,761	3,45,52,739
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	1,94,15,553	1,18,55,425	32,81,761	3,45,52,739

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

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

Sd/-
R.S.S.L.N. Bhaskarudu
Director
DIN 00058527

Place : Hyderabad
Date : July 23, 2019

S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Tablespace, 6th floor,
Western Aqua Building, Whitefields
Hitec City, Hyderabad - 500 081

K.S.Rao and Co.,
Chartered Accountants
2nd floor,
10/2 Khivraj Mansion,
Kasturba Road,
Bengaluru - 560 001

INDEPENDENT AUDITOR'S REPORT

To the Members of GMR Hyderabad International Airport Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of GMR Hyderabad International Airport Limited ("GHIAL" or "the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

As more fully explained in Note 42 to the standalone Ind AS financial statements, as at March 31, 2019, the Company has investments and share application money totaling to Rs. 267.31 Crore, made in a wholly owned subsidiary Company, GMR Aerospace Engineering Limited ('GAEL') and Rs. 2.34 Crore in GMR Aero Technic Limited ('GATL'), a subsidiary of GAEL. GAEL has significant receivables from GATL whose accumulated losses have fully eroded its net worth as at March 31, 2019. The recovery of the aforesaid investments is dependent upon the ability of GATL to scale up its operations in future and achieve sustained profitability. Based on the reasons fully explained in the aforesaid note, the management is of the view that there is no impairment in the value of such investments and share application money required at this juncture. However, in view of the current financial position of GATL and in the absence of sufficient appropriate audit evidence to support the key assumptions made by the management of GATL in the business plan, we are unable to comment on the carrying value of the investments and share application money including adjustments, if any, that may be required to be made to such carrying amounts of investments and share application money.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

K.S. RAO & CO. Chartered Accountants BENGALURU

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter:

We draw attention to Note 36(II)(C)(ix) to these standalone 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 have been adjusted upto March 31, 2018 against PSF (SC) fund pending the final decision from the Honorable 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion' section we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

K.S. RAO & CO. Chartered Accountants BENGALURU

Key audit matters	How our audit addressed the key audit matter
Revenue from Airport Charges *(as described in note 44, 45 and 46 of the standalone Ind AS financial statements)*	
The Aeronautical revenue is regulated by Airport Economic Regulatory Authority ("AERA"). AERA passed an Aeronautical tariff order in February 2014 in respect of control period from April 1, 2011 to March 31, 2016. As more fully explained in the aforesaid notes, the Company had filed an appeal, challenging various aspects of the aforesaid order for determination of its tariff which is pending with the Honourable High Court at Hyderabad for the State of Telangana and State of Andhra Pradesh. On December 19, 2017, AERA issued a Consultation Paper for determination of tariff of for the Second Control Period i.e. April 1, 2016 to March 31, 2021 which was challenged by the Company and the Honourable High Court issued a stay order in respect of further proceedings in this regard. Pending determination of tariff, AERA has passed an interim order dated March 25, 2019 enabling the Company to charge UDF/PSF at rates existing as at March 31, 2016 upto September 30, 2019 or the date of new order, whichever is earlier. We have identified this as a key audit matter as tariff determination is a matter of litigation involving complex judgements and the regulatory considerations relating to the disallowances made by AERA which may impact the profitability and cash flows of the Company thereby having a consequential impact on the projected revenues and other items in the financial statements.	• We read and assessed the Company's revenue recognition accounting policies and its compliance with the tariff order and the policies in terms of Ind AS 115; • We read the revenue process and tested the internal controls over the liquidity assessment, and preparation of the cash flow forecast based on reasonable and supportable assumptions and inputs to the model used to estimate the future cash flows based on tariff considered as per the Consultation paper issued by AERA for the second control period and other relevant regulatory correspondences; • We tested the inputs and assumptions used in the cash flow forecast against historical performance, economic and industry indicators, publicly available information and the Company's strategic plans; • We performed a sensitivity analysis of the cash flow forecast based on the consultation paper issued by the AERA; • We recomputed the key financial ratios relating to debt, current assets and current liabilities. • We assessed the disclosures in the standalone Ind AS financial statements relating to the tariff order.
Utilisation of Minimum Alternate Tax ('MAT') Credit *(as described in note 43 of the standalone Ind AS financial statements)*	
The Company is currently under tax holiday period upto financial year 2021-22 and has accumulated MAT credit entitlement of Rs. 405.41 crores as at March 31, 2019. The utilization of MAT credit depends on the ability of a company to earn adequate profits. The profitability of the Company is primarily	• We assessed the eligibility of MAT credit recognized and the judgements applied to determination of forecasted taxable income to support the recognition of MAT credit entitlement;

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

K.S. RAO & CO. Chartered Accountants BENGALURU

Key audit matters	How our audit addressed the key audit matter
dependent on the determination of the aeronautical tariff for the second control period for which the proceedings are in progress. In order to assess the utilization of MAT credit, the Company has prepared revenue and profit projections which involves judgements and estimations. The projections are based on management's input of key variables and market conditions, including the tariff as per the consultation paper issued by AERA for the second control period. The forecasted profit has been determined using estimations of projected income and expenses of the business. We have identified this as a key audit matter, due to the judgement and estimation involved in the preparation of the forecasted profits for the utilization of MAT credit.	• We tested the inputs and assumptions used in the preparation of forecasted taxable income against historical levels of taxable profits. • We performed a sensitivity analysis of the assumptions and judgements made by the Management in those forecasts, including inputs to the model used to estimate the future cash flows based on tariff considered as per the consultation paper issued by AERA for the second control period and other relevant regulatory correspondences; • We involved our tax specialists to obtain and provide taxation requirements relevant to management's judgements and conclusions for significant estimates; • We read correspondences/returns submitted to the relevant tax authorities and compared these with the basis for accounting entries and disclosures; • We assessed the related disclosures in the standalone Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, but does not include the Ind AS financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Since the Board report is not made available to us as at the date of this auditor's report, we have nothing to report in this regard.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

K.S. RAO & CO. Chartered Accountants BENGALURU

Responsibilities of the Management for the Standalone Ind AS Financial Statements

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

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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K.S. RAO & CO. Chartered Accountants BENGALURU

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

Report on Other Legal and Regulatory Requirements

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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

K.S. RAO & CO. Chartered Accountants BENGALURU

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

(a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(d) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

(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:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36 (II) (A), 44 and 46 to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and;

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

K.S. RAO & CO. Chartered Accountants BENGALURU

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

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

per Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: April 29, 2019

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

per Hitesh Kumar P
Partner
Membership No.: 233734

Place: Hyderabad
Date: April 29, 2019

K.S. RAO & CO.
Chartered Accountants
BENGALURU

Annexure 1 referred to in our report of even date

Re: GMR Hyderabad International Airport Limited ("the Company")

i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Amendment Rules, 2019 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to aeronautical services and services related to supplying of fuel at the airport and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, customs duty, value added

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

K.S. RAO & CO. Chartered Accountants BENGALURU

tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the statute	Nature of dues	Amount of dues (Rs. Crore)	Period to which the amount relates
Andhra Pradesh Municipalities act, 1965	Penal interest on Property tax	3.38	April 2013 to September 2017

(c) According to the records of the Company, the dues outstanding of income-tax, service tax, customs duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount of dues (including penalty) (Rs. Crore)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Reversal of Cenvat Credit including penalty	24.84*	Various dates	Customs Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Penalty equivalent to service tax on User Development Fee	7.43	April 2008 to December 2008	The Commissioner of Customs, Central Excise & Service Tax Hyderabad
Building and Other Construction Workers' Welfare Cess Act, 1996.	Cess on Building	25.20	Various dates	High Court of Andhra Pradesh
Finance Act, 1994	Non- payment of service tax on import of services.	0.51**	Various dates	The Commissioner of Customs, Central Excise & Service Tax Hyderabad
Finance Act, 1994	Non-payment of service tax for supply of water and electricity to concessionaires and irregular availment of CENVAT	3.20***	October 2008 to June 2010	Customs Excise & Service Tax Appellate Tribunal Hyderabad

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Finance Act, 1994	Irregular availment of CENVAT credit on Chartering of Aircrafts and IDBI Trusteeship services	1.24****	October 2011 to March 2013	Customs Excise & Service Tax Appellate Tribunal Hyderabad
Finance Act, 1994	Irregular availment of CENVAT credit.	4.19#	July 2012 to March 2015	The Deputy Commissioner of Customs, Central Excise & Service Tax Hyderabad
Income Tax Act, 1961	Disallowance of certain expenses	34.93	AY 2007-08 to AY 2013-14	Income Tax Appellate Tribunal, Bengaluru
Income Tax Act, 1961	Disallowance of certain expenses	3.38	AY 2014-15	Commissioner of Income Tax (Appeals), Bengaluru

* Amount includes penalty of Rs. 12.42 Crore. The Company has deposited Rs. 12.20 Crore under protest.

**The amount includes penalty of Rs. 0.26 Crore. The Company has deposited Rs. 0.00 Crore under protest.

*** The amount includes penalty of Rs. 1.67Crore. The Company has deposited Rs.0.15 Crore under protest.

**** The amount includes penalty of Rs. 0.62 Crore. The Company has deposited Rs. 0.05 Crore under protest.

The amount includes penalty of Rs. 1.80 Crore. The Company deposited Rs. 0.18 Crore under protest.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to bond holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer or further public offer. In our opinion and according to information and explanations given by the management, monies raised by the Company by way of 4.25% Senior Secured Notes were applied for the purpose for which they were raised, though idle funds which were not required for immediate utilization have been gainfully invested in mutual funds. The maximum amount of idle funds invested during the year was Rs. 407.33 Crore, of which Rs. Nil was outstanding at the end of the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

K.S. RAO & CO. Chartered Accountants BENGALURU

given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

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

per Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: April 29, 2019

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

For K.S. Rao & Co.,
ICAI Firm registration number: 003109S
Chartered Accountants

per Hitesh Kumar P
Partner
Membership No.: 233734

Place: Hyderabad
Date: April 29, 2019

K.S. RAO & CO. Chartered Accountants BENGALURU

Annexure 2 To the Independent Auditor's Report of even date on the Standalone 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")

We have audited the internal financial controls over financial reporting of GMR Hyderabad International Airport Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as 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 was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the internal financial controls system over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2019:

> The Company has designed internal financial controls over estimation of impairment in value of investments and share application money. However, in case of such assessment with respect to a subsidiary company and a step down subsidiary company, as more fully explained in note 42 to the standalone Ind AS financial statements as at March 31, 2019, the absence of sufficient appropriate audit evidence to support the key assumptions made by the management of the step down subsidiary company in its business plan, could potentially result in the Company not providing for adjustments, if any, that may be required to be made to such carrying amounts of investments and share application money.

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 Company's annual or interim standalone Ind AS financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as of March 31, 2019.

Explanatory paragraph

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 standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2019, and the related Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone Ind AS financial statements of the Company and this report affects our report dated April 29, 2019 which expressed a qualified opinion on those standalone Ind AS financial statements.

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

per Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: April 29, 2019

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

For K.S. Rao & Co.,
ICAI Firm registration number: 003109S
Chartered Accountants

per Hitesh Kumar P
Partner
Membership No.: 233734

Place: Hyderabad
Date: April 29, 2019

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Standalone Balance Sheet as at March 31, 2019

(All amounts in Rupees Crores, except otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
1. Non-current assets			
Property, plant and equipment	3	2,009.60	1,571.25
Capital work-in-progress	3	365.10	292.06
Intangible assets	4	2.81	1.41
Investments in subsidiaries and joint venture	5.1	626.23	525.33
Financial assets			
- Loans	6	87.37	7.44
- Bank balances other than cash and cash equivalents	7	0.62	1.53
- Other financial assets	8	258.46	82.65
Non current tax assets	9.1	0.26	0.21
Deferred tax asset (net)	28	405.41	269.10
Other non-current assets	10	546.81	87.32
		4,302.67	2,838.40
2. Current assets			
Inventories	11	5.95	6.08
Contract assets	53	2.88	1.65
Financial assets			
- Investments	5.2	461.81	826.22
- Loans	6	1.70	71.41
- Trade receivables	12	143.55	107.43
- Cash and cash equivalents	13	380.68	571.28
- Bank balances other than cash and cash equivalents	7	77.34	50.46
- Other financial assets	8	17.23	16.78
Current tax assets	9.1	12.93	12.93
Other current assets	10	10.29	7.06
		1,114.36	1,671.30
Total Assets		5,417.03	4,509.70
II. EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	378.00	378.00
Other equity	14.1		
- Capital reserve		107.00	107.00
- Cash flow hedge reserve		31.72	14.74
- Retained earnings		1,149.09	622.68
Total equity		1,665.81	1,122.42
LIABILITIES			
1. Non-current liabilities			
Contract liabilities	53	6.49	6.21
Financial liabilities			
- Borrowings	15	2,691.98	2,554.40
- Other financial liabilities	16	248.48	246.38
Government grants	17	40.87	46.13
Deferred tax liability (net)	28	153.18	122.93
Other non-current liabilities	18	12.29	21.10
		3,153.29	2,997.15
2. Current liabilities			
Contract liabilities	53	1.96	2.08
Financial liabilities			
- Trade payables			
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises	19	85.58	89.74
- Other financial liabilities	16	418.26	239.09
Government grants	17	5.27	5.27
Other current liabilities	18	35.55	20.97
Short term provisions	20	14.57	9.57
Current tax liability (net)	9.2	36.74	23.41
		597.93	390.13
Total liabilities		3,751.22	3,387.28
Total equity and liabilities		5,417.03	4,509.70
Summary of significant accounting policies	2.3		

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

As per our report of even date.

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

per Shankar Srinivasan
Partner
Membership No.: [illegible]

Place: Hyderabad
Date: April 29, 2019

For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

per Hitesh Kumar P
Partner
Membership No.: 233734

Place: Hyderabad
Date: April 29, 2019

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

GBS Raju
Managing Director
DIN: 00061686

RSSLN Bhaskarudu
Director
DIN: 00058527

SGK Kishore
Chief Executive Officer

Rajesh Arora
Chief Financial Officer

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: April 29, 2019

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Standalone Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in Rupees Crores, except otherwise stated)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from contracts with customers	21	1,452.26	1,252.04
Other income	22	22.69	55.59
Finance income	23	94.47	94.69
Total income		1,569.42	1,402.32
EXPENSES			
Concession fee	47	61.53	52.95
Employee benefits expense	24	100.85	72.41
Other expenses	25	297.26	242.81
Finance costs	26	198.17	198.27
Depreciation and amortization expenses	27	139.01	198.39
Total expenses		796.82	764.83
Profit before tax		772.60	637.49
Tax expense	28		
Current tax - Minimum alternate tax		162.95	130.57
Minimum alternate tax credit entitlement	43	(136.31)	(101.14)
Deferred tax expense		13.21	5.36
Total tax expense		39.85	34.79
Profit after tax for the year		732.75	602.70
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (loss) / gain on defined benefit plans	29	(0.68)	0.18
Items that will be reclassified to profit or loss			
Cash flow hedge reserve	29	34.02	14.74
Less: Deferred tax expense	28	(17.04)	-
Total Other Comprehensive income for the year		16.30	14.92
Total Comprehensive income for the year		749.05	617.62
Earnings per equity share:			
Basic and diluted	30	19.38	15.94
Summary of significant accounting policies	2.3		

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

As per our report of even date.

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

per Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: April 29, 2019

For K.S. Rao & Co.,
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ICAI Firm registration number: 003109S

per Hitesh Kumar P
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Place: Hyderabad
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For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

GBS Raju
Managing Director
DIN: 00061686

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Director
DIN: 00058527

SGK Kishore
Chief Executive Officer

Rajesh Arora
Chief Financial Officer

Anup Kumar Samal
Company Secretary
Place: Hyderabad
Date: April 29, 2019

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Statement of Changes in equity for the year ended March 31, 2019
(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, 2017	378,000,000	378.00
Issue of shares	-	-
As at March 31, 2018	378,000,000	378.00
Issue of shares	-	-
As at March 31, 2019	378,000,000	378.00

b. Other equity

	Reserves and surplus		Other reserves	
	Capital reserve*	Retained earnings	Cash flow hedge reserve	Total
As at April 1, 2017	107.00	200.99	-	307.99
Profit for the year	-	602.70	-	602.70
Remeasurement of post-employment benefits obligations	-	0.18	-	0.18
Cash flow hedge reserve	-	-	14.74	14.74
Total comprehensive income	-	602.88	14.74	617.62
Less: Interim dividend	-	(151.20)	-	(151.20)
Less: Dividend distribution tax	-	(29.99)	-	(29.99)
As at March 31, 2018	107.00	622.68	14.74	744.42
Depreciation charge to retained earnings (Refer Note 2.2)	-	(21.11)	-	(21.11)
Adjustment in retained earnings for change in accounting policy (Refer Note 2.1)	-	(2.27)	-	(2.27)
Profit for the year	-	732.75	-	732.75
Remeasurement of post-employment benefits obligations	-	(0.68)	-	(0.68)
Cash flow hedge reserve (net of tax)	-	-	16.98	16.98
Total comprehensive income	-	708.69	16.98	725.67
Less: Interim dividend	-	(151.20)	-	(151.20)
Less: Dividend distribution tax	-	(31.08)	-	(31.08)
As at March 31, 2019	107.00	1,149.09	31.72	1,287.81

*The Company 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 financial statements.
As per our report of even date.

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

per Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: April 29, 2019

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration
number: 003109S

per Hitesh Kumar P
Partner
Membership No.: 233734

Place: Hyderabad
Date: April 29, 2019

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

GBS Raju
Managing Director
DIN: 00061686

RSSLN Bhaskarudu
Director
DIN: 00058527

SGK Kishore
Chief Executive Officer

Rajesh Arora
Chief Financial Officer

Anup Kumar Samal
Company Secretary
Place: Hyderabad
Date: April 29, 2019

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Standalone Cash flow statements for the year ended March 31, 2019

(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	772.60	637.49
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	139.01	198.39
Provision for bad debts / bad debts written off	4.27	0.40
Loss on sale of non current investment	4.34	-
Profit on sale of assets	(0.12)	(0.13)
Dividend from Subsidiary	(0.36)	(3.91)
Amortisation of prepaid expenses		-
Interest income	(56.13)	(51.55)
Interest on borrowings	161.87	175.06
Other borrowing cost	3.72	17.52
Interest-others	32.92	5.69
Gain on sale of financial assets (mutual funds)	(35.68)	(16.97)
Provision no longer required, written back	(0.52)	(0.20)
Unrealised foreign exchange loss	0.12	0.12
Income from government grants	(5.26)	(4.11)
Amortisation of deferred income	(19.70)	(4.56)
Interest income arising from fair valuation of financial guarantee	(2.55)	(5.63)
Gain on fair valuation of financial assets (mutual funds)	(0.11)	(8.62)
Fair value gain on financial instruments at fair value through profit or loss	-	(11.92)
Exchange difference on restatement of Senior Secured Notes	-	(43.72)
Operating profit before working capital changes	998.42	883.35
Working capital adjustment:		
(Decrease) / increase in trade payables	(3.73)	17.64
Increase in other liabilities	22.34	12.81
Increase in other financial liabilities	48.51	42.84
Increase in provisions	4.31	1.95
Increase in government grants	-	22.28
Increase in trade receivables	(40.40)	(16.53)
Decrease in inventories	0.13	1.11
(Increase)/ decrease in other assets	(2.99)	19.73
(Increase)/ decrease in other financial assets	(13.58)	2.73
Increase in loans	(2.94)	(0.04)
Cash generated from operations	1,010.07	987.87
Direct taxes paid (net)	(149.57)	(97.00)
Net cash flow from operating activities (A)	860.50	890.87
Cash flows from investing activities		
Purchase of property plant and equipment, including CWIP, capital advances and intangible assets under development	(938.77)	(293.19)
Proceeds from sale of property,plant and equipment	0.12	0.16
Purchase of non-current investments	(69.04)	(20.00)
Share application money in subsidiary (Investment)	(10.00)	(5.00)
Loan to subsidiary companies	(32.00)	(64.50)
Repayment of loans by subsidiary / joint venture company	3.55	86.62
Purchase of current investments	(7,616.77)	(5,993.57)
Sale of current investments	8,047.73	5,570.69
Investments in margin money deposits	(142.50)	(85.96)
Proceeds from withdrawal of margin money deposit	116.52	58.07
Proceeds from sale of non-current investments	0.00	-
Dividend income	0.36	3.91
Interest received	36.48	34.38
Net cash flow used in investing activities (B)	(604.31)	(708.39)

K.S. RAO & CO. Chartered Accountants BENGALURU

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

GMR HYDERABAD INTERNATIONAL AIRPORT LIMITED HYDERABAD

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Standalone Cash flow statements for the year ended March 31, 2019

(All amounts in Rupees Crores, except otherwise stated)

Cash flows from financing activities		
Proceeds from long-term borrowings	-	2,273.74
Repayment of long-term borrowings	-	(1,761.46)
Dividend paid	(151.20)	(151.20)
Dividend distribution tax paid	(31.08)	(29.99)
Termination of interest rate swap	-	(55.32)
Upfront Fee paid	(63.00)	-
Senior Secured Notes Issuance cost paid	-	(49.15)
Interest paid	(201.51)	(125.14)
Net cash flow used in financing activities (C)	**(446.79)**	**101.48**
Net increase in cash and cash equivalents (A + B + C)	(190.60)	283.96
Cash and cash equivalents at the beginning of the year	571.28	287.32
Cash and cash equivalents at the end of the period	**380.68**	**571.28**
Components of cash and cash equivalents		
Money in transit		
With banks		
- on current accounts	30.62	262.85
- On cash credit/ overdraft accounts	-	-
- on deposit accounts	350.00	308.39
Cash on hand	0.06	0.04
Total cash and cash equivalents(note 13)	**380.68**	**571.28**

During the year, the Company has written back liabilities Rs. Nil (March 31, 2018 : Rs. 2.95 Crore) and credited to fixed assets. The said transaction is considered as a non-cash transaction for the purpose of cash flow statement.

Changes in liabilities arising from financing activities

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Balance	2,567.37	2,083.66
Cash Flows		
Repayments	-	(1,761.46)
Proceeds	-	2,273.74
Non Cash Flows		
Foreign Exchange Movements	150.55	8.43
Finance Cost	4.07	(37.00)
Closing Balance	**2,721.99**	**2,567.37**

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

As per our report of even date.

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

per Shankar Srinivasan
Partner
Membership No.: 213271

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

Place: Hyderabad
Date: April 29, 2019

For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

per Hitesh Kumar P
Partner
Membership No.: 233734

K.S. RAO & CO. Chartered Accountants BENGALURU

Place: Hyderabad
Date: April 29, 2019

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

GBS Raju
Managing Director
DIN: 00061686

RSSLN Bhaskarudu
Director
DIN: 00058527

SGK Kishore
Chief Executive Officer

Rajesh Arora
Chief Financial Officer

Anup Kumar Samal
Company Secretary
Place: Hyderabad
Date: April 29, 2019

HYDERABAD INTERNATIONAL AIRPORT LIMITED GMR HYDERABAD

1. **Corporate information**

GMR Hyderabad International Airport Limited ('GHIAL' or 'the Company'), was incorporated on December 17, 2002, for managing the operations of Rajiv Gandhi International Airport at Hyderabad. The Company had entered into a Concession Agreement with Ministry of Civil Aviation, Government of India, which gives the Company an exclusive right of the Development, Construction, Operation and Maintenance on revenue share model for an initial term of 30 years, which can be extended by another 30 years at the option of the Company which has been exercised by the Company.

Aeronautical revenues of the Company are regulated by the Airport Economic Regulatory Authority of India (AERA) established under an Act of Parliament under Airport Economic Regulation Act, 2008. Accordingly, as per AERA (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines 2011 dated February 28, 2011, the Company is required to get its Aeronautical Tariff determined from AERA for each Control period consisting of five years period starting from April 1, 2011.

Information on other related party relationships of the Company is provided in Note 33.

The financial statements were authorized for issue in accordance with a resolution of the directors passed in the Board meeting held on April 29, 2019.

2. **Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the financial statements.

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use, except as disclosed below.

The financial statements are presented in Indian Rupees ("Rs.") and all the values are rounded to the nearest Crore, except when otherwise indicated.

2.1 Changes in accounting policies

New and Amended Standards

The company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

K.S. RAO & CO. Chartered Accountants BENGALURU

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

GMR HYDERABAD INTERNATIONAL AIRPORT LIMITED HYDERABAD

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified by the Ministry of Corporate Affairs on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 is effective from reporting periods beginning on or after April 1, 2018.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. It also requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

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 Company applied Ind AS 115 for the first time with effect from April 1, 2018. Further, the Company has elected to use the modified retrospective method and accordingly, Ind AS 115 is applied retrospectively to only the current period by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings (or other components of equity) at the date of initial application. Under the modified retrospective method, Ind AS 115 is applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. Under the modified retrospective method, the Company has elected to apply it to all contract modifications contracts that are not completed at this date.

The Company receives advance revenue from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company also receives advance revenue for long-term agreements from customers for providing license to operate at the Airport. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception, to take into consideration the significant financing component.

The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

K.S. RAO & CO. Chartered Accountants BENGALURU

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

GMR HYDERABAD INTERNATIONAL AIRPORT LIMITED HYDERABAD

Impact on statement of profit and loss:

Upon the adoption of Ind AS 115, the unearned finance revenue of Rs. 2.27 crores on advance revenue from long term contracts that are not completed as at April 1, 2018 was transferred to retained earnings as at April 01, 2018. Had the Company adopted the policy as per erstwhile Ind AS 18, finance income would be lower by Rs. 1.10 crores and finance expense would be lower by Rs. 1.01 crores.

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 do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's financial statements.

2.2 Changes in estimates

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 (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of 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.

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

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the airport sector. Pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013, the Authority has issued order no. 35/2017-18 on January 12, 2018 which is further amended on April 09, 2018, in the matter of Determination of Useful life of Airport Assets, which is effective from April 01, 2018 ("AERA Order").

Accordingly, the management has adopted useful life in respect of airport assets as prescribed in the aforesaid order with effect from April 1, 2018.

In order to align the useful life of Furniture and Fixtures, Trolleys, boundary wall and cost of resurfacing the Runway to the useful life specified in the AERA Order, the Company has revised the useful life and charged the depreciation of Rs. 21.11 crore related to the assets whose life were expired on March 31, 2018 to opening reserves as at April 1, 2018 as per the AERA Order.

2.3 Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting 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 Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when:

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.

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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 realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) **Property, plant and equipment**

Freehold land is carried at historical cost. 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 net of accumulated impairment loss, if any. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress, intangible assets under development as at balance sheet date are shown as intangible assets under development and the related advances are shown as loans and advances.

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

The Company identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset.

Spares parts that can only be used in connection with a particular item of plant, property and equipment, and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful 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 company 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 recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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(All amounts in Rupees Crores unless otherwise stated)

d) Depreciation on property, plant and equipment

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 (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of 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 components identified by the Company are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The Company has started charging the depreciation on capitalized spares parts. These spare parts are depreciated over their useful lives as determined by the management (i.e. 5 years).

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") had 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.

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.

The following useful lives for various categories of property, plant and equipment's are adopted by the Company:

Particulars	(Useful Life Taken) (years)
Improvements to leasehold land	30
Buildings on lease hold land*	10-30
Building interim terminal#	7
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 (Trolleys)	3
Furniture and fixtures (other than Trolleys)	7
Vehicles	8-10

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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.

During the year, the Company has created two Interim terminals namely Interim International Departure Terminal (IIDT) and Interim Domestic Arrival Terminal (IDAT) to accommodate the growing traffic, until the expanded terminal becomes operational. Further, the area where these interim terminals are created, will eventually be used for expansion and boarding gates, therefore these interim terminals will need to be demolished after seven years. Based on the same, the management has considered the life of seven years period for these terminal buildings and related assets i.e. electrical installations and certain plant and machineries viz. Fire systems, HVAC systems. Accordingly, IIDT, IDAT building, electrical installations, Fire systems, HVAC systems are depreciated over a period of seven years.

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.

e) **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 amortisation and accumulated impairment losses.

f) **Amortisation of intangible assets**

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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

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g) Impairment of non-financial assets

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

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

Impairment losses are recognised in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

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

h) Inventories

Stores and spares, consumables are valued at lower of cost and net realisable value. However, stores and spare 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. Cost is determined on a weighted average basis and includes all applicable costs in bringing goods to their present locations and condition. Net realizable value is the estimated current procurement price in the ordinary course of business.

i) 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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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j) 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 Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

(a) Company 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 Company is classified as a finance lease.

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

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.

(b) Company as a lessor:

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

k) **Provisions, contingent liabilities and commitments**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

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The Company 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.

l) Retirement and other Employee Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company 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 contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. The Company has no obligation, other than the contribution payable to the respective funds.

The Company 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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

Short term employee benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short- term employee benefit. The Company measures the expected cost of such absences as the

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additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

However, the Company 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.

m) **Financial Instruments**

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

A. **Financial assets**

i. **Initial recognition and measurement:**

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

ii. **Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:
- Debt instruments at amortised 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 amortised cost:

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Debt instrument at FVTOCI:

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company 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 recognised 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 Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

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 derecognised (i.e. removed from the balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to

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recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

c. **Impairment of financial assets:**

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

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

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

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

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

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

As a practical expedient, the Company 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 analyzed.

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 amortised 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 Company does not reduce impairment allowance from the gross carrying amount.

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

d. Equity Investments:

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the 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 recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including 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 Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

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

iii. **Loans and borrowings:**

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

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

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iv. Financial guarantee contracts:

Financial guarantee contracts issued by the Company 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 recognised 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 recognised less cumulative amortisation.

v. Derecognition:

A financial liability is derecognised 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 recognised in the statement of profit or loss.

C. Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations.

Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised 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 recognised 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 Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are

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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;
- 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 recognized 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-

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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.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges.

Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

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

o) Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders 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 recognised directly in equity.

p) Foreign currency transactions:

Functional and presentation currency

The financial statements are presented in INR (Indian Rupees), which is also the company's functional currency and the currency of the primary economic environment in which the Company operates.

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 Company uses an average rate if the average approximates the actual rate at the date of the transaction.

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

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

i) The Company 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 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 difference. Exchange difference arising on long term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

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.

q) Fair value measurement

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

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

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 company.

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

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

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

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

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Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The 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 company'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 Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

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

a) Disclosures for valuation methods, significant estimates and assumptions
b) Quantitative disclosures of fair value measurement hierarchy
c) Financial instruments (including those carried at amortised cost)

r) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue

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arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

1) Income from service:

Revenue from Aeronautical and Non-Aeronautical operations are recognized on accrual basis net of service tax/ goods and service tax and applicable discounts, when services are rendered and it is probable 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.

2) Interest income:

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

3) Dividends:

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

4) Significant Financing Components

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company also receives long-term advances from customers for providing the license to operate at the Airport. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception, to take into consideration the significant financing component.

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s) Concession fee:

As per the Concession Agreement (CA) entered into with Ministry of Civil Aviation (MoCA) in December, 2004, the Company 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 mean 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 calculation of Concession fee to MoCA. Accordingly, the Company, based on Legal Opinion, has provided the concession fee to MoCA based on Gross Revenue as per the Ind AS financial statements after adjusting such incomes/credits.

t) Government grants

Government grants are recognised 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 recognised 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.

The Company 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 is initially recognised 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.

u) **Taxes on income**

Tax expense comprises current and deferred tax.

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

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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 recognised for all taxable temporary differences, except:

i. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

The Company is 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.

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

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

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

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the Statement of profit and loss and shown as "Deferred Tax Asset." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Expenses and assets are recognised 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 recognised 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.

v) Segment information:

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 Company's performance at an overall group level as one reportable operating segment i.e. 'Airport and allied services'.

w) Earnings per share

Basic earnings per share is 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.

x) Corporate social responsibility

The Company charges its Corporate Social Responsibility (CSR) expenditure to the Statement of Profit & Account.

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Notes to the Standalone financial statements for the year ended March 31, 2019
(All amounts in Rupees Crores, except otherwise stated)

3 Property, Plant and Equipment

	Leasehold Improvements	Freehold land	Runways	Roads	Buildings on Leasehold Land	Buildings on freehold land	Electrical Installations	Plant and Equipments	Office Equipments	Computer Equipments	Furniture and Fixtures	Vehicles	Total	Capital Work-in progress	Total Including CWIP
Cost															
As at April 1, 2017	**91.55**	**16.13**	**343.07**	**99.89**	**906.21**	**62.14**	**144.39**	**397.78**	**2.06**	**19.80**	**29.37**	**2.79**	**2,115.68**	**20.60**	**2,136.28**
Additions	-	-	-	-	21.57	-	4.61	20.66	2.10	9.04	7.31	2.44	67.73	271.46	339.19
Adjustments*	-	-	(0.77)	(0.26)	(2.01)	0.17	(0.42)	(1.06)	(0.05)	(0.30)	(0.10)	-	(4.80)	-	(4.80)
Disposals	-	-	-	-	-	-	(0.33)	-	(0.10)	(1.00)	(1.62)	(0.53)	(3.58)	-	(3.58)
As at March 31, 2018	91.55	16.13	342.30	99.63	925.77	62.31	148.75	417.38	4.01	27.54	34.96	4.70	2,175.03	292.06	2,467.09
Additions	-	-	155.80	25.52	199.65	-	29.25	136.85	5.21	24.88	13.95	1.62	592.73	73.04	665.77
Disposals	-	-	-	-	-	-	-	-	-	-	-	(1.01)	(1.01)		(1.01)
Adjustments*	-	-	3.00	-	2.11	-	-	-	-	-	-	-	5.11		5.11
As at March 31, 2019	91.55	16.13	501.10	125.15	1,127.53	62.31	178.00	554.23	9.22	52.42	48.91	5.31	2,771.86	365.10	3,136.96
Depreciation															
As at April 1, 2017	7.97	-	29.90	65.16	80.27	2.51	85.81	107.94	0.53	9.25	15.44	1.69	406.47	-	406.47
Charge for the year	3.98	-	14.89	30.68	40.69	1.40	40.65	53.49	0.86	2.90	8.06	0.31	197.91	-	197.91
Disposals	-	-	-	-	-	-	-	-	(0.10)	-	-	(0.50)	(0.60)	-	(0.60)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	11.95	-	44.79	95.84	120.96	3.91	126.46	161.43	1.29	12.15	23.50	1.50	603.78	-	603.78
Charge for the year	3.98	-	18.41	2.18	44.35	1.44	5.61	48.05	1.26	7.67	4.86	0.57	138.38		138.38
Disposals	-	-	-	-	-	-	-	0.05	-	-	(0.05)	(1.01)	(1.01)		(1.01)
Adjustments**	-	-	-	-	16.01	1.29	-	2.43	-	-	1.38	-	21.11		21.11
As at March 31, 2019	15.93	-	63.20	98.02	181.32	6.64	132.07	211.96	2.55	19.82	29.69	1.06	762.26	-	762.26
Net book value															
As at March 31, 2018	79.60	16.13	297.51	3.79	804.81	58.40	22.29	255.95	2.72	15.39	11.46	3.20	1,571.25	292.06	1,863.31
As at March 31, 2019	75.62	16.13	437.90	27.13	946.21	55.67	45.93	342.27	6.67	32.60	19.22	4.25	2,009.60	365.10	2,374.70

* Includes reversal of outstanding liabilities amounting to Rs. Nil (March 31, 2018: Rs. 2.95) pertaining to project construction which are no longer payable now and reversal for depreciation thereon amounting to Rs. Nil (March 31, 2018: Rs.2.76) under depreciation charge of the year.

** Represents the depreciation charged on account of change in useful life of assets as per the Airport Economic Regulatory Authority's (AERA) order no. 35/2017-18 dated January 12, 2018 and amended on April 09, 2018 in the matter of Determination of useful life of Airport Assets and is effective from April 1, 2018 (Refer note 2.2).

(All amounts in Rupees Crores, except otherwise stated)

4 Intangible assets

Particulars	Computer Software	Total
Gross block (at cost)		
As at April 1, 2017	2.55	2.55
Additions	0.12	0.12
As at March 31, 2018	**2.67**	**2.67**
Additions	2.03	2.03
As at March 31, 2019	**4.70**	**4.70**
Depreciation		
As at April 1, 2017	**0.78**	**0.78**
Charge for the year	0.48	0.48
As at March 31, 2018	1.26	1.26
Charge for the year	0.63	0.63
As at March 31, 2019	**1.89**	**1.89**
Net block		
As at March 31, 2018	**1.41**	**1.41**
As at March 31, 2019	**2.81**	**2.81**

5.1 Investments

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Non-current investments (At Cost)				
Investment in equity instruments (unquoted)				
Investment in subsidiaries				
GMR Hyderabad Airport Cargo and Logistics Private Limited (Formerly known as Hyderabad Menzies Air Cargo Private Limited)				
Equity Shares	1,020,000	53.51	520,200	0.52
Preference Shares- Series B	18,735	0.02	15,735	0.02
Preference Shares- Series A	18,000	6.76	-	-
GMR Hyderabad Aerotropolis Limited	57,500,000	57.50	57,500,000	57.50
Hyderabad Airport Security Services Limited*	12,500,000	12.50	12,500,000	12.50
GMR Hyderabad Aviation SEZ Limited	51,600,000	51.60	51,600,000	51.60
GMR Hospitality and Retail Limited# **	155,998,710	156.00	126,608,916	126.61
GMR Hyderabad Airport Power Distribution Limited	50,000	0.05	50,000	0.05
GMR Aerospace Engineering Limited#	241,650,006	241.65	228,150,006	228.15
Asia Pacific Flight Training Academy Limited***	-	-	8,892,823	3.56
Investment in Joint Venture				
Laqshya Hyderabad Airport Media Private Limited	9,800,000	9.80	9,800,000	9.80
		589.39		490.31
Other Investments				
On account of fair valuation of financial gurantees given to subsidaries				
GMR Hyderabad Aviation SEZ Limited		1.82		1.82
GMR Hospitality and Retail Limited		5.75		4.00
GMR Aerospace Engineering Limited		5.66	247.31	5.66
GMR Aerotechnic Limited		2.34		2.27
GMR Hyderabad Aerotropolis Limited		0.57		0.57
		16.14		14.32
On account of fair valuation of loans given to subsidiaries/joint venture below market rate				
GMR Hospitality and Retail Limited		11.86		11.86
Hyderabad Airport Security Services Limited		3.25		3.25
Laqshya Hyderabad Airport Media Private Limited		5.59		5.59
		20.70		20.70
Total Investments carried at Cost		626.23		525.33

Note : In all subsidiaries and Joint venture, Face value of Equity and Preference shares- Series B is Rs.10 each and are fully paid-up. Further, Face value of Preference shares - Series A is Rs. 10,000 each and are fully paid up.

* The Hyderabad Airport Security Service Limited (HASSL) is under the Voluntary Liquidation Process as required under Insolvency and Bankruptcy Code 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.

**Increase in investment in GMR Hospitality and Retail Limited (GHRL) is on account of allotment of 229,389,794 shares on conversion of interest free loan amounting to Rs. 29.39 Crore to GHRL.

*** During the previous year on October 9, 2017, the Company has bought out the 60% 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 effective that date it became a wholly owned subsidiary of the Company.
Further, during the year on March 1, 2019, the Company has sold the entire stake i.e. 100% shareholding amounting to Rs. 4.34 crore in Asia Pacific Flight Training Academy Ltd.(APFTAL) at a value of INR 100.

# Shares pledged with the bankers against the loan taken by the below subsidiaries	No. of Shares (March 31, 2019)	No. of Shares (March 31, 2018)
GMR Hospitality and Retail Limited	32,897,675	37,982,675
GMR Aerospace Engineering Limited	-	135,864,000

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5.2 **Investments**

	As at March 31, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Units	Amount
Investments at FVTPL (Current-Investments)				
Investment in Mutual Funds (Unquoted)				
HDFC Liquid Fund Growth (Face value of Rs. 1000 each)	-	-	293,657.06	100.15
IDBI Liquid Fund - Regular plan Growth (Face value of Rs. 1000 each)	-	-	55,230.82	16.33
Invesco India Fund Regular Growth (Face value of Rs. 1000 each)	-	-	42,038.45	10.02
Birla Sunlife Cash Plus Institutional Premium - Growth (Face value of Rs. 100 each)	-	-	3,854,992.93	107.26
Axis Liquid Institutional - Growth Option (Face value of Rs. 1000 each)	116,381.32	24.03	2,701.77	0.52
ICICI Prudential Liquid Regular Plan - Growth (Face value of Rs. 100 each)	908,843.70	25.02	4,987,819.27	127.68
UTI Liquid Cash Plan Institutional - Growth Option (Face value of Rs. 100 each)	88,654.91	27.04	-	-
Tata Liquid Fund Plan A Growth (Face value of Rs. 1000 each)	33,644.82	9.56	-	-
Birla Sun Life Savings Fund Instl. - Growth (Face value of Rs. 100 each)	-	-	619,910.58	28.03
Birla Sun Life Short Term fund-Regular Growth (Face value of Rs. 10 each)	-	-	16,319,922.71	108.44
DHFL Pramerica Liquid Fund - Growth Option (Face value of Rs. 100 each)	-	-	1,023,730.92	23.03
Sundaram Money Fund Regular Growth (Face value of Rs. 10 each)	1,405,024.91	5.51	2,747,016.34	10.02
SBI Premier Liquid Fund - Regular Plan - Growth (Face value of Rs. 1000 each)	-	-	286,959.04	77.93
		91.46		**609.61**
Investment in Commerical Paper (unqouted) at Amortised cost				
SREI Infrastructure Finance Limtied		222.28		216.61
Piramal Enterprises Limited		148.07		-
		370.35		**216.61**
		461.81		**826.22**

6 **Loans**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Loans to employees	1.60	-	1.38	0.04
Loans to related parties (refer details below)	85.77	7.44	0.32	71.37
	87.37	7.44	1.70	71.41

Break up of Loans to related parties				
Share Application Money				
GMR Aerospace Engineering Limited	10.00	5.00	-	-
Loans				
GMR Hospitality and Retail limited	42.33	-	-	68.72
GMR Hyderabad Aerotropolis Limited	33.44	2.44	-	-
Laqshya Hyderabad Airport Media Private Limited	-	-	0.32	2.65
	85.77	7.44	0.32	71.37

7 **Bank balances other than cash and cash equivalent**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deposits with original maturity of more than 3 months but less than 12 months	-	-	29.96	-
Margin money deposits *	0.62	1.53	47.38	50.46
	0.62	1.53	77.34	50.46

*Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Company.

8 **Other financial assets**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unsecured, considered good				
Security deposits	19.43	31.16	4.00	0.40
Less: Provision for doubtful deposit	(0.20)	(0.20)	-	-
	19.23	30.96	4.00	0.40
Non trade receivables	-	-	10.10	12.94
Grant receivable from authorities	-	-	0.04	0.04
Interest accrued on others	-	-	0.54	0.49
Interest accrued on fixed deposits	-	-	2.55	2.91
Derivative asset (refer note 40)	239.23	71.69	-	-
	258.46	82.65	17.23	16.78

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9.1 Tax asset

	Non current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance income tax (net of provision for current tax)	0.26	0.31	12.93	12.93
	0.26	0.31	12.93	12.93

9.2 Tax liability

	Current	
	March 31, 2019	March 31, 2018
Provision for tax (net of advance tax)	36.74	23.41
	36.74	23.41

10 Other assets

		Non-current		Current	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Capital advances					
Unsecured, considered good		406.37	44.43	-	-
	(A)	406.37	44.43	-	-
Advances other than capital advances					
Passenger service fee (Security component) (refer note 36(C)(ix))		25.64	24.74	-	-
Others		4.65	5.11	5.03	3.83
		30.29	29.85	5.03	3.83
Less: Provision for doubtful advances		(0.04)	(0.04)	-	-
	(B)	30.25	29.81	5.03	3.83
Prepaid expenses		3.08	0.67	3.40	1.26
Upfront fee on borrowings*		94.50	-	-	-
Balance with statutory/ government Authorities [Including deposits refer note 36 (C)]		12.61	12.41	1.86	1.97
	(C)	110.19	13.08	5.26	3.23
Total (A+B+C)		546.81	87.32	10.29	7.06

*The above amount represents the upfront fee payable on rupee term facility amounting to Rs. 4,200 crore tied up by the Company with a bank to meet the capital commitment.

11 Inventories (valued at lower of cost or net realizable value)

	March 31, 2019	March 31, 2018
Stores and spares	6.12	6.25
Less: Provision for non moving spares	(0.17)	(0.17)
	5.95	6.08

12 Trade receivables

	Current	
	March 31, 2019	March 31, 2018
Unsecured, considered good		
Related parties	21.18	21.22
Others	122.37	86.21
Credit impaired		
Others	1.09	0.57
Less: Impairement allowance	(1.09)	(0.57)
	143.55	107.43

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, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: 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.

Trade receivables are interest bearing @18% p.a. and are generally with the credit term of 7 to 15 days

13 Cash and cash equivalents

	March 31, 2019	March 31, 2018
Cash and cash equivalents		
-Balances with Banks		
- In current accounts	30.62	262.85
- On cash credit/ overdraft accounts	-	-
-Deposits with original maturity of less than three months	350.00	308.39
-Cash on hand	0.06	0.04
	380.68	571.28

i) Cash balances in current accounts does not earn interest. Term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective term deposit rates.

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14 **Equity**

	March 31, 2019	March 31, 2018
Authorized shares (No.)		
400,200,200 (March 31, 2018: 400,200,200) equity shares of Rs. 10 each	400.00	400.00
Issued, subscribed and fully paid-up shares (No.)		
378,200,200 (March 31, 2017: 378,200,200) equity shares of Rs.10 each fully paid up	378.00	378.00
Issued, subscribed and fully paid-up shares (No.)		
378,200,200 (March 31, 2018: 378,200,200) 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

Equity Shares	March 31, 2019 No.	March 31, 2019 Amount	March 31, 2018 No.	March 31, 2018 Amount
At the beginning of the year	378,000,000	378.00	378,000,000	378.00
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/intermediate holding company

Name of Shareholder	March 31, 2019 No.	March 31, 2019 Amount	March 31, 2018 No.	March 31, 2018 Amount
GMR Airports Limited (GAL), 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

Name of Shareholder	March 31, 2019 No.	March 31, 2019 % holding	March 31, 2018 No.	March 31, 2018 % 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, 2019	March 31, 2018
Retained Earnings		
Opening Balance	622.68	200.99
Adjustment in retained earnings for change in accounting policy(Refer Note 2.1)	(2.27)	-
Depreciation charge to retained earnings (Refer Note 2.2)	(21.11)	-
Add: Profit for the year	732.75	602.70
Remeasurement of post-employment benefits obligations	(0.66)	0.18
Less: Appropriations		
Interim dividend	(151.20)	(151.20)
Dividend distribution tax	(31.08)	(29.99)
Closing balance	1,149.09	622.68
Other items of Other Comprehensive Income		
Cash flow hedge reserve		
Balance as per last financial statements	14.74	-
Net movement during the year	16.98	14.74
Closing balance	31.72	14.74
Total Retained Earnings	1,180.81	637.42
Capital reserve	107.00	107.00
	1,287.81	744.42

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Financial liabilities - Borrowings	Non Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Bonds				
1,750 units 4.25% Senior Secured Notes of USD 200,000 each (secured)	2,376.93	2,239.35	-	-
Term Loans				
From Others				
Government of Telangana (unsecured)	315.05	315.05	-	-
Loans from related parties (unsecured)	-	-	12.97	12.97
	2,691.98	2,554.40	12.97	12.97
The above amount includes				
Secured borrowings	2,376.93	2,239.35	-	-
Unsecured borrowings	315.05	315.05	12.97	12.97
	2,691.98	2,554.40	12.97	12.97
Amount disclosed under the head "other current financial liabilities" (Refer note 16)	-	-	(12.97)	(12.97)
Net Amount	2,691.98	2,554.40	-	-

i) 4.25% Senior Secured Notes

a. During the previous year 4.25% senior secured notes were 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. on 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 2136.455 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 dated Oct 27,2017 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 acceleration (immediately due and payable) and other remedies as defined under the Indenture.

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

iii. Interest free unsecured loan received from its wholly owned subsidiary namely Hyderabad Airport Security Services Limited and is repayable on demand.

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Other financial liabilities	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
At Amortised cost				
Retention money	7.04	8.82	4.00	4.71
Deposit from concessionaires	43.86	19.80	36.78	23.72
Concession fee payable	192.55	212.01	84.06	22.15
Current maturities of long term borrowings	-	-	12.97	12.97
Non trade payables	-	-	1.25	2.62
Capital creditors	-	-	192.34	87.21
Interest accrued but not due on borrowings	-	-	86.05	84.91
Total other financial liabilities at amortised cost	243.45	240.63	417.45	238.29
Financial guarantee contracts	5.03	5.75	0.81	0.80
Total other financial liabilities	248.48	246.38	418.26	239.09

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial guarantee contracts				
GMR Hospitality and Retail Limited	1.54	1.63	0.15	0.15
GMR Hyderabad Aviation SEZ Ltd.	0.74	0.81	0.07	0.07
GMR Aero technic Ltd.	1.41	1.72	0.34	0.33
GMR Hyderabad Aerotropolis Ltd.	0.44	0.49	0.05	0.05
GMR Aerospace Engineering Ltd.	0.90	1.10	0.20	0.20
Total financial guarantee contracts	5.03	5.75	0.81	0.80

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17 Government grants

	March 31, 2019	March 31, 2018
Opening Balance	51.40	33.29
Grant during the year	-	22.28
Less: Recognised in the statement of profit and loss	(5.26)	(4.11)
	46.14	51.48
Non Current	40.87	46.13
Current	5.27	5.27

Concession fee is payable to Ministry of Civil Aviation in respect of first 10 years in 20 equal half yearly instalments 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred income	12.29	21.10	5.56	4.16
Service tax payable	-	-	0.01	0.01
Goods and service tax payable	-	-	14.56	9.85
Tax deducted at source	-	-	4.69	6.44
Commercial Card Payable	-	-	9.94	-
Other statutory dues	-	-	0.79	0.51
	12.29	21.10	35.55	20.97

19 Trade payables

	March 31, 2019	March 31, 2018
Trade Payables		
- Related parties	2.42	25.33
Others	83.16	64.41
	85.58	89.74

Terms and conditions of the above financial liabilities:
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 demand.
iii) For explanations on the Company's credit risk management processes, refer Note 40.

20 Provisions

	Short term	
	March 31, 2019	March 31, 2018
Provision for employee benefits		
Provision for compensated absences	12.15	8.50
Provision for superannuation fund	0.20	0.14
Provision for gratuity (note 32)	2.22	0.93
	14.57	9.57

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Revenue from contracts with customers	For the year ended March 31, 2019	For the year ended March 31, 2018
Aeronautical (A)	910.62	805.55
Non-Aeronautical		
Duty free	47.51	33.77
Retail	40.18	32.07
Advertisement	36.11	40.41
Food and beverages	42.78	32.96
Cargo	18.00	18.13
Ground handling	12.29	10.68
Parking	57.82	49.21
Land and space – Rentals	69.57	69.67
Fuel Farm	144.27	97.94
Others	67.24	56.10
Total Non-Aeronautical (B)	535.77	440.94
Revenue from commercial property development (C)	5.87	5.55
Revenue from operations (A+B+C)	1,452.26	1,252.04

Note:

(i) The company earned entire income from operations from India.

(ii) Timing of rendering of services

Particulars	Aeronautical	Non-Aeronautical	Others	Total
Services rendered at a point in time	910.62	144.27	-	1,054.89
Services rendered over time	-	391.50	5.87	397.37
Total revenue from contracts with customers	910.62	535.77	5.87	1,452.26

(iii) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2019
Revenue as per contracted price	1,451.16
Adjustments:	
Significant financing component	1.10
Revenue from contract with customers	1,452.26

(iv) Set out below is the revenue recognised from:

Amounts included in contract liabilities at the beginning of the year	8.29
Performanance obligations satisfied in previous years	-
Total	8.29

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Other income	For the year ended March 31, 2019	For the year ended March 31, 2018
Exchange differences (net)	-	0.56
Exchange difference on restatement of senior secured notes	-	43.72
Amortisation of deferred income	14.08	0.78
Income from Government grant	5.26	4.11
Provisions no longer required, written back	0.52	0.20
Other non-operating income	2.35	2.18
Profit on sale of assets	0.12	0.13
Dividend from subsidiary	0.36	3.91
	22.69	55.59

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Finance Income	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on:		
Bank deposits	25.40	22.59
Loan to subsidiaries/ joint venture	8.23	11.07
Others	22.50	17.89
Profit on sale of current investments (other than trade)	35.68	16.97
Income arising from fair valuation of financial guarantee	2.55	5.63
Gain on account of fair valuation of interest rate swap	-	11.92
Income arising from fair valuation of investment in debt oriented mutual fund	0.11	8.62
	94.47	94.69

(All amounts in Rupees Crores, except otherwise stated)

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Employee benefits expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	87.41	60.67
Contribution to provident and other funds (note 32 and note 36 (II) (C) (xi))	3.76	2.80
Contribution to superannuation fund	2.13	1.60
Gratuity expense(note 32)	0.82	1.37
Staff welfare expenses	4.73	4.09
Recruitment and training expenses	2.00	1.88
	100.85	72.41

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Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Operator fee	1.32	1.29
Operating and maintenance expenses	17.42	14.25
Power and fuel	19.35	16.33
Manpower outsourcing charges	31.83	27.95
House keeping charges	14.01	12.45
Consumption of stores & spares	5.78	5.87
Repairs and maintenance		
Buildings	8.13	6.19
Plant and Machinery	23.42	18.19
IT Services	12.67	14.34
Other	2.66	4.02
Insurance	2.28	2.44
Security expenses	18.59	16.98
Bus hire charges	0.71	0.50
Health & safety expenses	0.22	0.12
Rent	6.80	5.51
Rates and taxes	5.57	5.73
Advertising and business promotion	5.00	8.67
Collection charges	7.24	4.95
Travelling and conveyance	17.75	11.17
Communication costs	2.74	3.14
Office Maintenance	4.30	3.32
Legal and professional fees	11.37	15.98
Management fees	29.96	31.52
Printing and stationery	0.89	0.31
Directors' sitting fees (refer Note 33)	0.25	0.19
Payment to auditors (refer note A below)	0.47	0.70
Contribution to political parties	25.00	-
Donation	1.70	2.80
CSR expenditure (refer note B below)	7.17	3.88
Loss on account of foreign exchange fluctuations (net)	0.22	-
Provision for bad and doubtful debts	0.52	0.40
Bad debts written off	3.75	-
Loss on sale of investment in subsidiaries (refer note 33)	4.34	-
Miscellaneous expenses	3.53	3.22
	297.26	242.81

A. Payment to Auditors (included in other expenses above)	For the year ended March 31, 2019	For the year ended March 31, 2018
As Auditor		
Audit fee	0.33	0.29
Other services		
Other services (including certification fee)	0.08	1.40
Reimbursement of expenses	0.06	0.09
	0.47	1.78
Less: SSN issuance cost considered as an adjustment to borrowings*	-	(1.08)
	0.47	0.70

* The amount is paid to one of the joint Auditor in connection with issue of SSN

B. Details of CSR expenditure (included in other expenses above)	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	4.17	3.88
b) Amount spent in cash during the year		
i) Construction / acquisition of any asset	4.55	1.50
ii) on purposes other than (i) above	2.62	2.38
c) Total amount spent during the year		
i) Construction / acquisition of any asset	4.55	1.50
ii) on purposes other than (i) above	2.62	2.38

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Finance costs	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on debt and borrowings	83.97	143.70
Net interest on cross currency swap	77.19	31.36
Other borrowing cost	3.72	16.87
Interest-others	32.58	5.69
Bank charges	0.71	0.65
	198.17	198.27

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Depreciation and amortisation expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment (note 3)	138.38	197.91
Amortisation of intangible assets (note 4)	0.63	0.48
	139.01	198.39

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28 Income Tax

A. The major components of income tax expenses are:

Statement of profit and loss:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax:		
Current income tax charge	30.68	29.42
Deferred tax:		
Relating to origination and reversal of temporary differences	13.21	5.36
Income tax expense for the year	43.90	34.78
Less: Adjustments relating to previous year	(4.04)	-
Income tax expense reported in the statement of profit or loss	39.86	34.78

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 January 2019 and 31 March 2018:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit	772.60	637.49
Tax at the applicable tax rate of 34.94% (March 31, 2018: 34.61%)	269.98	220.63
Tax effect of income that are not taxable in determining taxable profit / allowable expenditure that are not part of Book profit:		
Dividend Income exempt U/s 10(34)	0.13	1.35
Gain on recognition of MTM on interest rate swap	-	4.13
Others - Ind AS adjustments	0.25	2.46
Reversal of deferred tax during tax holiday period u/s 80IA	-	7.29
Income claimed as deduction u/s 80IA	240.98	190.63
Effect of depreciation relating to unrealised forex loss	-	16.10
Effect of depreciation relating to Capital Reserve	-	1.78
Others	0.06	0.60
Tax effect of expenses that are not deductible in determining taxable profit:		
Amount of disallowances U/s 14A	0.02	0.02
Donations, contribution to political parties & CSR Expenditure	2.59	2.31
Interest on delayed payment of income tax	0.53	0.53
Provision for doubtful debt	0.18	-
Loss on sale of investment carried forward	1.52	-
Disallowance due to non-deduction of TDS u/s 40a(ia)	0.53	-
DTA reversal on b/f losses	-	15.73
Effect of change in tax rate to 34.61% from 30.90% in the previous year	-	14.12
Effect due to change in tax rate considered in DT (34.944%) calculation and ETR (34.61%) of FY 2017-18	-	1.38
Income from capex fund	-	4.40
Reversal of deferred tax during tax holiday period u/s 80IA	9.97	
Income tax expense reported in the statement of profit and loss	43.90	34.78

C. Deferred tax:

	Statement of profit or loss		Balance sheet	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred tax liability				
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	13.34	9.15	140.07	126.73
Cash flow hedge	-	-	17.04	-
Gross deferred tax liability	13.34	9.15	157.10	126.73
Deferred tax asset				
Unabsorbed depreciation	-	-	-	-
On account of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis.	-	-	-	-
On account of income reduced from capital work in progress	(0.13)	(3.80)	3.92	3.80
On account of provision for doubtful trade, advances and diminution in value of investment	-	-	-	-
	(0.13)	(3.80)	3.92	3.80
Charge / (credit) during the year	13.21	5.35		
Net deferred tax (liability)/Asset (net)			(153.18)	(122.93)
MAT credit entitlement			405.41	269.10
Deferred tax asset (unutilised tax credit)			405.41	269.10

D. Reconciliations of deferred tax liabilities/assets(net)

	March 31, 2019	March 31, 2018
Opening balance	(122.93)	(117.58)
Tax expense during the year recognised in profit or loss	(13.21)	(5.35)
Tax expense during the year recognised in the OCI	(17.04)	-
Closing balance	(153.18)	(122.93)

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 Crore (March 31, 2018: Rs. Nil Crore) that are available for offsetting against future taxable profits of the Company.

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(All amounts in Rupees Crores, except otherwise stated)

29 Components of Other Comprehensive Income

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

For the year ended March 31, 2019

	Cash Flow Hedge Reserve	FVTOCI Reserve	Total
Cash flow hedge reserve (net)	167.55	-	167.55
Less: reclassified to statement of profit and loss	(133.53)	-	(133.53)
Remeasurement gain on defined benefit plans	-	(0.68)	(0.68)
Closing Balance	**34.02**	**(0.68)**	**33.34**

For the year ended March 31, 2018

	Cash Flow Hedge Reserve	FVTOCI Reserve	Total
Cash flow hedge reserve (net)	71.69	-	71.69
Less: reclassified to statement of profit and loss	(56.95)	-	(56.95)
Remeasurement gain on defined benefit plans	-	0.18	0.18
Closing Balance	**14.74**	**0.18**	**14.92**

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30. **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 of the parent 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	31-Mar-19	31-Mar-18
Profit attributable to equity holders of the parent for basic and diluted earning	732.75	602.70
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted) (in crores)	37.80	37.80
Earnings Per Share (Basic and diluted) (Rs.)	19.38	15.94
Face value per share (Rs.)	10	10

31. **Capital Work in progress**

The breakup of Capital work in progress is as below:

Particulars	March 31 2019	March 31 2018
Capital expenditure incurred on property, plant and equipment	282.08	240.54
Legal and professional expense	64.94	44.14
Employee benefits expense	0.35	0.76
Travelling and conveyance	0.46	0.06
Senior secured notes issue costs amortised	0.58	0.35
Finance costs*	29.16	18.92
Total (i)	**377.57**	**304.77**
Less:- Income		
Interest income from bank deposit	(1.93)	(0.49)
Net gain on sale of current investments	(10.54)	(11.51)
Fair value gain on mutual funds	-	(0.71)
Total (ii)	**(12.47)**	**(12.71)**
Net Capital work in progress (i-ii)	**365.10**	**292.06**

*Considered to the extent of SSN proceeds earmarked for airport expansion project i.e. USD 78 million till December 31, 2018 and USD 36 million from January 1, 2019 onwards (March 31, 2018: USD 78 million) out of total proceeds of USD 350 million.

During the year ended March 31, 2019 the following expenses of revenue nature are capitalized to the capital work-in-progress (CWIP). Consequently, expenses disclosed under the other expenses are net of amounts capitalized by the Company.

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Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue expense:		
Subcontracting and other professional expenses	44.07	37.95
Employee benefit expense	-	0.76
Travelling and conveyance	0.40	0.06
Bond issue costs/SSN issue cost amortised	0.78	0.35
Finance cost	38.48	18.92
Total (A)	**83.73**	**58.04**
Less: Income		
Interest income from bank deposit	(3.71)	(0.49)
Net gain on sale of current investment	(10.62)	(11.51)
Fair value of mutual fund	-	(0.71)
Total (B)	**(14.33)**	**(12.71)**
Net (C=A+B)	**69.40**	45.33

32. 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, 2019	For the year ended March 31, 2018
Contribution to provident fund	3.57	2.69
Contribution to ESI and Labour welfare fund	0.19	0.11
Contribution to superannuation fund	2.13	1.60
Total	**5.89**	**4.40**

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 recognized in the statement of profit or loss/OCI and amounts recognized in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost):

	31-Mar-19	31-Mar-18
Current service cost	0.82	1.39
Interest cost on benefit obligation	0.00	(0.02)
Net benefit expense (note 24)	**0.82**	**1.37**

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GMR Hyderabad International Airport Limited
CIN: U62100TG2002PLC040118
Notes to the Standalone financial statements for the year ended March 31, 2019
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Amount recognized in other comprehensive income:

Particulars	2018-19	2017-18
Actuarial (gain)/loss due to DBO experience	0.61	0.15
Actuarial (gain)/loss due to DBO assumption changes	-	(0.25)
Actuarial (gain)/loss arising during period	**0.61**	**(0.11)**
Return on plan assets (greater)/less than discount rate	0.07	(0.07)
Actuarial (gains)/ losses recognized in OCI	**0.68**	**(0.18)**

Balance sheet:

	March 31, 2019	March 31, 2018
Fair value of plan assets	7.50	6.06
Defined benefit obligation	(9.72)	(6.99)
Plan (liability)/ asset	**(2.22)**	**(0.93)**

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

	March 31, 2019	March 31, 2018
Opening defined benefit obligation	6.99	5.34
Interest cost	0.50	0.36
Current service cost	0.82	0.63
Benefits paid	(0.81)	(0.45)
Past service cost -Plan amendments	-	0.76
Actuarial losses /(gains) on obligation	0.62	0.11
Acquisition cost	1.60	0.46
Closing defined benefit obligation	**9.72**	**6.99**

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

	31-Mar-19	31-Mar-18
Opening fair value of plan assets	6.06	5.18
Expected return on plan assets	0.50	0.38
Contributions by employer	0.74	0.88
Return on plan assets greater/(lesser) than discount rate	(0.07)	0.07
Acquisition adjustment	1.08	-
Benefits paid (including transfer)	(0.81)	(0.45)
Closing fair value of plan assets	**7.50**	**6.06**

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

	31-Mar-19	31-Mar-18
Investments with insurer	100%	100%

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

	31-Mar-19	31-Mar-18
Discount rate	7.60%	7.60%
Rate of compensation increase	6.00%	6.00%
Employee turnover	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption is shown below:

	31-Mar-19	31-Mar-18
Discount rate		
Effect due to 1% increase in discount rate	(0.68)	(0.51)
Effect due to 1% decrease in discount rate	0.78	0.58
Attrition rate		
Effect due to 1% increase in attrition rate	0.09	0.07
Effect due to 1% decrease in attrition rate	(0.10)	(0.07)
Salary escalation rate		
Effect due to 1% increase in salary increase rate	0.68	0.53
Effect due to 1% decrease in salary increase rate	(0.62)	(0.49)

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

The following payments are expected contributions to the defined benefit plan in the future year.

	31-Mar-19
31-Mar-20	0.81
31-Mar-21	1.12
31-Mar-22	1.05
31-Mar-23	1.25
31-Mar-24	0.96
March 31, 2025 to March 31, 2029	8.25

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2018: 10 years).

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33. **Details of transactions with Related parties:**

A. **Name of related parties and description of relationship:**

Relationship	Related party Name
Holding company	GMR Airports Limited (GAL)
GAL's holding company	GMR Infrastructure Limited (GIL)
Ultimate holding company	GMR Enterprises Private Limited (GEPL)
Subsidiary Companies	GMR Hyderabad Air Cargo and Logistics Private Limited (Formerly known as Hyderabad Menzies Air Cargo Private Limited)
	GMR Hyderabad Aerotropolis Limited
	Hyderabad Airport Security Services Limited (HASSL)*
	GMR Hyderabad Aviation SEZ Limited
	GMR Hospitality and Retail Limited
	GMR Aerospace Engineering Limited
	GMR Hyderabad Airport Power Distribution Limited
	GMR Aero Technic Limited
	GMR Logistics Park Private Limited
	Asia Pacific Flight Training Academy Limited**
Fellow Subsidiary Companies	GMR Aviation Private Limited
	GMR Aero structure Services Limited
	GMR Energy Limited
	GMR Tambaram-Tindivanam Expressways Limited
	GMR Tuni-Anakapalli Expressways 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 Holdings Limited
	GMR Highways Limited
	GMR Corporate Affairs Private Limited
	GMR Hyderabad Vijayawada Expressways Private Limited
	GMR Vemagiri Power Generation Limited
	GMR Kamalanga Energy Limited
	GMR Airport Developers Limited
	GMR Power Corporation Limited
	GADL International Limited
	Kakinada SEZ Limited
	GMR Business Process and Services Private limited
	Raxa Security Services Limited
	JSW GMR Cricket Private Limited (Formerly GMR Sports Private Limited)
Shareholders having significant influence	Government of Telangana
	Airports Authority of India
	MAHB (Mauritius) Private Limited
Key management personnel	Mr. G M Rao, Chairman till May 31, 2018 and Executive Chairman, w.e.f June 1, 2018
	Mr. Srinivas Bommidala - Managing Director till May 31, 2018 and Director w.e.f June 1, 2018
	Mr. GBS Raju - Managing Director, w.e.f June 1, 2018

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Relationship	Related party Name
	Mr. SGK Kishore - Chief Executive Officer
	Mr. Rajesh Arora- Chief Financial Officer
	Mr. Anup Kumar Samal - Company Secretary
	Mr. HJ Dora – Director
	Mr. C Prasanna – Director
	Mr. Grandhi Kiran Kumar-Director
	Mr. Venkataramana Hegde – Director
	Mr. IN Murthy – Director
	Mr. K Ramakrishna Rao IAS - Director
	Mr. Jayesh Ranjan IAS – Director
	Mr. Vijay Bhaskar – Director, ceased to be a director w.e.f May 4, 2018
	Datuk Badlisham Bin Ghazali-Director till June 23, 2018
	Mr. Raja Azmi bin Raja Nazuddin – Director, w.e.f September 10, 2018
	Mr. RSSLN Bhaskarudu- Independent Director
	Mr. NC Sarabeswaran- Independent Director
	Mrs. Vissa SivaKameswari -Independent Director
	Mr. Madhu Ramachandra Rao -Independent Director, w.e.f July 02, 2018
Joint Venture	Laqshya Hyderabad Airport Media Private Limited
Enterprises where key Directors and their relatives exercise significant influence	GMR Varalakshmi Foundation
Other entities in which Directors are interested	GMR Family Fund Trust Sri Varalakshmi Jute Twine Mills Private Limited Geokno India Private Limited
Associate of GIL	GMR Rajamundry Energy Limited

B. Remuneration paid to Key Managerial Remuneration:

Details of Key Managerial Personnel	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Short Term Employee benefits	Sitting Fees	Short Term Employee benefits	Sitting Fees
Remuneration to KMP	12.32	-	6.60	-
Mr. G M Rao -Chairman	-	0.00	-	0.01
Mr. HJ Dora – Director	-	0.01	-	0.01
Mr. Venkataramana Hegde – Director	-	0.01	-	0.01
Mr. Ramakrishna Rao IAS – Director	-	0.02	-	0.01
Datuk Badlisham Bin Ghazali – Director	-	-	-	0.00
Mr. IN Murthy - Director	-	0.01	-	0.01
Mr. RSSLN Bhaskarudu- Independent Director	-	0.06	-	0.04
Mr. NC Sarabeswaran- Independent Director	-	0.05	-	0.04
Mrs. Vissa Siva Kameswari -Independent Director	-	0.04	-	0.03

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Details of Key Managerial Personnel	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Short Term Employee benefits	Sitting Fees	Short Term Employee benefits	Sitting Fees
Mr. P. Vijay Bhaskar – Independent Director	-	0.00	-	0.02
Mr. Madhu Ramachandra Rao -Independent Director	-	0.02	-	-
Mr. Jayesh Ranjan IAS – Director	-	0.01	-	0.01
Mr. Raja Azmi bin Raja Nazuddin - Director	-	0.00	-	-

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

Related Party Transactions	March 31, 2019	March 31, 2018
Services received:		
Raxa Security Services Limited	18.86	16.43
GMR Hospitality and Retail Limited	0.54	0.40
Airports Authority of India	0.03	0.13
GMR Aviation Private Limited	9.07	4.29
GMR Airport Developers Limited	21.40	19.58
GMR Infrastructure Limited	7.04	12.64
GMR Airports Limited	23.88	19.56
Laqshya Hyderabad Airport Media Private Limited	0.14	0.53
GMR Corporate Affairs Private Limited	-	0.44
GMR Family Fund Trust	0.29	0.31
Sri Varalakshmi Jute Twine Mills Private Limited	0.22	0.18
Government of Telangana	3.59	3.42
Investment during the year:		
GMR Hyderabad Air Cargo and Logistics Private Limited	59.75	-
GMR Aerospace Engineering Limited	13.50	32.00
Asia Pacific Flight Training Academy Limited	0.79	-
Loss on sale of Investment in subsidiary during the year		
Asia Pacific Flight Training Academy Limited	(4.34)	-
Bad Debts written off during the year		
Asia Pacific Flight Training Academy Limited	3.75	-
Conversion of interest free unsecured loan to investment in Equity share during the year		
GMR Hospitality and Retail Limited	29.39	-
Investment made in subsidiary during the year on account of amortization of financial guarantee given:		
GMR Hospitality and Retail Limited	1.74	-

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Related Party Transactions	March 31, 2019	March 31, 2018
GMR Aero Technic Limited	0.07	-
Advance/(Advance Return) towards share application money:		
GMR Aerospace Engineering Limited	19.50	36.50
GMR Aerospace Engineering Limited	(1.00)	(11.50)
GMR Hyderabad Aerotropolis Limited	6.00	-
Conversion of Share application money to unsecured loan		
GMR Hyderabad Aerotropolis Limited	6.00	-
Security Deposit (paid) /received):		
GMR Hyderabad Air Cargo and Logistics Private Limited	(0.10)	(0.10)
GMR Aero Technic Limited	-	0.00
GMR Infrastructure Limited	-	0.00
GMR Varalakshmi Foundation	-	(0.00)
Asia Pacific Flight Training Academy Limited	-	0.00
Laqshya Hyderabad Airport Media Private Limited	0.16	(0.00)
GMR Family Fund Trust	-	0.00
GMR Hospitality and Retail Limited	(0.08)	0.01
Sri VaraLakshmi Jute Twine Mills Private Limited	-	(0.10)
GMR Airport Developers Limited	(15.00)	-
Raxa Security Services Limited	-	0.00
Income from operations:		
GMR Hyderabad Air Cargo and Logistics Private Limited	24.01	24.12
GMR Hospitality and Retail Limited	51.39	37.42
Airports Authority of India	3.24	3.20
GMR Aviation Private Limited	0.02	0.01
GMR Infrastructure Limited	0.01	0.01
GMR Hyderabad Aviation SEZ Limited	2.50	2.50
Laqshya Hyderabad Airport Media Private Limited	32.19	38.15
Kakinada SEZ Private Limited	0.24	0.36
GMR Aero Technic Limited	0.42	0.35
GMR Airport Developers Limited	0.15	0.14
GMR Hyderabad Aerotropolis Limited	0.68	0.43
GMR Airports Limited	0.26	0.35
Asia Pacific Flight Training Academy Limited	0.56	1.04
Raxa Security Services Limited	0.01	0.01
Geokno India Private Limited	0.15	0.37
GMR Energy Trading Limited	0.00	0.01
GMR Highways Limited	0.25	0.28

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Related Party Transactions	March 31, 2019	March 31, 2018
GMR Varalakshmi Foundation	0.37	0.35
GMR Business Process and Services Private Limited	2.75	0.38
Dividend income received from subsidiary Company:		
GMR Hyderabad Air Cargo and Logistics Private Limited	0.36	3.91
Unsecured loan repaid during the year:		
Hyderabad Airport Security Services Limited	-	(0.07)
Unsecured loan given :		
GMR Hyderabad Aerotropolis Limited	25.00	17.00
GMR Hyderabad Aviation SEZ Limited	-	47.50
Unsecured loan received back:		
Laqshya Hyderabad Airport Media Private Limited	2.55	4.56
GMR Hyderabad Aviation SEZ Limited	-	47.50
GMR Hyderabad Aerotropolis Limited	-	34.56
Interest on unsecured loan given:		
GMR Hospitality and Retail Limited	4.32	4.34
GMR Hyderabad Aerotropolis Limited	0.69	2.39
GMR Hyderabad Aviation SEZ Limited	-	0.16
Interest on amortization of interest free unsecured loan given:		
Laqshya Hyderabad Airport Media Private Limited	0.22	1.46
GMR Hospitality and Retail Limited	3.01	2.71
Interest on Delayed payments from customers		
GMR Highways Limited	-	0.00
Laqshya Hyderabad Airport Media Private Limited	0.00	0.04
GMR Aviation Private Limited	0.00	0.00
Purchase of Asset / Services for Capital Work in Progress :		
GMR Hospitality and Retail Limited	0.01	0.47
GMR Airport Developers Limited	45.29	22.34
Geokno India Private Limited	0.28	-
GMR Hyderabad Aviation SEZ Limited	14.95	-
Pledge / (release of pledge) of equity shares by the Company with banks against the loan taken by the Subsidiary Companies:		
GMR Aerospace Engineering Limited	(135.86)	0.00
GMR Hospitality and Retail Limited	(5.08)	(5.09)
Hyderabad Airport Security Services Limited	-	(3.75)
Release of pledge of equity shares by the shareholders having significant influence in GHIAL, with banks against the loan taken:		

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Related Party Transactions	March 31, 2019	March 31, 2018
GMR Airports Limited	-	(164.12)
MAHB (Mauritius) Private Limited	-	(28.66)
Corporate guarantee given by the Company on behalf of its subsidiaries companies with banks against the loan taken:		
GMR Hyderabad Aviation SEZ Limited	(0.60)	(0.92)
GMR Hospitality and Retail Limited	(3.13)	(1.88)
GMR Aerospace Engineering Limited	-	(3.38)
GMR Hyderabad Aerotropolis Ltd	(2.45)	43.55
Corporate guarantee availed/(released) from the intermediate holding company against loan taken from banks:		
GMR Airports Limited	-	(41.00)
(Release of) / Issue of Bank guarantee by the Company on behalf of its subsidiaries companies with banks as required under the loan covenants:		
GMR Hospitality and Retail Limited	(7.38)	(3.00)
GMR Hyderabad Aviation SEZ Limited	-	(0.31)
GMR Aero Technic Limited	-	(0.76)
GMR Aerospace Engineering Limited	-	(8.56)
GMR Hyderabad Aerotropolis Limited	-	1.53
CSR Expenditure		
GMR Varalakshmi Foundation	7.06	3.75
Reimbursement of expenses claimed by the Company during the year from its related parties:		
GMR Infrastructure Limited	0.01	0.02
Laqshya Hyderabad Airport Media Private Limited	0.95	1.36
Kakinada SEZ Limited	0.06	0.09
Delhi International Airport Limited	0.40	0.07
GMR Hyderabad Aviation SEZ Limited	7.49	3.46
GMR Airports Limited	0.14	0.47
GMR Hospitality and Retail Limited	7.12	7.26
GMR Hyderabad Air Cargo and Logistics Private Limited	5.22	3.10
Airports Authority of India	2.92	2.98
GMR Hyderabad Aerotropolis Limited	6.28	5.83
Asia Pacific Flight Training Academy Limited	0.11	0.28
GMR Airport Developers Limited	0.93	0.90
GMR Highways Limited	0.05	0.06
Raxa Security Services Limited	0.00	0.00
GMR Energy Trading Limited	0.00	0.00
GMR Varalakshmi Foundation	0.08	0.08

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Related Party Transactions	March 31, 2019	March 31, 2018
Geokno India Private Limited	0.06	0.15
GMR Aero Technic Limited	1.67	1.60
GMR Business Process and Services Private Limited	0.48	0.04
Reimbursement of expenses claimed from the Company during the year by its related parties:		
GMR Hospitality and Retail Limited	0.14	0.03
GMR Airports Limited	0.06	0.48
Delhi International Airport Limited	-	0.37
Laqshya Hyderabad Airport Media Private Limited	-	0.03
GMR Airport Developers Limited	0.11	0.00
Corporate Guarantee commission income on account of Ind-As Adjustments:		
GMR Hospitality and Retail Limited	1.84	1.32
GMR Aerospace Engineering Limited	0.20	3.31
GMR Aero Technic Limited	0.39	0.22
GMR Hyderabad Aerotropolis Limited	0.05	0.03
GMR Hyderabad Aviation SEZ Limited	0.07	0.76
Income on amortization of deposit received:		
GMR Hyderabad Air Cargo and Logistics Private Limited	0.05	0.05
Asia Pacific Flight Training Academy Limited	0.01	0.04
GMR Infrastructure Limited	0.00	-
GMR Hospitality and Retail Limited	0.00	-
Laqshya Hyderabad Airport Media Private Limited	0.03	0.04
GMR Varalakshmi Foundation	0.01	0.01
Interest expense on amortization of deposit received:		
GMR Hyderabad Air Cargo and Logistics Private Limited	0.04	0.05
Asia Pacific Flight Training Academy Limited	0.01	0.04
GMR Infrastructure Limited	0.00	-
GMR Hospitality and Retail Limited	0.00	-
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
Amortisation of expense on deposit paid:		
GMR Airport Developers Limited	0.01	-
Raxa Security Services Limited	0.23	-
Sri VaraLakshmi Jute Twine Mills Private Limited	0.01	-
GMR Family Fund Trust	0.05	-
Interest income on amortization of deposit paid:		
GMR Airport Developers Limited	0.02	-

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Related Party Transactions	March 31, 2019	March 31, 2018
Raxa Security Services Limited	0.22	-
Sri VaraLakshmi Jute Twine Mills Private Limited	0.01	-
GMR Family Fund Trust	0.04	-
Dividend Paid		
GMR Airport Limited	95.26	95.26
GMR Infrastructure Limited	0.00	0.00
MAHB (Mauritius) Private Limited	16.62	16.62
Government of Telangana	19.66	19.66
Airports Authority of India	19.66	19.66

D. Outstanding balances at the end of the year:

Particulars	March 31, 2019		March 31, 2018	
	Non-Current	Current	Non-Current	Current
Balance Recoverable / (Payable):				
GMR Hyderabad Air Cargo and Logistics Private Limited	-	5.45	-	2.83
GMR Aerostructure Services Limited	-	0.03	-	0.03
Raxa Security Services Limited	-	0.00	-	(2.24)
Airports Authority of India	-	2.97	-	5.90
GMR Infrastructure Limited	-	0.27	-	(1.78)
Delhi International Airport Limited	-	0.08	-	(0.01)
GMR Rajamundry Energy Limited	-	0.04	-	0.04
GMR Airports Limited	-	(3.71)	-	(7.18)
GMR Hospitality and Retail Limited	-	4.41	-	2.35
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	(0.99)	-	(0.74)
GMR Hyderabad Aviation SEZ Limited	-	(5.22)	2.13	5.21
Asia Pacific Flight Training Academy Limited	-	-	2.14	1.22
GMR Airport Developers Limited	-	(15.20)	-	(8.49)
Laqshya Hyderabad Airport Media Private Limited	-	1.49	-	0.96
Kakinada SEZ Limited	-	0.42	-	0.40
GMR Aero Technic Limited	-	3.06	-	1.62
GMR Energy Trading Limited	-	0.02	-	0.02
GMR Hyderabad Aerotropolis Limited	-	0.78	-	0.73
GMR Varalakshmi Foundation	-	(1.00)	-	(0.90)
Government of Telangana	-	(3.69)	-	(3.52)

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GMR Vemagiri Power Generation Limited	-	0.00	-	0.00
GMR Highways Limited	-	0.30	-	(0.00)
GMR Corporate Affairs Private Limited	-	(0.10)	-	(0.10)
Geokno India Private Limited	-	0.71	0.41	0.61
GMR Kamalanga Energy Limited	-	-	-	0.00
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Business Process and Services Private Limited	-	-	-	0.49
Security deposit received from / (paid) to related parties recognised at amortised cost:				
GMR Hyderabad Air Cargo and Logistics Private Limited	0.25	0.06	0.37	-
Asia Pacific Flight Training Academy Limited	-	-	-	0.15
GMR Infrastructure Limited	-	0.03	-	0.03
GMR Hospitality and Retail Limited	0.00	0.01	-	0.01
Laqshya Hyderabad Airport Media Private Limited	0.15	0.29	0.27	0.05
GMR Aero Technic Limited	-	0.05		0.05
GMR Varalakshmi Foundation	0.09	-	0.13	-
Raxa Security Services Limited	(1.55)	-	(1.75)	-
Sri Varalakshmi Jute Twine Mills Private Limited	(0.08)	-	-	(0.10)
GMR Family Fund Trust	(0.30)	-	(0.39)	-
GMR Airport Developers Limited	(8.72)	(3.81)	-	-
Deferred income on deposits received recognized at amortised cost:				
GMR Hyderabad Air Cargo and Logistics Private Limited	0.16	0.05	0.22	0.05
Asia Pacific Flight Training Academy Limited	-	-	-	0.01
GMR Hospitality and Retail Limited	0.00	0.00	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.06	0.03	0.01	0.03
GMR Varalakshmi Foundation	0.05	0.01	-	0.01
Prepaid expenses on deposits paid recognised at amortised cost :				
Raxa Security Services Limited	0.05	0.14	-	-
Sri Varalakshmi Jute Twine Mills Private Limited	0.01	0.01	-	-
GMR Family Fund Trust	0.05	0.03	-	-
GMR Airport Developers Limited	1.65	0.83	-	-
Advance towards share application money:				
GMR Aerospace Engineering Limited	10.00	-	5.00	-

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Investments in subsidiaries:				
GMR Hyderabad Air Cargo and Logistics Private Limited	60.29	-	0.54	-
GMR Hyderabad Aerotropolis Limited	57.50	-	57.50	-
Hyderabad Airport Security Services Limited	12.50	-	12.50	-
GMR Hyderabad Aviation SEZ Limited	51.60	-	51.60	-
GMR Hospitality and Retail Limited	156.00	-	126.61	-
GMR Hyderabad Airport Power Distribution Limited	0.05	-	0.05	-
GMR Aerospace Engineering Limited	241.65	-	228.15	-
Asia Pacific Flight Training Academy Limited	-	-	3.56	-
Investment in joint venture company:				
Laqshya Hyderabad Airport Media Private Limited	9.80	-	9.80	
Investment in Subsidiaries and Joint venture on account of amortization of Loans given and Fair valuation of Financial guarantees:				
GMR Hospitality and Retail Limited	17.60	-	11.86	4.00
Laqshya Hyderabad Airport Media Private Limited	5.59	-	5.59	-
Hyderabad Airport Security services Limited	3.25	-	3.25	-
GMR Aerospace Engineering Limited	5.66	-	5.66	-
GMR Aero Technic Limited	2.34	-	2.27	-
GMR Hyderabad Aerotropolis Limited	0.57	-	0.57	-
GMR Hyderabad Aviation SEZ Limited	1.82	-	1.82	-
Loans given :				
GMR Hospitality and Retail Limited	42.33	-	-	71.72
GMR Hyderabad Aerotropolis Limited	33.44	-	2.44	-
Laqshya Hyderabad Airport Media Private Limited	-	0.32	-	2.87
Borrowings:				
Hyderabad Airport Security Services Limited	-	(12.97)	-	(12.97)
Government of Telangana	(315.05)	-	(315.05)	-

* Hyderabad Airport Security Service Limited (HASSL) is under the Voluntary Liquidation Process as required under Insolvency and Bankruptcy Code 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.

** APFTAL ceased to be a subsidiary of GHIAL with effect from Mar 01, 2019 as the Company had sold its 100% stake in APFTAL for a nominal sale consideration of Rs. 100.

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

Related Party Transactions	March 31, 2019	March 31, 2018
Pledge of equity shares by the Company with banks against the loan taken by the subsidiary companies:		
GMR Aerospace Engineering Limited	-	135.86
GMR Hospitality and Retail Limited	32.90	37.98
Corporate guarantee given by the Company on behalf of its subsidiaries companies with banks against the loan taken:		
GMR Hospitality and Retail Limited	119.37	122.50
GMR Aerospace Engineering Limited	100.00	100.00
GMR Aero Technic Limited	175.00	175.00
GMR Hyderabad Aviation SEZ Limited	59.10	59.70
GMR Hyderabad Aerotropolis Limited	41.10	43.55
Bank guarantee given by the Company on behalf of its subsidiaries companies with banks, as required under the loan covenants:		
GMR Hospitality and Retail Limited	-	7.38
GMR Hyderabad Aerotropolis Limited	1.53	1.53

34. Operating segments are reported in such a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The entity has only a single geographical segment operating in Hyderabad, India. As per the evaluation carried out by CODM, the Company has only one reportable business segment, i.e. operation of airport and providing allied services. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment. The information relating to different products and services regarding Revenue from contracts with customers along with other income and finance income are given in Note 21, 22 and 23.

35. During the year, whenever the Company has dealt with any party as defined under the provisions of Micro, Small and Medium Enterprises Development Act, 2006, the payment has been released within the 45 days' time limit as prescribed under the said Act. Further, there is no amount payable as at the end of the financial year.

36. **Commitments and Contingencies**

I. **Leases**

Operating lease commitments:

Company as lessee:

The Company 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.

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

	March 31, 2019	March 31, 2018
Within one year	5.48	4.24
After one year but not more than five years	23.00	17.63
More than five years	733.80	731.38

As per the terms of the Concession Agreement and Land Lease Agreement, the Government of Telangana leased the land to the Company 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.

Company as lessor:

The Company 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, 2019	March 31, 2018
Within one year	29.93	28.07
After one year but not more than five years	87.98	49.24
More than five years	137.65	94.98

II Litigations and Contingent Liabilities

A. Litigation 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, 2018: Rs.0.81 crore) have been provided for in the books of account.

Direct taxes:

a) A search operation under section 132 of the Income Tax Act, 1961 was carried out at the premises of the Company 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 the Company 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 crores and no additional tax liability was assessed to be payable by the Company. The Company had filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru against the said block assessment orders. In the previous year, the Company received the orders from the Commissioner of Income Tax (Appeals), Bengaluru reducing the disallowances from Rs. 109.44 crores to Rs. 31.17 crores against which the Company has filed an appeal with Income Tax Appellate Tribunal, (ITAT) Bengaluru.

Further, the Income Tax department had filed appeals with ITAT, Bengaluru against the orders of Commissioner of Income Tax (Appeals) for the AY 2008-09 to 2012-13. The ITAT, Bengaluru has taken up the said appeals along with appeals filed by the Company for AY 2007-08 to AY 2009-10 and passed order dismissing the appeals filed by Income Tax department and allowing appeals filed by the Company. During the year, the Income Tax department has filed appeals against all the order of ITAT, Bengaluru in Hon'ble High Court of Karnataka.

b) The Company received an assessment order for A.Y. 2013-14 disallowing expenses amounting to Rs.23.68 crores against which the Company filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru (CIT). In the previous year, the Company had received an order from CIT reducing the disallowance of expenditure from Rs. 23.68 crores to Rs. 3.76 crores against which the Company had filed an appeal with ITAT, Bengaluru.

Further, the Income Tax department had filed appeal with ITAT, Bengaluru against the order of Commissioner of Income Tax (Appeals) for the AY 2013-14. The ITAT, Bengaluru has passed order dismissing the appeal filed by Income Tax department. During the year, the Income Tax department has filed appeal against the order of ITAT in Hon'ble High Court of Karnataka.

c) The Company received assessment orders for the A.Y. 2014-15 disallowing expenses aggregating to Rs. 23.79 crores respectively, against which, the Company had filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru (CIT) and the disallowance of expenditure was reduced to Rs. 3.38 crores respectively, against which the Company had filed an appeal with ITAT, Bengaluru. During the year, the Income Tax department has filed an appeal with the ITAT, Bengaluru against the orders of the Commissioner of Income Tax (Appeals).

d) The Company received assessment orders for A.Y.2015-16 and 2016-17 disallowing expenses aggregating to Rs.19.82 crores and Rs. 22.78 crores respectively against which, the Company has filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru. During the year, the Company received an order from CIT (A) where in the disallowance has been reduced to Rs. Nil for both the years. During the year, the Income Tax department has filed the appeals with ITAT, Bengaluru against the orders of the Commissioner of Income Tax (Appeals).

B. Guarantees excluding Financial Guarantees:

In case of the Company, Bank guarantees outstanding in respect of customs and others Rs. 1.94 crores (March 31, 2018: Rs. 8.91 crores).

Note: Performance guarantees given by the Company on its own behalf are not considered as contingent liability.

C. Matters under dispute are as follows:

i. The Company 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 crores (March 31, 2018: Rs. 24.54 crores). The order also included penalty of Rs. 31.11 crores (March 31, 2018: Rs.31.11 crores). As per the stay order the Company had deposited an amount of Rs. 12.20 crores with the service tax department. During the year, the Company has received an order dated March 14, 2019 from the CESTAT. The said Order has allowed the Cenvat credit of Rs. 12.12 crores, remanded Cenvat credit of Rs. 4.01 crores and disallowed Cenvat credit of Rs. 8.41 crores. Accordingly, penalty amount got reduced to Rs. 12.42 crores. In addition, the order also allowed cenvat credit of Rs. 6.56 crores which was capitalized earlier. However, the same has not been given effect to in the financial statements pending expiry of period for filing the appeal. Further, against the disallowance of Rs. 8.41 crores, the Company is in the process of filing an appeal with the Hon'ble High Court of Telangana.

ii. The Company had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated October 28, 2009, as per which the Company is liable to pay an amount of Rs. 7.43 crores (March 31, 2018: Rs.7.43 crores) towards penalty on delay in payment of service tax on the UDF. The Company has got the stay order against the above said order in the earlier years. During the year, the Company had received Order from Division bench of CESTAT comprising two members where in, the Member – Judicial allowed the appeal and Member - Technical confirmed the demand. Therefore, the matter is to be referred to a third member by CESTAT for resolving the same.

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iii. The Company 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 crores (March 31, 2018: Rs. 1.53 crores), including penalty of Rs 1.67 crores (March 31, 2018: Rs. 1.67 crores). The Company had received a stay subject to pre-deposit of Rs. 0.15 crores and accordingly, the Company had deposited same with the service tax department within the stipulated time.

iv. The Company 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 crores (March 31, 2018: Rs. 0.25 crores). The Order also includes the interest payable thereon and penalty of Rs. 0.26 crore (March 31, 2018: Rs.0.26 crore). Subsequent to year ended March 31, 2018, the Company has filed an appeal before the office of Commissioner (Appeals) and deposited an amount of Rs. 0.001 crores with department to file the appeal. During the year, the Company has filed an appeal with CESTAT against the order passed by Commissioner (Appeals) confirming the demand of Rs.0.26 crore.

v. The Company has received an order dated March 23, 2018 from the Office 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 on notice pay from the Office of Commissioner of Central Tax amounting to Rs. 2.39 crores (March 31, 2018: Rs. 2.39 crores). The order also includes a penalty of Rs. 1.80 crores (March 31, 2018: Rs. 1.80 crores) and interest as applicable. During the year, the Company has filed an appeal before the CESTAT and deposited an amount of Rs.0.18 crores as required to file the appeal.

vi. The Company 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, 2018: 0.62 crore). The order also includes penalty of Rs. 0.62 crore (March 31, 2018: Rs. 0.62 crore). The Company 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. The Company 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 crores (March 31, 2018: Rs. 25.20 crores). The Company had received the stay order against the said order in the earlier years.

viii. The Company 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. The Company had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at March 31, 2019 amounts to Rs. 4.62 crores (March 31, 2018: Rs. 4.28 crores).

ix. Recovery from PSF (SC) Escrow account:

a) 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. The Company had incurred Rs. 94.30 crores (March 31, 2018: Rs. 94.48 crores towards capital expenditure (including the construction cost and cost of land mentioned in note (b) and excluding related maintenance expense and interest thereon) till September 30, 2018 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.

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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, the Company 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 the Company, it shall reverse all the expenditure incurred from PSF (SC).

The Company has stopped incurring maintenance expenditure of security systems / equipment from the PSF (SC) fund with effect from April 1, 2018. Accordingly, during the year ended as at March 31, 2019 an amount totaling to Rs. 3.07 Crores incurred on maintenance of security systems / equipment has been considered in the above financial statements.

b) As per the advice from the Ministry of Home Affairs and the SOP issued by the MoCA on March 06, 2002, the Company, 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 Crores (March 31, 2018: Rs. 69.92 Crores) 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, the Company 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 the Company is of the opinion that these guidelines were issued subsequent to the construction of the said residential 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, the Company had requested the MoCA to advice 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.

x. Fuel surcharge adjustments (FSA) for the period from April 2008 to March 2010 amounting to Rs. 2.05 crores (March 31, 2018: Rs. 2.05 crores).

xi. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. The financial impact on a prospective basis from the date of the SC order is not material and hence, no adjustments have been made to the financial statements of the Company. The Company will update its provision, on receiving further clarity on the subject.

Based on the internal assessment and / or legal opinion, the Management of the Company is confident that, for the aforesaid mentioned contingent liabilities, no further provision is required to be made as at March 31, 2019.

III. Commitments

a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) amounting to Rs. 3,290.73 crores including the goods and service tax (March 31, 2018: Rs. 210.37 crores including the goods and service tax). (refer note 54)

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Note: In order to meet the capital commitment, the Company has tied up the rupee term facility amounting to Rs. 4,200 Crore with a bank. Further, the said facility is available for drawdown for next five years with door to door tenure of 16 year 3 months.

b) Other commitments

i. As per the terms of concession agreement, the Company 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 the Company for an initial term of 30 years starting from March 23, 2008 which can be extended by another 30 years at the option of the Company which has been exercised by the Company & the same is calculated as per the provisions of Ind AS.

ii. The Company has committed to provide financial support as necessary, to enable its wholly owned subsidiary company, GMR Aerospace Engineering Limited to meet its operational requirements as they arise and to meet its liabilities as and when they fall due.

iii. For commitments pertaining to lease arrangement refer clause I of note 36.

37. Significant accounting judgments, estimates and assumptions

a. Judgements

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

Discounting rate

The Company has considered incremental borrowing rate of Airport sector i.e. 11.44% as at transition date for measuring deposits, being financial assets and financial liabilities, at amortised cost. However, for the transactions undertaken from April 1, 2018 incremental borrowing rate of Airport sector i.e. 9.65% has been considered.

Non applicability of Service Concession Agreement (SCA)

The Company had entered into Concession agreement with the MoCA, which gives the Company 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 the Company. 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, up gradation, 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 the Company.

Appendix D to Ind AS 115 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.

The Company management conducted detailed analysis to determine applicability of Appendix D of Ind AS 115. The concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from the Company, MoCA and users/passengers perspective.

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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 the Company'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 the Company and hence concluded that SCA does not apply in its entirety to the Company.

The Company had received advance revenue from its customer. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Concession fee:

As per the Concession Agreement (CA) entered into by the Company with Ministry of Civil Aviation (MoCA) in December, 2004, the Company 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 mean all pre-tax revenue of the Company 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 calculation of Concession fee to MoCA. Accordingly, the Company, based on Legal Opinion, has provided the concession fee to MOCA based on Gross Revenue as per the financial statements after adjusting such incomes/credits (Refer Note 47).

Leases:

As per the terms of the Concession Agreement and Land Lease Agreement, the Government of Telangana leased the land to the Company 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.

b. Estimates and Assumptions

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

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.

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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.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events. Refer 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 Discounted Cash Flow 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. Refer 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 judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

38. Fair values

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

Break up of financial assets and financial liabilities

	Carrying value		Fair value	
	March 31, 2019	March 31 2018	March 31, 2019	March 31 2018
Financial Assets				
At fair value through Profit or loss				
Investments in mutual funds	91.46	609.61	91.46	609.61
At fair value through Other Comprehensive income				
Cross Currency Swap (Derivative designed as cash flow hedge) *	239.23	71.69	239.23	71.69

	Carrying value		Fair value	
	March 31, 2019	March 31 2018	March 31, 2019	March 31 2018
At amortized cost				
Investments in commercial paper	370.35	216.61	370.35	216.61
Loans	89.07	78.85	89.07	78.85
Bank balances other than cash and cash equivalents	77.96	51.99	77.96	51.99
Other financial assets	36.46	27.74	36.46	27.74
Trade receivables	143.55	107.43	143.55	107.43
Cash and cash equivalents	380.68	571.28	380.68	571.28
Total	**1428.76**	**1,735.20**	**1428.76**	**1,735.20**
Financial liabilities				
At amortized cost				
Borrowings	2704.95	2567.37	2,536.66	2,421.68
Other financial liabilities	666.74	485.47	672.80	485.47
Trade payables	85.58	89.74	85.58	89.74
Total	**3457.27**	**3142.58**	**3295.04**	**2,996.89**

Break up of financial assets

* Excludes interest accrued of Rs. 39.81 crore (March 31, 2018: 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.

Assumption 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:

i. Cross currency swaps: -The fair value of cross currency swaps is calculated as the present value of the estimated future cash flows based on observables yield curve.
ii. The fair values of quoted mutual funds and commercial paper are based on price quotations at the reporting date.
iii. The fair value of loans is computed using the current applicable discounting rate (9.65%) and the carrying value is measured at the initial rate of 11.44%.
iv. The fair value of borrowings is based on the traded price of the bond and the prevailing exchange rate.

39. Fair Value Hierarchy:

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

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Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2019:

	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 FVTPL					
Investment in mutual funds	March 31, 2019	91.46	91.46*	-	-
	March 31, 2018	609.61	609.61*	-	-
At FVTOCI					
Derivative designed as cash flow hedge (Cross currency swap)	March 31, 2019	239.23	-	239.23*	-
	March 31, 2018	71.69	-	71.69*	-
Liabilities measured					
4.25% Senior Secured Notes	March 31, 2019	2208.64	2208.64*	-	-
	March 31, 2018	2093.66	2093.66*	-	-

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 Mutual funds.
ii. The Fair value of cross currency swaps is calculated as the present value of estimated future cash flows based on observable interest yield curves.
iii. The fair value of 4.25% senior secured notes is based on the traded price of the bond and the prevailing exchange rate.

40. Financial risk management objectives and policies:

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

Financial risk

The Company'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 Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents are derived from its operations.

The Company's management oversees the mitigation of the risks. The Company'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 Company. The Finance department provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. 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 Company'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, 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 March 31, 2019 and March 31, 2018.

The sensitivity analysis for borrowings have been not prepared as the amount of debt is fully hedged at the fixed currency exchange rate, therefore there is no impact on account of foreign exchange fluctuation.

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 37 b.

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

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 March 31, 2019 and March 31, 2018.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to the risk of changes in market interest rates as the Company's long-term debt obligations are in the form of Senior secured notes with fixed 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 CCS contracts) on INR notional of Rs. 2,229.95 Crores (March 31, 2018 Rs. 2,229.95 Crores) (total of all CCS contracts)

The Company manages its interest rate risk by having a portfolio of fixed rate borrowings. As on March 31, 2019, approximately 100% (March 31, 2018: 100% after taking into account the effect of interest rate swaps) of the Company's borrowings are at a fixed rate of interest.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period for actual outstanding balances as at year end is Nil as the Company fixed interest bearing borrowings. Therefore any change in interest rate will not impact the profit.

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange

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rates relates primarily to the Company's borrowings. To manage the risk the Company has entered into cross currency swaps and designated the 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 2,376.93 crore) (March 31, 2018: 2,239.35 crore). 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 Company's exposure to unhedged foreign currency risk at the end of the reporting period expressed in foreign currency is as follows.

Payable on Foreign Currency	March 31, 2019 Foreign Currency	March 31, 2019 (Rs. In Crore)	March 31, 2018 Foreign Currency	March 31, 2018 (Rs. In Crore)
EUR	(179,314)	(1.39)	(1,24,236)	(1.01)
CHF	(11,160)	(0.08)	-	-
GBP	(79,683)	(0.72)	(2,27,866)	(2.12)
USD	(119,826)	(0.83)	(5,52,204)	(3.61)
CAD	-	-	(31,718)	(0.16)
Grand Total	-	**(3.02)**	-	**(6.90)**

Foreign currency sensitivity

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

Foreign Currency	Nature of transaction	Change in Rate	March 31, 2019 Rs.	March 31, 2018 Rs.
USD	Change in fair valuation of financial liabilities	5%	0.04	0.18
EUR	Change in fair valuation of financial liabilities	5%	0.07	0.05
GBP	Change in fair valuation of financial liabilities	5%	0.04	0.11

The Company'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 Company 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.

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Trade receivables
Customer credit risk is managed by the Company 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.

At March 31, 2019, the Company had 11 customers (31 March 2018: 16 customers) that owed the Company more than 1% each of total receivable and accounted for approximately 71% (March 31, 2018: 72%) of all the receivables outstanding. There were 3 customers (March 31, 2018: 2 customers) with balances greater than 5% each accounting for approximately 48% (March 31, 2018: 30%) of the total amounts receivable.

An impairment analysis is performed at each reporting date. The Company does not hold collateral as security. The Company 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.

Financial instruments (security deposits) and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company'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 minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities and bank loans. The Company's policy is to ensure that the repayments of borrowings are in sync with the cash flows generated from the operations. Approximately, 0.49% of the Company's debt will mature in less than one year at March 31, 2019 (March 31, 2018: 0.51%) based on the outstanding amount of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company 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 summarizes the maturity profile of the Company'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 March 31, 2019						
Borrowings	12.97		-	-	2,735.48	2,748.45
Trade payables	-	85.58	-	-	-	85.58
Other financial liabilities	1.87	314.52	94.20	173.40	122.59	706.58
Corporate Guarantee	494.57	-	-	-	-	494.57
Total	**509.41**	**400.10**	**94.20**	**173.40**	**2,858.07**	**4,035.18**
Year ended March 31, 2018						
Borrowings	-	-	12.97	-	2601.95	2614.92
Trade payables	-	89.74	-	-	-	89.74
Other financial liabilities	3.10	89.82	133.94	132.47	135.11	494..44
Corporate Guarantee	500.75	-	-	-	-	500.75
Total	**503.85**	**179.56**	**146.91**	**132.47**	**2,737.06**	**3,699.95**

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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 Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

41. Capital management

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

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

Gearing Ratio:

Particulars	March 31, 2019	March 31, 2018
Borrowings	2704.95	2567.37
Total Debts(A)	**2704.95**	**2567.37**
Share Capital	378.00	378.00
Other equity	1287.82	744.42
Total Equity (B)	**1665.82**	**1,122.42**
Total equity and total debt (C=A+B)	**4370.77**	**3689.79**
Gearing ratio (A/C)	61.89%	69.58%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the 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, 2019 and March 31, 2018.

42. The financial statement as at March 31, 2019 include investment and share application money totaling to Rs. 267.31 Crores (March 31, 2018: Rs. 238.81 crore) made in wholly owned subsidiary company, GMR Aerospace Engineering Limited (GAEL) and investment of Rs. 2.34 crores (March 31, 2018: Rs.2.27 Crores) in GMR Aero Technic Limited (GATL), which is a wholly owned subsidiary of GAEL. GATL has incurred a net loss of Rs. 5.44 crore for the year ended March 31, 2019 (March 31, 2018: Rs. 57.79 crore) and has accumulated losses of Rs. 245.57 crore as at March 31, 2019 (March 31, 2018: Rs. 258.65 crore), which exceeds its net worth based on the audited financial statements. Also, GATL has incurred cash losses in the current year. The recovery of such investments 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

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business plan and projections approved by the Board of Directors of subsidiary company and valuation assessment done, the Management is of the view that there is no permanent diminution in the value of such investments. Accordingly, these financial statement do not include any adjustments relating to the recoverability of the aforesaid investments.

43. The Company has recognized, Minimum alternate tax (MAT) credit entitlement of Rs. 405.41 crore (March 31, 2018: Rs. 269.10 crore), as the Company 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 effective from financial year 2019-2020, the Company's normal tax liability will be more than the MAT payable after considering the deduction under section 80IA of the Income Tax, Act, 1961.

44. 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. The Company 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, the Company 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.

45. The Company 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. 48 dated March 25, 2019 has allowed to continue to charge the Aeronautical tariff as prevailed on 31.03.2019 for a period of 6 months w.e.f. April 1, 2019 or till determination of tariff for the aforesaid period whichever is earlier.

46. 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.

47. As per the Concession Agreement (CA), the Company 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 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, the Company, has not provided the concession fee on such income / credits.

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.

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Description	Incomes forming part of	For the year ended March 31, 2019	For the year ended March 31, 2018
Discounting on fair valuation of deposit received from concessionaries	Income from operations	4.53	0.78
Income recognised on advance from customers under Ind AS 115	Income from operations	1.10	-
Reversal of Fair value of financial instruments Interest Rate Swap	Finance income	-	11.92
Discounting of Interest free loan given to subsidiaries	Finance income	3.22	4.17
Income arising from fair valuation of financial guarantee	Finance income	2.55	5.63
Discounting on fair valuation of deposit paid to vendors	Finance Income	0.31	-
Income from government grant	Other income	5.26	4.11
Amortisation of deferred income	Other income	14.08	3.78
Gain on reinstatement of 4.25% Senior Secured Notes	Other income	-	43.72

48. Reimbursement of expenses claimed by the Company have been reduced from the respective expense head as mentioned in the table below:

Expense Head	For the year ended March 31, 2019	For the year ended March 31, 2018
Electricity and water charges	45.08	40.30
Salaries, wages and bonus	3.66	3.30
Staff welfare expenses	0.82	0.81
Insurance	0.02	0.02
Rates and taxes	0.21	0.21
Bank charges	0.28	0.14
Miscellaneous expenses	0.19	0.07
Advertising and business promotion	-	0.02
Travelling and conveyance	0.33	0.02
Repairs and maintenance	2.51	-
Office Maintenance	0.74	0.03
Total	**53.84**	**44.92**

49. The Board of directors of wholly owned subsidiary namely "Hyderabad Airport Security Service Limited"(HASSL) at its meeting held on September 17, 2018, approved the proposal to wind up the affairs by way of voluntary liquidation. Accordingly, HASSL has appointed Official Liquidator for the purposed voluntary liquidation on September 27, 2018 and is under the Voluntary Liquidation Process as required under Insolvency and Bankruptcy Code 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017. As on date, "HASSL" has the positive net worth hence does not have any adverse effect to the above financial results of the Company.

50. In accordance with the provisions of the amended and restated Joint Venture Agreement (JVA) dated November 16, 2010 executed by the Company with Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) Limited (MACL), Menzies Aviation (India) Private Limited and Hyderabad Menzies Air Cargo Private Limited (HMACPL), the Company exercised its Buy Back Rights to buy the shares held by MACL in HMACPL. MACL disputed Company's position as regards exercising the buyback rights. In

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view of the above dispute, GHIAL invoked Arbitration and post conclusion of proceedings the Arbitral Tribunal issued the final award on January 29, 2018 dismissing the claims of the Company with costs stating that the fair market value was not determined as per the requirement of JVA, The Company has thus not exercised its buy back rights validly and hence dismissed the claims of the Company with costs.

However, on October 30, 2018, the Company has entered into a share purchase agreement to buy out the balance 49% stake in HMACPL held by the, Menzies Aviation Cargo (Hyderabad) Ltd. at a value of Rs. 59.75 Crore. Accordingly, post transfer of shares in favour of the Company on November 2, 2018, HMACPL became a wholly owned subsidiary of the Company. Further, with effect from November 5, 2018, the name of the HMACPL has been changed to GMR Hyderabad Air Cargo and Logistics Private Ltd. (GHACLPL).

51. The Board of Directors of three of its subsidiary companies, namely GMR Hyderabad Air Cargo and Logistics Private Limited ("GHACLPL"), GMR Aero Technic Limited ("GATL") and GMR Aerospace Engineering Limited ("GAEL") in their meeting held on December 10, 2018 has approved, subject to the required approvals, the Composite Scheme of Arrangement amongst GHACLPL (Transferor Company) and GATL (Demerged company) and GAEL(Transferee/Resulting Company) and their respective Shareholders and Creditors ("Scheme"), wherein GATL will demerge the Maintenance, Repair and Overhauling (MRO) business and the demerged undertaking will be merged into GAEL with an Appointed Date of April 01, 2018.

Further, the Composite Scheme of Arrangement amongst GHACLPL (Transferor Company), GATL (Demerged company) and GAEL (Transferee/Resulting Company) and their respective Shareholders and Creditors ("Scheme") has been filed with the National Company Law Tribunal (NCLT) on January 10, 2019 under applicable laws / regulations to give effect to the above scheme and is pending approval of the NCLT.

52. The financial statements of the Company do not include Accounts for Passenger Service Fee- Security Component [PSF- (SC)] as the same are maintained separately in the fiduciary capacity by the Company 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.

53. The disclosure on nature of revenue from contracts as required under Ind AS 115 is part of note 21. Further, the additional disclosure on trade receivable and contract assets, contract liabilities are as below:

Contract balances

Particulars	March 31, 2019		March 31, 2018	
	Non - current	Current	Non - current	Current
Trade receivables *	-	143.55	-	107.43
Contract assets**	-	2.88	-	1.65
Contract liabilities***	6.49	1.96	6.21	2.08

* Trade receivables, beyond the credit period as per the contracts with the customers, are interest bearing. In March 31, 2019, Rs. 1.09 crore (March 31, 2018 Rs. 0.57 crore) was recognized as provision for expected credit losses on trade receivables

** Contract asset includes unbilled revenue.

*** Contract liabilities includes unearned revenue received from customers (Current and Non-current)

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Details of provision movement for trade receivable are as below:

Particulars	March 31, 2019	March 31, 2018
Opening balance	0.57	0.34
Add: Provision made during the year	4.27	0.40
Less: Bad Debts written off	(3.75)	(0.17)
Less: Provision reversed / written back	-	-
Closing balance	1.09	0.57

54. **Events occurring after the Balance Sheet date**

Subsequent to the year ended on March 31, 2019, the Company has issued the 5.375% senior secured notes (SSN) through overseas market equivalent to USD 300 million (INR 2067.15 Crore). SSN were listed on Singapore stock exchange on April 10, 2019. The SSN are repayable after five years on April 10, 2024. The proceeds of the SSN is proposed to be utilized for capital expenditures with respect to Airport Activities (as defined in the Concession Agreement) as part of the expansion.

55. **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 Company 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, Companies (Indian Accounting Standards) Amendment Rules, 2018 and Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the following standard:

New Standard issued but not yet effective

Ind AS 116 Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

Ind AS 116 is effective for the Company w.e.f. April 1, 2018 using either one of the following two methods:

(a) Retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 116 (the full retrospective method); or

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(b) Retrospectively with the cumulative effect of initially applying Ind AS 116 recognized at the date of initial application (April 01, 2019) and providing certain additional disclosures as defined in Ind AS 116 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 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 Company'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 Company has established an implementation team to implement Ind AS 116 related to leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

Appendix C to Ind AS 12 uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider for example, (a) how it prepares its income tax filings and supports tax treatments: or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after April 1, 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Company may need to establish processes and procedures to obtain information that is necessary to apply the interpretation on a timely basis.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to re measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement, using the net defined benefit liability (asset) reflecting the benefits offered under the

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plan and the plan assets after that event and the discount rate used to re measure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement without considering the effect of the asset ceiling. This amount is recognized in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any the first change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendment, curtailment or settlement occurring on or after the beginning of the first annual reporting period that begins on or after April 1, 2019. These amendments will apply only to any future plan amendments, curtailment or settlements of the Company.

Annual improvements to Ind AS

Amendment to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

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

During the previous 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 the 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, 2019	For the year ended March 31, 2018
Un utilised amount at the beginning of the year (A)	407.33	-
Amount raised during the year (B)	-	2,273.74
Less: Amount utilised during the year:		
Repayment of ECB	-	449.55
Interest rate swap termination cost	-	55.32
Repayment of existing Rupee facilities	-	1,261.97
Utilized for expansion project works	422.37	111.57
Total (C)	**422.37**	**1,878.41**
Add: Income on temporary cash investment (D)	**15.04**	**12.00**
Un utilised amount at the end of the year (A+B-C+D)	**-**	**407.33**

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(All amounts in Rupees Crores unless otherwise stated)

Details of temporary cash investment made from unutilized portion of Senior Secured Notes raised during the year ended as at March 31, 2019:

Name of Mutual Fund	No of Units	March 31, 2019	No of Units	March 31, 2018
Investment in Liquid Growth Fund				
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 Sunlife Cash Plus	-	-	3,854,992.93	107.07
Total	-	-		**407.33**

57. The Company has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the domestic transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements.

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

per Shankar Srinivasan
Partner
Membership No.: 213271

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

Place: Hyderabad
Date: April 29, 2019

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

per Hitesh Kumar P
Partner
Membership No.:233734

K.S. RAO & CO. Chartered Accountants BENGALURU

Place: Hyderabad
Date: April 29, 2019

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

GBS Raju
Managing Director
DIN.: 00061686

RSSLN Bhaskarudu
Director
DIN.: 00058527

S G K Kishore
Chief Executive Officer

Rajesh Arora
Chief Financial Officer

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: April 29, 2019

GMR HYDERABAD INTERNATIONAL AIRPORT LIMITED HYDERABAD

S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Tablespace, 6th floor,
Western Aqua Building, Whitefields
Hitec City, Hyderabad – 500 081

K.S.Rao and Co.,
Chartered Accountants
2nd floor, 10/2 Khivraj Mansion,
Kasturba Road,
Bengaluru – 560 001

INDEPENDENT AUDITOR'S REPORT

To the Members of GMR Hyderabad International Airport Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated Ind AS financial statements of GMR Hyderabad International Airport Limited (hereinafter referred to as "the Holding Company" or "GHIAL"), 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 2019, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

   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 the subsidiaries and a joint venture, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, and its joint venture as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

2. As more fully explained in Note 58 to the accompanying Consolidated Ind AS Financial Statements, as at March 31, 2019, 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, 2019. 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, 2018.

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We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group and its joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

3. We draw attention to Note 37(II)(C)(xvii) to these 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 have been adjusted against PSF (SC) fund pending the final decision from the Honorable 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.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

   We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

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Key audit matters	How our audit addressed the key audit matter
Revenue from Airport Charges *(as described in note 46, 47 and 48 of the Consolidated Ind AS financial statements)*	
In case of GHIAL, the Aeronautical revenue is regulated by Airport Economic Regulatory Authority ("AERA"). AERA passed an Aeronautical tariff order in February 2014 in respect of control period from April 1, 2011 to March 31, 2016. As more fully explained in the aforesaid notes, the Company had filed an ap5eal, challenging various aspects of the aforesaid order for determination of its tariff which is pending with the Honourable High Court at Hyderabad for the State of Telangana and State of Andhra Pradesh. On December 19, 2017, AERA issued a Consultation Paper for determination of tariff of for the Second Control Period i.e. April 1, 2016 to March 31, 2021 which was challenged by the Company and the Honourable High Court issued a stay order in respect of further proceedings in this regard. Pending determination of tariff, AERA has passed an interim order dated March 25, 2019 enabling the Company to charge UDF/PSF at rates existing as at March 31, 2016 upto September 30, 2019 or the date of new order, whichever is earlier. We have identified this as a key audit matter as tariff determination is a matter of litigation involving complex judgements and the regulatory considerations relating to the disallowances made by AERA which may impact the profitability and cash flows of the Company thereby having a consequential impact on the projected revenues and other items in the financial statements.	• We read and assessed the Company's revenue recognition accounting policies and its compliance with the tariff order and the policies in terms of Ind AS 115; • We read the revenue process and tested the internal controls over the liquidity assessment, and preparation of the cash flow forecast based on reasonable and supportable assumptions and inputs to the model used to estimate the future cash flows based on tariff considered as per the Consultation paper issued by AERA for the second control period and other relevant regulatory correspondences; • We tested the inputs and assumptions used in the cash flow forecast against historical performance, economic and industry indicators, publicly available information and the Company's strategic plans; • We performed a sensitivity analysis of the cash flow forecast based on the consultation paper issued by the AERA; • We recomputed the key financial ratios relating to debt, current assets and current liabilities. • We assessed the disclosures in the standalone Ind AS financial statements relating to the tariff order.
Utilisation of Minimum Alternate Tax ('MAT') Credit *(as described in note 43 of the Consolidated Ind AS financial statements)*	
GHIAL is currently under tax holiday period upto financial year 2021-22 and has accumulated MAT credit entitlement of Rs. 405.41 crores as at March 31, 2019. The utilization of MAT credit depends on the ability of a company to earn adequate profits. The profitability of the Company is primarily dependent on the determination of the aeronautical tariff for the second control period for which the proceedings are in progress. In order to assess the utilization of MAT credit, the Company has prepared revenue and profit projections which involves judgements and estimations. The projections are based on management's input of key variables and market conditions, including the tariff as per the	• We assessed the eligibility of MAT credit recognized and the judgements applied to determination of forecasted taxable income to support the recognition of MAT credit entitlement; • We tested the inputs and assumptions used in the preparation of forecasted taxable income against historical levels of taxable profits. • We performed a sensitivity analysis of the assumptions and judgements made by the Management in those forecasts, including inputs to the model used to estimate the future cash flows based on tariff considered as per the consultation paper issued by AERA for the second control period and other relevant regulatory correspondences;

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Key audit matters	How our audit addressed the key audit matter
consultation paper issued by AERA for the second control period. The forecasted profit has been determined using estimations of projected income and expenses of the business. We have identified this as a key audit matter, due to the judgement and estimation involved in the preparation of the forecasted profits for the utilization of MAT credit.	• We involved our tax specialists to obtain and provide taxation requirements relevant to management's judgements and conclusions for significant estimates; • We read correspondences/returns submitted to the relevant tax authorities and compared these with the basis for accounting entries and disclosures; We assessed the related disclosures in the standalone Ind AS financial statements.
Impairment loss on Trade Receivables	
The auditors of GATL, a step-down subsidiary of the Holding Company have reported as follows: We identified the impairment loss on trade receivables as a key audit matter due to the significance of Trade receivables to the financial statements and the significant degree of management judgement involved in assessing if any trade receivable is impaired. The Carrying amount of trade receivable amount of Rs. 41 crores, net of impairment loss as at March 31, 2019. Refer to the note 12 in the financial statements with regard to management estimates involved in respect of the same.	The auditors of GATL, have reported as follows: Our procedures in relation to assessing the sufficiency of the impairment loss on trade receivables estimated by the management as reported by them, included the following: • Reviewing the ageing of trade receivables for identifying overdue receivables including testing the ageing and the underlying balances. Comparing the overdue receivables with the customer payment terms by reading the related agreements. • We have circulated balances for direct confirmations and have performed alternate procedures on non-receipt of confirmation. Also evaluating the subsequent realisations of dues. • Identifying receivables where there was a significant increase in credit risk, and making relevant disclosures in the financial statements. • Making enquiries of the Management, including the Chief Financial Officer (CFO) and the Board of Directors, in respect of recoverability of such overdues and the steps taken by the Management to recover such dues. • We have read the relevant correspondence with the customers for follow-up. Evaluating the Management's action plan, and enquired about Management's action plan. Comparing this with Management's past experience on overdue receivables. • The Company evaluates receivables for more than six months and those specific debts where the credit risk is being impaired, which takes into account historical credit loss experience and adjusted for current estimates.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

   Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 including and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of 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 of its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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.

   In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of and its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group, its joint venture or to cease operations, or has no realistic alternative but to do so.

   Those charged with governance of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

K.S. RAO & CO. Chartered Accountants BENGALURU

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

S.R. Batliboi & Associates LLP Chartered Accountants Hyderabad

K.S. Rao & Co. Chartered Accountants Bengaluru

Other Matter

(a) K.S Rao & Co. in their individual capacity have audited 3 subsidiaries whose financial statements reflect total assets of Rs. 303.96 crore, net assets of Rs. 98.65 crore as at March 31, 2019, total revenues (including other income and finance income) and net cash inflows of Rs. 24.76 crore and Rs. 1.25 crore respectively, for the year ended on that date. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries 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, is based solely on the reports issued by K.S. Rao & Co. in their individual capacity.

(b) We did not audit the financial statements and other financial information, in respect of 4 subsidiaries, whose Ind AS financial statements include total assets of Rs 933.08 crores and net assets of Rs. 215.48 crores as at March 31, 2019, and total revenues of Rs 523.87 crores and net cash outflows of Rs 13.98 crores for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's 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 our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above 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

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 its joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon, have sought and except for the matter described in Basis for Qualified Opinion paragraph 2 above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) Except for the possible effects of the matters described in the Basis for Qualified Opinion, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the 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 matters described in the Basis for Qualified Opinion, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matter descried in Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group and its joint venture.

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 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 its joint venture, none of the directors of the Group's companies and its joint venture incorporated in India is disqualified as on March 31, 2019 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 joint venture incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint venture, the managerial remuneration for the year ended March 31, 2019 has been provided by the Holding Company, its subsidiaries and joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(j) 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 joint ventures, as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and joint venture in its consolidated Ind AS financial statements - Refer Note 37(II)(1), 46 and 48 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 41 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 Group and joint venture incorporated in India during the year ended March 31, 2019.

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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Shankar Srinivasan
Partner
Membership No.: 213271
UDIN: 19213271AAAAAI1345

Place: Hyderabad
Date: July 23, 2019

For K.S. Rao & Co.,
ICAI Firm registration number: 003109S
Chartered Accountants

per Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 19233734AAAAAZ9996

Place: Hyderabad
Date: July 23, 2019

K.S. RAO & CO. Chartered Accountants BENGALURU

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, 2019, 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.

S.R. Batliboi & Associates LLP Chartered Accountants Hyderabad

K.S. Rao & Co. Chartered Accountants Bengaluru

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 qualified 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, 2019 :

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, 2018.

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, 2019, 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 31,2019, 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 23, 2019 expressed a qualified opinion.

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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Shankar Srinivasan
Partner
Membership No.: 213271
UDIN: 19213271AAAAAI1345

Place: Hyderabad
Date: July 23, 2019

For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

per Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 19233734AAAAAZ9996

Place: Hyderabad
Date: July 23, 2019

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Balance Sheet as at March 31, 2019

(All amounts in Rupees Crores, except otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
Non-current assets			
Property, plant and equipment	3	2,464.10	1,966.96
Capital work-in-progress	3.1	436.12	347.86
Intangible assets	4	56.42	56.90
Intangible assets under development		1.25	1.21
Investment in joint venture	5.1	14.75	11.02
Financial assets			
- Loans	6	1.60	-
- Bank balances other than cash and cash equivalents	7	0.62	1.53
- Other non current financial assets	8	259.19	83.04
Non current tax assets	9.1	28.96	34.06
Deferred tax asset (net)	29	405.71	279.40
Other non-current assets	10	554.58	94.99
		4,223.30	**2,876.97**
Current assets			
Inventories	11	56.18	56.86
Contract assets		10.48	3.84
Financial assets			
- Investments	5.2	482.76	941.08
- Trade receivables	12	180.55	129.47
- Cash and cash equivalents	13	395.08	598.55
- Bank balances other than cash and cash equivalents	7	315.05	71.38
- Loans	6	51.70	2.73
- Other current financial assets	8	18.22	15.09
Current tax assets	9.1	17.11	15.45
Other current assets	10	28.98	11.45
		1,346.11	1,845.90
Total Assets		**5,569.41**	**4,722.87**
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		668.43	148.56
- Cash flow hedge reserve		31.72	14.74
Equity attributable to equity holders of the parent		1,185.15	648.30
Non-controlling interest		-	58.27
Total Equity		**1,185.15**	**706.57**
LIABILITIES			
Non-current liabilities			
Contract liabilities		41.31	39.91
Financial liabilities			
- Borrowings	15	3,176.53	3,045.84
- Other financial liabilities	16	246.09	241.67
Government grants	17	40.67	46.13
Long term provisions	20	1.35	1.65
Deferred tax liability (net)	29	156.23	125.93
Other non-current liabilities	18	22.32	27.15
		3,686.71	3,528.28
Current liabilities			
Contract liabilities		4.25	9.68
Financial liabilities			
- Borrowings	15.1	28.00	28.00
- Trade payables	19		
-Total outstanding dues of micro and small enterprises		0.70	-
-Total outstanding dues of creditors other than micro and small enterprises		133.25	136.51
- Other financial liabilities	16	422.55	239.90
Government grants	17	5.27	5.27
Other current liabilities	18	48.52	32.39
Short term provisions	20	18.25	12.66
Current tax liability (net)	9.2	36.74	23.41
		697.55	**488.02**
Total Equity and Liabilities		**5,569.41**	**4,722.87**
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

per Shankar Srinivasan
Partner
Membership No.: 213271
UDIN:19213271AAAAAH1345

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration
number: 003109S

per Hilesh Kumar P
Partner
Membership No.: 233734
UDIN:19233734AAAAAZ9996

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

G B S Raju
Managing Director
DIN: 00061686

RSSLN Bhaskarudu
Director
DIN: 00058527

SGK Kishore
Chief Executive Officer

Anand Kumar
Chief Financial Officer

Anup Kumar Samal
Company Secretary
Place: Hyderabad
Date: July 23, 2019

Place: Hyderabad
Date: July 23, 2019

Place: Hyderabad
Date: July 23, 2019

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LIMITED HYDERABAD

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in Rupees Crores, except otherwise stated)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUE			
Revenue from contracts with customers	21	1,876.05	1,593.48
Other income	22	30.81	53.40
Finance income	23	95.24	105.79
Total revenue		2,002.10	1,752.67
EXPENSES			
Concession fee	50	61.53	52.95
Purchase of traded goods		59.65	47.84
Increase/(Decrease) in inventory of traded goods	24	1.82	(0.71)
Employee benefits expense	25	191.91	147.12
Finance costs	27	248.75	258.12
Depreciation and amortization expenses		181.04	235.93
Other expenses	26	483.04	393.17
Total expenses		1,227.74	1,134.42
Profit before share of profit in joint venture and tax		774.36	618.25
Share of profit in joint venture		3.76	4.03
Profit before tax		778.12	622.28
Tax expense	29		
Current tax - Minimum alternate tax		168.70	137.39
Deferred tax			
Deferred tax expense		15.34	5.61
Minimum alternate tax credit entitlement	43	(136.31)	(101.14)
Total tax expense		47.73	41.86
Profit for the period		730.39	580.42
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		(1.13)	(0.18)
Income tax relating to items that will not be reclassified to profit or loss		0.08	-
Share of other comprehensive income in joint venture		(0.04)	
Items that will be reclassified to profit or loss			
Cash flow hedge reserve	30	34.02	14.74
Less: Income tax relating to items that will be reclassified to profit or loss		(17.04)	-
Total comprehensive income for the period, net of tax		746.28	594.98
Profit attributable to			
Equity holders of the parent		724.00	565.63
Non controlling interest	31	6.39	14.79
Other comprehensive income attributable to			
Equity holders of the parent		15.94	14.58
Non controlling interest		(0.05)	(0.02)
Total comprehensive income attributable to			
Equity holders of the parent		739.94	580.21
Non controlling interest		6.34	14.77
Earnings per equity share			
Basic and diluted	32	19.15	14.96
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

per Shankar Srinivasan
Partner
Membership No.: 213271
UDIN:19213271AAAAAI1345

Place: Hyderabad
Date: July 23, 2019

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

per Hitesh Kumar P
Partner
Membership No.: 233734
UDIN:19233734AAAAAZ9996

Place: Hyderabad
Date: July 23, 2019

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

G B S Raju
Managing Director
DIN: 00061686

RSSLN Bhaskarudu
Director
DIN: 00058527

SGK Kishore
Chief Executive Officer

Anand Kumar
Chief Financial Officer

Anup Kumar Samal
Company Secretary
Place. Hyderabad
Date: July 23, 2019

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Statement of Changes in equity for the year ended March 31, 2019
(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, 2017	378,000,000	378.00
Issue of shares	-	-
As at March 31, 2018	378,000,000	378.00
Issue of shares	-	-
As at March 31, 2019	378,000,000	378.00

b. (i) Other equity

	Attributable to the equity holders of the parent				Non-controlling interest	Total equity
	Reserves and surplus		Other reserves	Total		
	Capital reserve*	Retained earnings	Cash flow hedge reserve			
As at April 1, 2018	107.00	148.56	14.74	270.30	58.27	328.57
Adjustment on account of AERA order on depreciation (refer note:2.4)	-	(21.11)	-	(21.11)	-	(21.11)
Adjustment on account of Ind AS 115	-	(2.27)	-	(2.27)	-	(2.27)
	107.00	125.18	14.74	246.92	58.27	305.19
Profit for the period	-	724.00	-	724.00	6.39	730.39
Other comprehensive income	-	(1.04)	16.98	15.94	(0.05)	15.89
Total comprehensive income	-	722.96	16.98	739.94	6.34	746.28
Less: Cash dividends	-	(151.20)	-	(151.20)	(1.86)	(153.06)
Less: Dividend distribution tax	-	(31.15)	-	(31.15)	(0.30)	(31.45)
Add: Gain on acquisition of Non controlling interest	-	2.64	-	2.64	-	2.64
Less: Acquisition of Non controlling interest	-	-	-	-	(62.45)	(62.45)
As at March 31, 2019	107.00	668.43	31.72	807.15	-	807.15

Explanatory notes annexed

b.(ii) Other equity

	Reserves and surplus		Other reserves	Total	Non-controlling interest	Total equity
	Capital reserve*	Retained earnings	Cash flow hedge reserve			
As at April 1, 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 comprehensive 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

Explanatory notes annexed

*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

per Shankar Srinivasan
Partner
Membership No.: 213271
UDIN:19213271AAAAAI1345

Place: Hyderabad
Date: July 23, 2019

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

per Hitesh Kumar P
Partner
Membership No.: 233734
UDIN:19233734AAAAAZ9996

Place: Hyderabad
Date: July 23, 2019

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

G B S Raju
Managing Director
DIN: 00061686

RSSLN Bhaskarudu
Director
DIN: 00058527

SGK Kishore
Chief Executive Officer

Anand Kumar
Chief Financial Officer

Anup Kumar Samal
Company Secretary
Place: Hyderabad
Date: July 23, 2019

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Cash Flow Statement for the year ended March 31, 2019
(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	778.12	622.28
Adjustment to reconcile profit before tax to net cash flows:		
Share of profit in joint venture	(3.76)	(4.03)
Depreciation and amortization expenses	181.04	235.93
Bad debts written off	0.44	-
Impairment of goodwill	2.26	-
Fair value loss on financial instruments at fair value through profit or loss	-	8.64
Exchange difference on restatement of senior secured notes	-	(43.72)
Inventories written off	0.33	0.53
Amortisation of deferred income	(14.52)	(0.95)
Provision for doubtful advances / debts	0.73	0.44
Unrealised foreign exchange loss	1.16	0.10
Loss on sale / discard of property plant and equipment	1.61	1.21
Property, plant and equipment written off	0.06	0.03
Interest on financial assets at amortised cost	(51.54)	(62.36)
Gain on fair valuation of interest rate swap	-	(11.92)
Gain on sale of financial assets (mutual funds)	(43.60)	(20.82)
Provision no longer required	(0.72)	(1.03)
Interest on financial liabilities held at amortized cost	246.06	255.77
Income from government grants	(5.26)	(4.11)
Gain on fair valuation of financial assets (mutual funds)	(0.10)	(10.69)
Operating profit before working capital changes	**1,092.31**	**965.30**
Working capital adjustments:		
(Decrease)/increase in trade payables	(1.08)	23.00
Increase in other liabilities	27.15	51.30
Increase in other financial liabilities	41.96	29.43
Increase in provisions	4.41	0.72
Increase in government grants	-	22.27
Decrease in trade receivables	(53.76)	(24.81)
Increase/(Decrease) in inventories	(0.78)	(4.97)
Increase in other assets	(10.44)	91.04
Increase in other financial assets	(18.78)	(76.16)
Increase in loans	(2.90)	(0.08)
Cash generated from operations	**1,078.09**	**1,077.04**
Direct taxes paid (net)	(161.95)	(94.32)
Net cash flow from operating activities (A)	**916.14**	**982.72**
Cash flows from investing activities		
Purchase of property plant and equipment, including capital work in progress, capital advances and intangible assets under development	(1,028.95)	(339.72)
Proceeds from sale of property, plant and equipment	0.18	0.17
Purchase of non-current investments	(59.75)	-
Share application money in subsidiary (Investment)	-	
Loan to subsidiaries companies		
Cashoutflow on sale of investment in APFTAL	(0.45)	-
Repayment of loans by joint venture	2.33	4.56
Purchase of financial assests (mutual funds)	(7,889.48)	(6,395.97)
Sale of financial assets (mutual funds)	8,421.21	5,899.83
Interest received	30.94	48.41
Acquisition of a Joint venture, net of cash acquired	-	0.08
Investments in inter corporate deposits	(50.00)	-
Investments in bank deposits	(211.12)	(73.63)
Proceeds from bank deposits	164.42	34.54
Proceeds from margin money deposits	116.52	58.07
Investment in margin money deposits	(112.58)	(30.50)
Net cash flow used in investing activities (B)	**(616.73)**	**(794.16)**
Cash flows from financing activities		
Proceeds from long-term borrowings	120.94	2,653.74
Repayment of long-term borrowings	(123.65)	(2,097.61)
Proceeds from Short term borrowings	-	6.95
Interest paid	(252.62)	(182.96)
Senior Secured Notes Issuance cost paid	-	(49.15)
Termination of interest rate swap	-	(55.32)
Upfront fee paid/NCD issue cost	(63.00)	(2.33)
Dividend paid	(153.06)	(158.72)
Dividend distribution tax paid	(31.45)	(32.31)
Net cash flow used in financing activities (C)	**(502.83)**	**82.29**

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR HYDERABAD INTERNATIONAL AIRPORT LIMITED HYDERABAD

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Cash Flow Statement for the year ended March 31, 2019
(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net decrease in cash and cash equivalents (A + B + C)	(203.42)	270.85
Cash and cash equivalents at the beginning of the period	598.55	327.73
Effects of exchange differences on cash & cash equivalents held in foreign currency	(0.05)	(0.03)
Cash and cash equivalents at the end of the period	395.08	598.55
Components of cash and cash equivalents		
Cash on hand	0.71	0.50
Cheques, credit card collection and drafts in hand	-	0.02
Balances with banks		
- on current account	40.15	268.38
- in exchange earner foreign currency account	2.99	6.34
- cash credit / overdraft	0.03	0.89
- in escrow accounts	0.02	0.04
- in deposit account	350.02	322.12
Cash in transit	1.16	0.26
Total cash and cash equivalents	395.08	598.55
Explanatory notes annexed		

Changes in liabilities arising from financing activities

Particulars		
Opening Balance	3,051.77	2,532.19
Cash flows		
Repayments of borrowings	(123.65)	(2,097.61)
Proceeds from borrowings	120.94	2,653.74
Non Cash flows		
Foreign exchange movements	150.55	8.43
Finance cost	(16.06)	(44.98)
Closing balance	3,183.56	3,051.77

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

As per our report of even date.

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

per Shankar Srinivasan
Partner
Membership No.: 213271
UDIN:19213271AAAAAI1345

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

Place: Hyderabad
Date: July 23, 2019

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration
number: 003109S

per Hitesh Kumar P
Partner
Membership No.: 233734
UDIN:19233734AAAAAZ9996

K.S. RAO & CO. Chartered Accountants BENGALURU

Place: Hyderabad
Date: July 23, 2019

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

G B S Raju
Managing Director
DIN: 00061686

RSSLN Bhaskarudu
Director
DIN: 00058527

SGK Kishore
Chief Executive Officer

Anand Kumar
Chief Financial Officer

Anup Kumar Samal
Company Secretary
Place: Hyderabad
Date: July 23, 2019

GMR HYDERABAD INTERNATIONAL AIRPORT LIMITED HYDERABAD

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 for the year ended March 31, 2019. 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 23, 2019.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated 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 and presentation requirement of Division II of schedule III to the Companies Act 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated Financial Statements.

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 Group and its subsidiaries as at March 31, 2019. 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

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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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction

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GMR Hyderabad International Airport Limited
Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2019
(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, 2019	March 31, 2018
GMR Hyderabad Airport Cargo and Logistics Private Limited(formerly known as Hyderabad Menzies Air Cargo Private Limited (GHACLPL)*	Cargo handling operations at airport	Hyderabad, India	100%	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%
GMR Logistics Park Private Limited(GLPPL)#	Development of logistics park	Hyderabad, India	100%	-
Asia Pacific Flight Training Academy Limited (APFTAL)##	Flight Training	Hyderabad, India	-	100%

* On October 30, 2018, GHIAL has entered into an share purchase agreement to buy out the balance 49% stake in HMACPL held by the, Menzies Aviation Cargo (Hyderabad) Limited at a value of Rs. 59.75 crore. Accordingly post transfer of shares in favour of GHIAL on November 2, 2018 HMACPL has become a wholly owned subsidiary of GHIAL.

**On 27th September 2018, HASSL in its EGM got the approval to file liquidation petition with MCA, Accordingly, HASSL has appointed Liquidator for the voluntary liquidation on September 27th , 2018 and is under the Voluntary Liquidation Process as required under Insolvency and Bankruptcy Code 2016 read with the Insolvency and Bankruptcy Board of India(Voluntary Liquidation Process) Regulations 2017. As on date "HASSL" has the positive net worth hence does not have any adverse effect to the above financial results of GHIAL.

#On December 20, 2018, GHAL has incorporated a new wholly owned subsidiary GMR Logistics Park Private Limited, towards which, the initial capital infused subsequent to period ended December 31, 2018.

##APFTAL ceased to be a subsidiary of GHIAL with effect from Mar 01, 2019 as GHIAL had sold its 100% stake in APFTAL for a nominal sale consideration of Rs. 100

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GMR HYDERABAD INTERNATIONAL AIRPORT LIMITED HYDERABAD

(All amounts in Rupees Crores, except otherwise stated)

Information about jointly controlled entities

Name	Principal activities	Country of Incorporation	% equity interest	
			March 31, 2019	March 31, 2018
Laqshya Hyderabad Airport Media Private Limited (LHAMPL)	Advertisement	India	49%	49%

2.3 Changes in accounting policies

New and Amended Standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.
Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified by the Ministry of Corporate Affairs on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 is effective from reporting periods beginning on or after April 1, 2018.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. It also requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

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.

Group applied Ind AS 115 for the first time with effect from April 1, 2018. Further, the Group has elected to use the modified retrospective method and accordingly, Ind AS 115 is applied retrospectively to only the current period by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings (or other components of equity) at the date of initial application. Under the modified retrospective method, Ind AS 115 is applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. Under the modified retrospective method, Group has elected to apply it to all contract modifications contracts that are not completed at this date.

The Group receives advance revenue from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group also receives advance revenue for long-term agreements from customers for providing license to operate at the Airport. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Impact on statement of profit and loss:

Upon the adoption of Ind AS 115, the unearned finance revenue of Rs. 2.27 crores on advance revenue from long term contracts that are not completed as at April 1, 2018 was transferred to retained earnings as at April 01, 2018. Had the Group adopted the policy as per erstwhile Ind AS 18, finance income would be lower by Rs. 1.10 crores and finance expense would be lower by Rs. 1.01 crores.

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 ofthat 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 do not have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Group's financial statements.

2.4 Changes in estimates

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 (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of the Companies

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K.S. Rao & Co. Chartered Accountants Bengaluru

GMR Hyderabad International Airport Limited Hyderabad

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.

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, interalia, 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. Pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013, the Authority has issued order no. 35/2017-18 on January 12, 2018 which is further amended on April 09, 2018, in the matter of Determination of Useful life of Airport Assets, which is effective from April 01, 2018 ("AERA Order").

Accordingly, the management has adopted useful life in respect of airport assets as prescribed in the aforesaid order with effect from April 1, 2018.

In order to align the useful life of Furniture and Fixtures, Trolleys, boundary wall and cost of resurfacing the Runway to the useful life specified in the AERA Order, the Group has revised the useful life and charged the depreciation of Rs. 21.11 crore related to the assets whose life were expired on March 31, 2018 to opening reserves as at April 1, 2018 as per the AERA Order.

2.5 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 38. 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:

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.

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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.

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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.

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.

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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.

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

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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 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 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 (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of 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 components identified by the Group are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The Group has started charging the depreciation on capitalized spares parts. These spare parts are depreciated over their useful lives as determined by the management (i.e 5 years).

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") had 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.

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.

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(All amounts in Rupees Crores, except otherwise stated)

The following useful lives for various categories of property, plant and equipment's are adopted by the Group:

Particulars	(Useful Life Taken) (years)
Improvements to leasehold land	15-30
Buildings on lease hold land*	10-30
Building interim terminal#	7
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 (Trolleys)	3
Furniture and fixtures (other than Trolleys)	7
Vehicles	8-10

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.

During the year, the Group has created two Interim terminals namely Interim International Departure Terminal (IIDT) and Interim Domestic Arrival Terminal (IDAT) to accommodate the growing traffic, until the expanded terminal becomes operational. Further, the area where these interim terminals are created, will eventually be used for expansion and boarding gates, therefore these interim terminals will need to be demolished after seven years. Based on the same, the management has considered the life of seven years period for these terminal buildings and related assets i.e. electrical installations and certain plant and machineries viz. Fire systems, HVAC systems. Accordingly, IIDT, IDAT building, electrical installations, Fire systems, HVAC systems are depreciated over a period of seven years.

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.

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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 D to Ind AS 115 – 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.

The concession arrangement is a service concession arrangement under appendix D to Ind AS 115. Through the concession agreement, GHIAL has granted further concession to HMACPL along with sub-leasing of the part of cargo infrastructure facility to HMACPL 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.

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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 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.

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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 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.

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• 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 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.

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

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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.

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 group 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.

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.

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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.

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.

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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 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."

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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;
- 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 escribed 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.

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The Group 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.

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 Group. 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 Group 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:

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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:

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

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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.

a) Disclosures for valuation methods, significant estimates and assumptions (note 38)
b) Quantitative disclosures of fair value measurement hierarchy (note 40)
c) Financial instruments (including those carried at amortized cost) (note 39)

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.

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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.

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, HMACPL 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 HMACPL and the government with respect to the improvements, given that HAMCPL constructs or provides improvements to the airports as obligated under the concession agreement and in exchange, the government grants HMACPL the right to obtain benefits for services provided using those assets. HMACPL 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 HMACPL 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 HMACPL 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

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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 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 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 HMACPL 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 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:

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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 '.Accordingly, the amounts appearing in the financial statements relate to the Group's single business segment. The information relating to different products and services regarding products and services regarding Revenue from contracts with customers along with other income and finance income are given in Note 21, 22 and 23.

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.

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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Notes to the Consolidated financial statements for the year ended March 31, 2019
(All amounts in Rupees in crores , except otherwise stated)

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, 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	2,697.64
Additions	8.91	241.73	148.31	155.80	27.81	16.83	5.47	27.04	37.95	1.62	-	-	671.47
Adjustments*	-	2.11	-	3.00	-	-	-	-	-	-	-	-	5.11
Assets transferred on sale of APFTAL	(1.31)	-	(1.35)	-	-	(0.21)	(0.08)	(0.13)	(0.34)	-	-	-	(3.42)
Disposals	(2.36)	-	(0.05)	-	-	(0.25)	-	(0.01)	(0.10)	(1.01)	-	-	(3.78)
As at March 31, 2019	136.87	1,492.42	673.10	501.94	133.39	66.83	11.66	56.45	210.79	5.13	16.13	62.31	3,367.02
Depreciation													
As at April 1, 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	189.83	44.90	96.52	35.79	3.37	13.21	139.28	1.22	-	3.91	710.68
Charge for the year	6.36	61.72	58.84	18.44	2.93	5.67	1.38	8.47	10.41	0.60	-	1.44	176.26
Adjustments **		16.01	2.43	-	-	1.38	-	-	-	-	-	1.29	21.11
Assets transferred on sale of APFTAL	(1.27)	-	(1.06)	-	-	(0.13)	(0.08)	(0.12)	(0.30)	-	-	-	(2.96)
Disposals	(0.91)	-	0.03	-	-	(0.21)	-	(0.01)	(0.06)	(1.01)	-	-	(2.17)
As at March 31, 2019	22.09	242.47	250.06	63.34	99.45	42.50	4.67	21.55	149.33	0.81	-	6.64	902.92
Net book value													
As at March 31, 2019	114.78	1,249.95	423.03	438.60	33.94	24.33	6.99	34.90	61.46	4.32	16.13	55.67	2,464.10
As at March 31, 2018	113.72	1,083.84	336.36	298.24	9.06	14.67	2.90	16.34	34.00	3.30	16.13	58.40	1,986.96

Notes:
*Includes reversal of outstanding liabilities of the Group amounting to Rs. Nil (March 31,2018 :2.95) pertaining to project construction which are no longer payable now and reversal for depreciation thereon amounting to Rs. Nil (March 31, 2018: Rs. 2.76) under depreciation charge of the year.
** Represents the depreciation charged on account of change in useful life of assets as per Airport Economin Regulator uthority's (AERA) order no:35/2017-18 dated January 12, 2018 and amended on April 09, 2018 in the matter of Determination of useful life of Airport Assets and is efective from April 1, 2018.

3.1

	31-Mar-19	31-Mar-18
Capital Work in progress	436.12	347.86

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4. Intangible assets

	Goodwill*	Computer software	Technical Knowhow	Right to Operate - Cargo facility	Total
Cost					
As at April 1, 2017	36.27	6.16	8.98	18.93	70.34
Additions	4.14	0.22	-	2.95	7.31
Disposals	-	-	-	(0.85)	(0.85)
As at March 31, 2018	40.41	6.39	8.98	21.03	76.81
Additions	-	2.85	-	5.66	8.51
Disposals	-	-	-	(0.35)	(0.35)
Impairment of goodwill on sale of APFTAL	(4.14)				(4.14)
As at March 31, 2019	36.27	9.24	8.98	26.34	80.83
Amortization					
As at April 1, 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
Charge for the year	-	0.84	-	3.94	4.78
Disposals		-	-	- 0.28	- 0.28
As at March 31, 2019	-	5.20	8.98	10.23	24.41
Net book value					
As at March 31, 2019	36.27	4.04	-	16.11	56.42
As at March 31, 2018	40.41	2.03	-	14.46	56.90

*Refer note 58 on impairment testing of goodwill.

(All amounts in Rupees Crores, except otherwise stated)

5.1 **Investment in joint venture**

	Non-current	
	March 31, 2019	March 31, 2018
Investments as per equity method Unquoted equity shares (Refer note no. 57)		
Laqshya Hyderabad Airport Media Private Limited 9,800,000 (March 31, 2017: 9,800,000) Equity shares of Rs. 10 each fully paid-up	9.16	5.43
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	14.75	11.02
Aggregate value of investment in joint ventures	14.75	11.02

5.2 **Financial Assets - Investments**

	As at March 31, 2019		As at March 31, 2018	
	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)	40,524.68	1.2[illegible]	3,854,992.93	107.26
IDBI Liquid Fund - Regular plan Growth (face value of Rs. 1,000 each)	-	-	116,190.80	21.50
Birla Sun Life Savings Fund Instl. - Growth (face value of Rs. 100 each)	-	-	819,910.58	28.03
Birla Sun Life Short Term fund-Regular Growth. (face value of Rs. 10 each)	-	-	16,319,922.71	108.44
Aditya Birla sunlife liquid fund- growth regular plan (formally know as Birla sunlife Cash plus-growth regular plan) (face value of Rs. 100 each)	252,632.73	7.55	979,408.98	35.60
DHFL Pramerica Liquid Fund - Growth Option (face value of Rs. 1000 each)	-	-	1,023,730.92	23.03
Sundaram Money Fund Regular Growth (face value of Rs. 10 each)	1,662,511.76	6.52	4,142,960.61	15.12
Axis Liquid Institutional - Growth Option (face value of Rs. 1000 each)	116,381.32	24.03	2,701.77	0.52
ICICI Prudential Liquid Regular Plan - Growth (face value of Rs. 100 each)	981,662.94	27.03	5,765,798.47	147.83
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
SBI Premier Liquid Fund - Regular Plan - Growth (face value of Rs. 100 each)	15,116.58	4.41	76,924.18	20.89
IDFC Cash Fund- Growth-Regular Plan (face value of Rs. 1,000 each)	-	-	26,516.07	5.58
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)	23,043.02	4.76	79,484.03	15.27
Tata Liquid fund Plan A - Growth (face value of Rs. 1000 each)	33,644.82	9.86	-	-
UTI Liquid Cash Plan Institutional - Growth Option (Face value of Rs. 100 each)	88,654.91	27.04	-	-
		112.41		724.47
Investment in commercial papers (unquoted) at Amortised cost				
SREI Infrastructure Finance Ltd. (face value of Rs. 500,000 each)	4,500.00	222.28	4,500.00	216.61
Piramal Enterprises Limited (face value of Rs. 500,000 each)	3,000.00	148.07	-	
		370.35		216.61
Aggregate value of investments in financial assets		482.76		941.08

(All amounts in Rupees Crores, except otherwise stated)

6 Loans

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Loan to employees	1.60	-	1.38	0.08
Inter corporate deposits: unsecured	-	-	50.00	-
Loans to joint venture (refer details below)	-	-	0.32	2.65
	1.60	-	51.70	2.73

Break up of loan to Joint venture				
Laqshya Hyderabad Airport Media Private Limited	-	-	0.32	2.65
	-	-	0.32	2.65

7 Bank balances other than cash and cash equivalents

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Non- current bank balances	-	-	-	-
Margin money deposits*	0.62	1.53	50.40	53.43
Deposits with remaining maturity less than 12 months	-	-	64.65	17.95
	0.62	1.53	115.05	71.38

*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	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unsecured, considered good				
Security deposits	20.16	11.55	4.09	1.14
Less: Provision for doubtful deposit	(0.20)	(0.20)	-	-
	19.96	11.35	4.09	1.14
Non trade receivables	-	-	8.17	7.96
Grant receivable from authorities	-	-	0.04	0.04
Interest accrued on fixed deposits	-	-	3.18	3.28
Interest accrued on others	-	-	1.04	0.49
Other financial assets	-	-	1.70	2.18
Derivative assets (refer note:40)	239.23	71.69	-	-
	259.19	83.04	18.22	15.09

9.1 Tax asset

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance income tax (net of provision for current tax)	28.96	24.06	17.11	15.45
	28.96	24.06	17.11	15.45

9.2 Tax liability

	Current	
	March 31, 2019	March 31, 2018
Provision for tax (net of advance tax)	36.74	23.41
	36.74	23.41

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10 **Other assets**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Capital advances				
Unsecured, considered good	409.13	46.63	-	-
(A)	409.13	46.63	-	-
Advances other than capital advances				
Passenger service fee (Security component) (refer note 37(II)(C)(xvii)	25.64	24.74	-	-
Others	7.34	7.80	7.89	5.15
Doubtful advances	0.04	0.04		
	33.02	32.58	7.89	5.15
Less: Provision for doubtful advances	(0.04)	(0.04)	-	-
(B)	32.98	32.54	7.89	5.15
Prepaid expenses	3.30	1.51	5.54	2.61
Upfront fee on borrowings*	94.50			
Balance with statutory / government Authorities [including deposits (Refer note 37 C)]	14.67	14.31	5.55	3.69
(C)	112.47	15.82	11.09	6.30
Total (A+B+C)	554.58	94.99	18.98	11.45

*The above amount represents the upfront fee paid/payable on rupee term facility to Rs.4200 crore tied up by GHIAL with a bank to meet the capital commitment.

11 **Inventories (valued at lower of cost or not relizable value)**

	March 31, 2019	March 31, 2018
Traded goods	16.13	18.02
Stores and spares	40.22	39.01
Less: Provision for non moving spares	(0.17)	(0.17)
	56.18	56.86

12 **Trade receivables**

	Current	
	March 31, 2019	March 31, 2018
Secured, considered good		
Others	-	-
Unsecured, considered good		
Related parties	14.75	8.97
Others	165.80	120.50
Unsecured, considered doubtful		
Others	1.38	0.77
Less: Allowances for doubtful receivables	(1.38)	(0.77)
	180.55	129.47

No trade or other receivable are due from directors or other officers of the group 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, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: 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, 2019	March 31, 2018
Cash and cash equivalents		
-Deposits with original maturity of less than three months	350.02	322.12
-Balances with Banks		
- in current accounts	40.15	268.38
- in exchange earner foreign currency account	2.99	6.34
- cash credit / overdraft	0.03	0.89
– On escrow accounts	0.02	0.04
Cash in transit	1.16	0.26
Cheques, credit card collection and drafts in hand	-	0.02
-Cash on hand	0.71	0.50
	395.08	598.55

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.

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(All amounts in Rupees Crores, except otherwise stated)

14 Equity

	March 31, 2019	March 31, 2018
Authorized shares (No.)		
400,000,000 (March 31, 2018: 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, 2018: 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, 2018: 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, 2019		March 31, 2018	
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, 2019		March 31, 2018	
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, 2019		March 31, 2018	
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, 2019	March 31, 2018
Capital reserve	107.00	107.00
	107.00	107.00
Retained earnings		
Opening Balance	148.56	(234.93)
Less: Adjustment on account of Ind AS 115	(2.27)	-
Adjustment on account of AERA order on depreciation (refer note:2.4)	(21.11)	-
Add: Profit for the year	724.00	565.63
Less: Appropriation		
Interim dividends	(151.20)	(151.20)
Dividend distribution tax	(31.15)	(30.78)
Add:Gain on acquisition on non controlling interest	2.64	-
Items recognised directly in Other Comprehensive Income		
Remeasurement of post-employment benefits obligations	(1.04)	(0.16)
Total Retained Earnings	668.43	148.56
Items recognised directly in Other Comprehensive Income		
Cash flow hedge reserve		
Balance as per last financial statements	14.74	-
Gain arising during the year on cross currency swap (refer note 40)	34.02	71.69
Reclassification adjustments included in the statement of profit and loss (Net of taxes)	(17.04)	(56.95)
Closing balance	31.72	14.74
	807.15	270.30

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

15

Financial liabilities - Borrowings	Non Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Bonds / Debentures				
1,750 nos. 4.25% Senior Secured Notes of USD 200,000 each (secured)	2376.93	2,239.35	-	-
Redeemable Non Convertible Debentures (secured) of Rs.1,000,000 each	274.13	273.98	-	-
Term loans				
Indian rupee term loan from banks (secured)	152.95	40.78	2.51	2.31
Indian rupee term loan from financial institution (secured)	57.47	176.37	4.52	3.58
Loans from others				
Government of Telangana (unsecured)	315.05	315.05	-	-
Inter-corporate deposits (unsecured)	-	0.31	-	0.04
	3,176.53	3,045.84	7.03	5.93
The above amount includes				
Secured borrowings	2,861.48	2,730.48	7.03	5.89
Unsecured borrowings	315.05	315.36	-	0.04
	3,176.53	3,045.84	7.03	5.93
Amount disclosed under the head "other current financial liabilities" (Refer note 16)	-	-	(7.03)	(5.93)
Net Amount	3,176.53	3,045.84	-	-

I) 4.25% Senior Secured Notes

a. During the previous 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 GHIAL 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 dated October 27,2017 to the maximum extent permitted under the Project Agreements; floating charge on all the operating revenues/receivables of GHIAL; and floating charge on all the GHIAL's accounts and each of the other accounts required to be created by GHIAL pursuant to the Security Documents (excluding any Excluded Accounts) and, including in each case, all monies lying credited/deposited into such accounts. GHIAL has to follow Fixed Charge Coverage Ratio as provided under the Indenture for any additional indebtedness and other limitations. GHIAL 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 previous 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 GAEL 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.

(f) Redeemable, Non-Convertible Debentures (" GAEL NCDs") includes an adjustment of unamortised upfront fee paid of Rs.0.32 crore as at March 31, 2019(March 31,2018:0.37 crore)

ii. During the previous 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).

III) Indian rupee term loan from banks (secured)

(i) In case of GHAL, during the previous year term loan of Rs. 40.87 crore (March 31, 2018: Rs. 43.09 crore) has 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 colleteral security as exclusive first charge on all the fixed assets leased out to Amazon India Seller Services Pvt. Ltd. and equitable mortagage of leasehold rights of land asmeasuring 17 acres.

(ii) During the year in case of GHRL the existing Term loan from NBFC (Namely Aditya Birla Finance Limited and India Infradebt Limited) (secured) which carries interest at base rate plus agreed spread has been refinnanced to Axis Bank Limited for Rs. 120.94 crore for existing outstading balance as on 15th November, 2018 . The loan with Axis Bank carries the interest rate of 9% during the current year. The loan is repayable in 46 quarterly instalments commencing from January 2019 to April 2030. The refinanced Rupee term loan is secured by exclusive charge on immovable assets (including assignment of leasehold rights in the case of leasehold land) , current assets, fixed assets, cash flows of the hotel division and a pledge of 32,897,675 equity shares of GHRL held by GHIAL.Also the loan is secured by an irrecoverable and unconditional corporate guarantee given by GHIAL.

IV) 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% pa.). 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.

During the year in case of GHRL the existing Term loan from NBFC (Namely Aditya Birla Finance Limited and India Infradebt Limited) (secured) which carries interest at base rate plus agreed spread has been refinanced to Axis Bank Limited for Rs. 120.94 crore for existing outstading balance as on 15th November, 2018 . The loan with Axis Bank carries the interest rate of 9% during the current year. The loan is repayable in 46 quarterly instalments commencing from January 2019 to April 2030. The refinanced Rupee term loan is secured by exclusive charge on immovable assets (including assignment of leasehold rights in the case of leasehold land) , current assets, fixed assets, cash flows of the hotel division and a pledge of 32,897,675 equity shares of GHRL held by GHIAL.Also the loan is secured by an irrecoverable and unconditional corporate guarantee given by GHIAL.

(b) In case of GHASL, term loan of Rs. 58.37 Crore (March 31, 2017: Rs. 59.70 crore) 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 exisiting 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.

V) 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 HMACPL for Nil (March 31, 2018: Rs. 0.50 crore) is interest free and is repayable in 15 equal annual instalments of Rs. 0.10 crore from April 1, 2009.

15.1 **Short-term borrowings**

Secured	March 31, 2019	March 31, 2018
Overdraft facility from banks	28.00	28.00
Total	28.00	28.00

Overdraft facility from banks

i.The overdraft facility availed from AbuDhabi bank is repayable on demand and carries interest rate of fixed deposit plus min 1% pa , which is secured by fixed deposit placed by GHACLPL with AbuDhabi bank as per terms of the sanction letter.

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(All amounts in Rupees Crores, except otherwise stated)

16 **Other financial liabilities**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
At Amortised cost				
Retention money	7.04	8.82	7.99	6.08
Deposit from concessionaires	46.50	20.84	37.56	24.71
Concession fee payable	192.55	212.01	84.06	22.15
Current maturities of long term borrowings	-	-	7.03	5.93
Liability arising from valuation of Advance from Customer	-	-	-	-
Non trade payables	-	-	1.74	7.54
Capital creditors	-	-	198.06	88.52
Interest accrued but not due on borrowings	-	-	86.11	84.97
Total other financial liabilities at amortised cost	**246.09**	**241.67**	**422.55**	**239.90**
Total other financial liabilities	**246.09**	**241.67**	**422.55**	**239.90**

17 **Government grants**

	March 31, 2019	March 31, 2018
Opening Balance	51.40	33.24
Grant during the year	-	22.27
Less: Recognised in the statement of profit and loss	(5.26)	(4.11)
	46.14	**51.40**
Non Current	40.87	46.13
Current	5.27	5.27

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred income	22.32	27.15	6.14	4.33
Advances from customers	-	-	2.98	3.03
Commercial card payable	-	-	9.94	-
Statutory dues	-	-	29.46	25.03
	22.32	**27.15**	**48.52**	**32.39**

19 **Trade payables**

	March 31, 2019	March 31, 2018
Trade payable		
- Related parties	9.23	27.78
Total outstanding dues of micro enterprises and small enterprises	0.70	-
- Others	124.03	108.74
	133.96	**136.51**

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 demand.
iii) For explanations on the Group's credit risk management processes, refer to Note 41

20 **Provisions**

	Long Term		Short term	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for compensated absences	-	-	15.83	11.57
Provision for superannuation fund	-	-	0.20	0.14
Provision for gratuity (refer note:34)	1.36	1.65	2.22	0.95
	1.36	**1.65**	**18.25**	**12.66**

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Revenue from operations	For the year ended March 31, 2019	For the year ended March 31, 2018
Income from services		
Aeronautical (A)	910.62	805.54
Non Aeronautical		
Duty Free	158.18	118.86
Retail	40.18	32.07
Advertisement	36.11	40.41
Food and beverages	42.78	32.96
Cargo	95.42	92.09
Ground handling	12.10	10.51
Parking	58.18	49.57
Land and space - Rentals	62.49	63.60
Fuel farm	144.27	97.94
Others	227.78	171.38
Revenue from Non aeronautical (B)	877.49	709.39
Revenue from commercial property development	16.50	12.30
Revenue from hospitality services	71.44	66.25
Revenue from non airport services (C)	87.94	78.55
Revenue from contracts with customers (D=A+B+C)	1,876.05	1,593.48

Note:

(i) The company earned entire income from operations from India.

(ii) Timing of rendering of services

Particulars	Aeronautical	Non-Aeronautical	Non-Airport Services	Total
Services rendered at a point in time	910.62	397.87	-	1,308.49
Services rendered over time		479.62	87.94	567.56
Total revenue from contracts with customers	910.62	877.49	87.94	1,876.05

(iii) Reconcilation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2019
Revenue as per contracted price	1,874.95
Adjustments:	
Significant financing component	1.10
Revenue from contract with customers	1,876.05

(iv) Set out below is the revenue recognised from:

Amounts included in contract liabilities at the beginning of the year	49.79
Performanance obligations satisfied in previous years	-
Total	49.79

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Other income	For the year ended March 31, 2019	For the year ended March 31, 2018
Gain on account of foreign exchange fluctuations (net)	0.45	-
Amortisation of deferred income	14.52	0.95
Exchange difference on restatement of senior secured notes	-	43.72
Income from government grant	5.26	4.11
Provisions no longer required, written back	0.72	1.03
Other non-operating income	9.86	3.59
	30.81	53.40

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Finance income	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on financial assets at amortised cost:		
Bank deposits and commercial papers	27.69	36.42
Loan to joint venture	0.41	1.47
Others	23.44	10.94
Gain on sale of financial assets (mutual funds)	43.60	20.82
Gain on fair valuation of financial assets (mutual funds)	0.10	10.69
Gain on fair valuation of interest rate swap	-	11.92
Interest on interest rate swap arrangement	-	13.53
Total	95.24	105.79

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Increase in inventory of traded goods	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock of traded goods	17.56	16.85
Closing stock of traded goods	15.74	17.56
Decrease in inventory of traded goods	1.82	(0.71)

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Employee Benefits Expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	164.84	123.25
Contribution to provident and other funds [34 (a)]	10.26	8.16
Gratuity expenses [Note 34 (b)]	1.86	2.54
Staff welfare expenses	14.95	13.17
	191.91	147.12

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Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Operator fee	5.37	5.45
Operations, maintenance & manpower outsourcing expenses	65.19	53.64
Electricity, Fuel and water charges	32.52	35.32
House keeping charges	14.42	12.75
Consumption of stores and spares	52.03	39.09
Foods and beverages consumed	6.76	6.33
Cargo handling charges	3.80	3.34
Repairs and maintenance		
Plant & Machinery	25.27	19.66
Buildings	9.32	5.86
IT Systems	13.45	15.27
Other	12.18	12.11
Insurance	5.06	4.92
Security expenses	21.38	20.96
Health and safety charges	0.22	0.12
Rent	8.30	5.13
Rates and taxes	20.18	17.96
Advertising and business promotion	10.35	13.06
Collection charges	7.24	4.95
Travelling and conveyance	24.98	16.13
Communication costs	3.95	4.58
Office maintenance	4.32	3.35
Legal and professional expenses	24.78	24.72
Technical fees	4.69	8.07
Management fee	32.30	33.85
Printing and stationery	1.56	1.06
Contribution to political parties	50.00	-
Donation	1.74	2.94
CSR expenditure (refer details below)	7.76	4.44
Directors' sitting fees	0.28	0.24
Payments to Auditors (refer details below)	0.47	0.70
Loss on sale of fixed assets (net)	1.61	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 debts	0.73	0.44
Impairment of goodwill	2.26	-
Inventories written off	0.33	[illegible]
Bad debts written off	0.44	-
Fixed assets written off	0.06	0.03
Miscellaneous expenses	7.74	[illegible]
	483.04	393.17

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Payment to Auditors (Included in other expenses above)	For the year ended March 31, 2019	For the year ended March 31, 2018
As Auditor		
Audit fee	0.33	0.29
Other services	0.08	1.40
Reimbursement of expenses	0.06	0.09
	0.47	1.78
Less: SSN issuance cost considered as an adjustment to borrowings*	-	(1.08)
	0.47	0.70

* 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, 2019	For the year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	4.77	4.44
(b) Amount spent in cash		
i) Construction/acquisition of any asset	4.55	1.50
ii) On purposes other than (i) above	3.22	4.44
(c) Total amount spent during the year		
i) Construction/acquisition of any asset	4.55	1.50
ii) On purposes other than (i) above	3.22	4.44

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Finance costs	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on debt and borrowings	125.71	194.74
Net interest on cross currency swap	77.19	31.36
Other borrowing cost	7.99	21.42
Interest-others	35.17	8.25
Bank charges	2.69	2.35
	248.75	258.12

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Depreciation and amortization expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment (note 3)	176.26	232.22
Amortisation of intangible assets (note 4)	4.78	3.71
	181.04	235.93

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29 Income Tax

A. The major components of income tax expenses are:

Statement of profit and loss:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current taxes:		
Current income tax charge	36.43	36.25
Deferred tax:		
Relating to origination and reversal of temporary differences	15.34	5.61
Income tax expense for the year	51.77	41.86
Less:Adjustments relating to previous year	(4.04)	-
Income tax expense reported in the statement of profit or loss	47.73	41.86

B **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit	**778.12**	622.28
Tax at the applicable tax rate of 34.94% (March 31, 2018: 34.61%)	271.87	215.37
<u>Tax effect of income that are not taxable in determining taxable profit / allowable expenditure that are not part of book profit:</u>		
Dividend income exempt from tax	(0.13)	(1.35)
Gain on recognition of MTM on Interest rate swaps	-	(4.13)
Other Ind-AS adjustments not considered under tax	0.77	(2.46)
Others	(0.85)	(0.58)
<u>Tax effect of expenses that are not deductible in determining taxable profit/ taxable income that are not part of book profit:</u>		
Donations & Corporate Social Resposiblity (CSR) expenditure non-dedeuctible under tax	3.19	2.22
Interest on delayed payment of income tax	0.53	0.53
Other non-deductible expenses under tax	2.09	0.02
Income from temporary investments earmarked for capital expenditure not part of book profit	-	4.40
Effect of depreciation relating to unrelaised forex loss and capital reserve	-	(17.88)
<u>Tax effect of other adjustments:</u>		
Deduction u/s 80IA	(240.98)	(199.48)
Reversal of deferred tax during tax holiday period	10.19	9.54
Unabsorbed accumulated losses on which deferred tax is not created*	5.87	11.97
On account of consolidation adjustments (including share of results of joint venture)	-	2.08
Effect of change in tax rate	(0.78)	17.28
Impact of Minimum Alternate Tax (MAT) provisions	-	4.32
Income tax expense reported in the statement of profit and loss	**51.77**	**41.86**

*Deferred tax assets are not recognised to the extent it is not probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences cab be utilised by the respective subsidiary companies.

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C. Deferred tax:

	Statement of profit or loss		Balance sheet	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred tax liability				
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	14.66	(9.32)	157.78	143.12
Fair value of financial assets/liabilities	0.00	(0.09)	0.01	0.01
Impact of notional interest on loan taken from Related Party	-	(1.82)	-	-
Gross deferred tax liability	**14.66**	**(11.23)**	**157.79**	**143.13**
Deferred tax asset				
Unabsorbed depreciation	0.83	18.43	11.16	11.99
On account of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis.	(0.25)	0.41	0.56	0.31
On account of income reduced from capital work in progress	(0.13)	(3.80)	3.92	3.80
On account of provision for doubtful trade, advances and dimunition in value of investment				
Tax Holiday Reversals	0.22	1.80	0.88	1.10
Gross deferred tax asset	**0.68**	**16.84**	**16.52**	**17.20**
Expense during the year	**15.34**	**5.61**		
Tax income/(expense) during the year recognised in OCI			(16.96)	-
Net deferred tax liability			(158.23)	(125.93)
MAT credit entitlement	**(136.31)**	**(101.14)**	**405.71**	**269.40**
Deferred tax asset (unutilised tax credit)	(136.31)	(101.14)	405.71	269.40

Reconciliations of deferred tax liabilities/assets(net)

	March 31, 2019	March 31, 2018
Opening balance	(125.93)	(120.32)
Tax income/(expense) during the year recognised in profit or loss	(15.34)	(5.61)
Tax income/(expense) during the year recognised in OCI	(16.96)	-
Closing balance	**(158.23)**	**(125.93)**

D. **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, 2018: Rs.Nil) 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, 2019 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, aggreting to Rs.Nil (March 31, 2018 : 0.60 crore)

During the year ended March 31, 2019, 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

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30 **Components of Other Comprehensive Income**

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

For the year ended March 31, 2019

	Cash Flow Hedge Reserve	Other Comprehensive Income	Total
Cash flow hedge reserve (net)	167.55	-	167.55
Less: reclassified to statement of profit and loss	(133.53)	-	(133.53)
Remeasurement gain on defined benefit plans	-	(1.04)	(1.04)
Closing Balance	**34.02**	**(1.04)**	**32.98**

For the year ended March 31, 2018

	Cash Flow Hedge Reserve	Other Comprehensive Income	Total
Cash flow hedge reserve (net)	71.69	-	71.69
Less: reclassified to statement of profit and loss	(56.95)	-	(56.95)
Remeasurement gain on defined benefit plans	-	(0.16)	(0.16)
Closing Balance	**14.74**	**(0.16)**	**14.58**

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31. Non-controlling interest:

	March 31, 2019	March 31, 2018
Balance at beginning of year (excluding share of CCPS)	40.27	34.55
Share of profit for the year	6.34	14.77
Dividend paid	(2.16)	(9.05)
Total	**44.45**	**40.27**
Share of compulsory convertible cumulative preference shares (CCPS) in GHACLPL	18.00	18.00
Less: Deferred tax liability on Equity component	(0.06)	-
Less: Consideration paid	(59.75)	-
Gain on account of acquisition	2.64	-
Balance at end of year	-	58.27

32. 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, 2019	For the year ended March 31, 2018
Profit attributable to equity holders for basic and diluted earning	724.00	565.63
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.)	19.15	14.96
Face value per share (Rs.)	10.00	10.00

33. Capital work in progress

The breakup of Capital work in progress is as below.

	March 31 2019	March 31 2018
Capital expenditure incurred on property, plant and equipment	314.55	264.07
Revenue items*:		
Legal and professional	100.52	74.37
Employee benefits expense	0.35	0.76
Rates and taxes	0.63	0.64
Travelling and conveyance	0.77	0.31
Senior secured notes issue costs amortised	0.58	0.35
Land lease rentals	0.25	0.26
Finance costs**	30.62	20.33
Other expenses	0.89	0.05
Total (i)	**449.16**	**361.14**

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Less:- Other income*:		
Interest income from bank deposit	(1.93)	(0.49)
Net gain on sale of current investments	(10.54)	(11.51)
Temporary lease rentals earned net of taxes	(0.57)	(0.58)
Fair valuation of investment in debt oriented mutual funds	-	(0.71)
Total (ii)	**(13.04)**	**(13.29)**
Net Capital work in progress (i-ii)	**436.12**	**347.86**

*The above items are net of capitalized amounts in past periods.

**In case of GHIAL, considered to the extent of SSN proceeds earmarked for airport expansion project i.e. USD 78 million till December 31, 2018 and USD 36 million from January 1,2019 onwards (March 31, 2018:USD 78 million) out of total proceeds of USD 350 million.

During the year ended March 31, 2019 the Group has capitalized the following expenses of revenue nature to the capital work-in-progress (CWIP). Consequently, expenses disclosed under other expenses are net of amounts capitalized by the Group.

Particulars	**For the year ended March 31,2019**	**For the year ended March 31,2018**
Revenue expense:		
Subcontracting and other professional expenses	51.74	39.88
Employee benefit expense	-	0.76
Rates & taxes	0.12	0.11
Travelling and Conveyance	0.40	0.06
Senior secured notes issue cost amortized	0.78	0.35
Finance cost	38.56	18.92
Other expenses	0.99	0.05
Total (A)	92.59	60.13
Less: Other income		
Interest income from bank deposit	(3.71)	(0.49)
Net gain on sale of current investment	(10.62)	(11.51)
Fair value of mutual fund	-	(0.71)
Total (B)	**(14.33)**	(12.71)
Net (C=A+B)	78.26	47.42

34. 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, 2019	For the year ended March 31, 2018
Contribution to provident fund	6.81	5.43
Contribution to ESI and labour welfare fund	1.00	0.80
Contribution to superannuation fund	2.45	1.93
Total	**10.26**	**8.16**

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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, 2019	For the year ended March 31, 2018
Current service cost	1.79	2.46
Net interest cost	0.07	0.08
Cost recognized in statement of profit and loss	**1.86**	**2.54**

Amount recognized in other comprehensive income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gain)/loss due to DBO experience	0.59	0.14
Actuarial gain due to DBO assumption changes	0.46	(0.24)
Actuarial (gain)/Loss arising during the year	**1.05**	**(0.10)**
Return on plan assets greater than discount rate	0.08	(0.08)
Actuarial gains recognized in OCI	**1.13**	**(0.18)**

Balance sheet

	March 31, 2019	March 31, 2018
Defined benefit obligation	(15.17)	(11.53)
Fair value of plan assets	11.59	8.93
Plan asset / (liability)	**(3.58)**	(2.60)

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

	March 31, 2019	March 31, 2018
Opening defined benefit obligation	11.53	8.66
Interest cost	0.59	0.53
Current service cost	1.79	1.68
Acquisition cost	1.59	0.46
Past service cost-plan amendments	-	0.76
Benefits paid (including transfer)	(1.40)	(0.86)
Acquisition cost of APFTAL	-	0.10
Actuarial losses/ (gain) on obligation-experience	1.05	0.20
Closing defined benefit obligation	**15.17**	11.53

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

	March 31, 2019	March 31, 2018
Opening fair value of plan assets	8.93	5.79
Expected return on plan assets	0.73	0.43
Contributions by employer	2.31	3.36
Acquisition adjustment	1.06	(0.01)
Benefits paid (including transfer)	(1.40)	(0.69)
Return on plan assets greater/ (lesser) than discount rate	(0.08)	0.13
Actuarial (gains) / losses	0.04	(0.08)
Closing fair value of plan assets	11.59	8.93

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

	March 31, 2019	March 31, 2018
Investments with insurer	100%	100%

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

Particulars	March 31, 2019	March 31, 2018
Discount rate (in %)	6.90%	7.10%
Salary Escalation (in %)	6% to 8%	6.00%
Attrition rate (in %)	5% to 20%	5.00%

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

	March 31, 2019	March 31, 2018
Discount rate		
Effect due to 1% increase in discount rate	(1.18)	0.96
Effect due to 1% decrease in discount rate	1.25	2.86
Attrition rate		
Effect due to 1% increase in attrition rate	0.09	0.08
Effect due to 1% decrease in attrition rate	(0.10)	(0.08)
Salary escalation rate		
Effect due to 1% increase in salary increase	1.11	2.74
Effect due to 1% decrease in salary increase	(1.02)	1.00

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, 2019
March 31, 2020	1.40
March 31, 2021	1.78
March 31, 2022	1.87
March 31, 2023	2.10
March 31, 2024	1.94
March 31, 2025 to March 31, 2029	14.23

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The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2018: 10 years).

35. **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 Services 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 Kamalanga Energy Limited
		GMR Airport Developers Limited
		GMR Power Corporation Limited
		GADL International Limited
		Kakinada SEZ Limited
		Raxa Security Services Limited
		GMR Warora Energy Limited
		GMR Sports Private Limited
		GMR Infrastructure (Singapore) Pte Limited
		GMR Kishnagiri SEZ Limited
		GMR Goa International Airport Limited
		GMR Business Process Services Private Limited
(v)	Shareholders having significant influence	Government of Telangana
		Airports Authority of India
		MAHB (Mauritius) Private Limited
(vi)	Key management personnel	Mr. Srinivas Bommidala – Managing Director till May 31, 2018 and Director w.e.f June 1, 2018.
		Mr. G B S Raju – Managing Director w.e.f June 1, 2018
		Mr. SGK Kishore - Chief Executive Officer
		Mr. Rajesh Arora- Chief Financial Officer till May 31, 2019
		Mr. Anand Kumar- Chief Financial Officer w.e.f June 1, 2019
		Mr. Grandhi Kiran Kumar – Director
		Mr. Anup Kumar Samal - Company Secretary
		Mr. G M Rao – Chairman till May 31, 2018 and Executive Chairman from June 1, 2018)
		Mr. HJ Dora – Director
		Mr. C Prasanna – Director
		Mr. Venkataramana Hegde – Director
		Mr. Ramakrishna Rao IAS – Director
		Mr. Datuk Badlisham Bin Ghazali * - Director till June 23, 2018

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Sl. No.	Relationship	Related party Name
		Mr. Raj Azmi bin Raja Nazuddin - Director w.e.f September 10, 2018
		Mr. RSSLN Bhaskarudu- Independent Director
		Mr. NC Sarabeswaran- Independent Director
		Mrs. Vissa SivaKameswari -Independent Director
		Mr.Jayesh Ranjan IAS - Director
		Mr. I.N. Murthy – Director
		Mr. Madhu Ramachandra Rao- Independent Director w.e.f July 02,2018
		Mr. P. Vijay Bhaskar- Independent Director, ceased to be director w.e.f May 04, 2018.
(vii)	Joint Venture	Laqshya Hyderabad Airport Media Private Limited
		Asia Pacific Flight Training Academy Limited@
(viii)	Enterprises where key Directors and their relatives exercise significant influence	GMR Varalakshmi Foundation
(ix)	Other entities in which Directors are interested	GMR Family Fund Trust Sri Varalakshmi Jute Twine Mills Private Limited Geokno India 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. On January 7, 2019, GHIAL has entered into a share purchase agreement (SPA) to sell the 100% stake in its subsidiary Asia Pacific Flight Training Academy Limited (APFTAL) to Aerostream Aviation Private Limited (AAPL) at a nominal consideration of Rs. 100. Pursuant to the SPA, the shares have been transferred to AAPL on February 27, 2019, and accordingly, GHIAL has impaired goodwill of Rs.4.14 Crore.

During the previous year, the subsidiary companies as at March 31, 2018, 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, 2019		For the year ended March 31, 2018	
	Short Term Employee benefits	Sitting Fees	Short Term Employee benefits	Sitting Fees
Remuneration to KMP	12.32	-	6.60	-
Mr. G M Rao – Chairman	-	0.00	-	0.01
Mr. HJ Dora – Director	-	0.01	-	0.01
Mr. Venkataramana Hegde – Director	-	0.01	-	0.01
Mr. Ramakrishna Rao IAS – Director	-	0.02	-	0.01
Mr. Datuk Badlisham Bin Ghazali * - Director	-	-	-	0.00
Mr. RSSLN Bhaskarudu- Independent Director	-	0.06	-	0.04
Mr. NC Sarabeswaran- Independent Director	-	0.05	-	0.04
Mrs. Vissa Siva Kameswari -Independent Director	-	0.04	-	0.03
Mr. P. Vijay Bhaskar	-	0.00	-	0.02
Mr. Jayesh Ranjan IAS – Director	-	0.01	-	0.01
Mr.Madhu Ramachandra Rao- Independent Director	-	0.02	-	-
Mr.Raja Azmi bin Nazuddin - Director	-	0.00	-	-
Mr. IN Murthy – Director	-	0.01		0.01

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(All amounts in Rupees Crores, except otherwise stated)

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

Related Party Transactions	For the year ended March 31, 2019	For the year ended March 31,2018
Services received:		
GMR Infrastructure Limited	7.04	12.64
GMR Airports Limited	26.30	21.99
Raxa Security Services Limited	20.25	17.78
GMR Aviation Private Limited	9.07	4.29
GMR Airport Developers Limited	26.86	22.58
GMR Corporate Affairs Private Limited	-	0.44
GMR Family Fund Trust	0.29	0.31
GMR Krishnagiri SEZ Ltd	-	-
Geokno India Private Limited	-	-
Delhi International Airport Limited	0.57	0.03
Laqshya Hyderabad Airport Media Private Limited	1.17	0.54
Government of Telangana	3.59	3.42
Airports Authority of India	0.03	0.13
Sri VaraLakshmi Jute Twine Mills Private Limited	0.22	0.18
GMR Sports Private Limited	-	-
Security Deposit (paid) /received):		
Laqshya Hyderabad Airport Media Private Limited	0.16	-
GMR Family Fund Trust	-	0.00
GMR Airport Developers Limited	(15.00)	0.07
Raxa Security Services Limited	-	0.00
GMR Infrastructure Limited	-	0.00
Delhi International Airport Limited	(0.23)	0.25
Sri VaraLakshmi Jute Twine Mills Private Limited	-	(0.10)
GMR Varalakshmi Foundation	-	(0.00)
Income from operations:		
GMR Infrastructure Limited	0.02	0.02
GMR Airports Limited	0.32	0.39
GMR Aviation Private Limited	0.05	0.06
Kakinada SEZ Limited	0.32	0.41
GMR Airport Developers Limited	0.17	0.14
Raxa Security Services Limited	0.01	0.01
GEOKNO India Pvt Ltd	0.15	0.37
GMR Energy Trading Limited	0.00	0.01
GMR Highways Limited	0.25	0.28
GMR Business Process Services Private Limited	2.75	0.38
GMR Corporate Affairs Private Limited	-	0.00
GMR Goa International Airport Limited	-	-
GMR Vemagiri Power Generation Limited	-	-
Delhi International Airport Limited	0.05	0.03
GMR Warora Energy Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	32.19	38.15
Asia Pacific Flight Training Academy Limited	-	0.30

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GMR Hyderabad International Airport Limited Hyderabad

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Airports Authority of India	3.24	3.20
GMR Varalakshmi Foundation	0.39	0.40
GMR Tuni-Anakapalli Expressways Ltd	0.00	0.00
Unsecured loan received back:		
Laqshya Hyderabad Airport Media Private Limited	2.55	4.56
Interest on amortisation of interest free unsecured loan given:		
Laqshya Hyderabad Airport Media Private Limited	0.22	1.46
Interest on delayed payments from customers		
GMR Highways Limited	-	0.00
Laqshya Hyderabad Airport Media Private Limited	0.00	0.04
GMR Aviation Private Limited	0.00	0.00
Sale of Asset:		
Kakinada SEZ Limited	-	-
Purchase of Asset:		
GMR Airport Developers Limited	48.44	22.39
Geokno India Private Limited	0.28	-
Corporate guarantee availed from the intermediate holding company against loan taken from banks:		
GMR Infrastructure Limited	-	-
GMR Airport Limited	-	(41.00)
CSR Expenditure		
GMR Varalakshmi Foundation	7.66	4.44
Reimbursement of expenses claimed by the Group during the year from its related parties:		
GMR Infrastructure Limited	0.01	0.02
GMR Airports Limited	1.58	0.47
Kakinada SEZ Limited	0.06	0.09
Delhi International Airport Limited	0.40	0.07
GMR Airport Developers Limited	0.93	0.90
GMR Highways Limited	0.05	0.06
Geokno India Private Limited	0.06	0.15
Laqshya Hyderabad Airport Media Private Limited	0.95	1.36
Airports Authority of India	2.92	2.98
GMR Varalakshmi Foundation	0.08	0.08
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	-	-
GMR Business Process & Services Private limited	0.48	0.04
GMR Sports Private limited	-	0.58
Reimbursement of expenses claimed from the Group during the year by its related parties:		
GMR Airports Limited	0.49	0.48
Delhi International Airport Limited	-	0.37
GMR Varalakshmi Foundation	-	-
Laqshya Hyderabad Airport Media Private Limited	-	0.03

(All amounts in Rupees Crores, except otherwise stated)

GMR Airport Developers Limited	0.11	0.00
Income on amortisation of deposit received:		
Laqshya Hyderabad Airport Media Private Limited	0.03	0.04
GMR Varalakshmi Foundation	0.01	0.01
GMR Infrastructure Limited	0.00	-
Interest expense on amortisation of deposit received:		
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
GMR Infrastructure Limited	-	-
Amortization of expense on deposit paid:		
GMR Airport Developers Limited	0.01	-
Raxa Security Services Limited	0.23	-
Sri VaraLakshmi Jute Twine Mills Private Limited	0.01	-
GMR Varalakshmi Foundation	0.05	-
Interest income on amortization of deposit paid:		
GMR Airport Developers Limited	0.02	
Raxa Security Services Limited	0.22	
Sri VaraLakshmi Jute Twine Mills Private Limited	0.01	
GMR Varalakshmi Foundation	0.04	
Equity Dividend Paid		
GMR Airports Limited	95.26	95.26
GMR Infrastructure Limited	0.00	0.00
MAHB (Mauritius) Private Limited	16.62	16.62
Airports Authority of India	19.66	19.66
Government of Telangana	19.66	19.66

D. Outstanding balances at the end of the year:

Particulars	31-Mar-19		31-Mar-18	
	Non-Current	Current	Non-Current	Current
Balance Recoverable / (Payable):				
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Infrastructure Limited	-	0.28	-	(1.76)
GMR Airports Limited	-	(4.28)	-	(7.69)
Raxa Security Services Limited	-	(0.34)	-	(2.38)
Delhi International Airport Limited	-	0.08	-	(0.02)
GMR Rajahmundry Energy Limited	-	0.04	-	0.04
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	(0.98)	-	(0.69)
GMR Airport Developers Limited	-	(15.84)	-	(9.46)
Kakinada SEZ Private Limited	-	0.42	-	0.40
GMR Energy Trading Limited	-	0.02	-	0.02
GMR Corporate Affairs Private Limited	-	(0.10)	-	(0.10)
GMR Highways Limited	-	0.30	-	(0.00)
Geokno India Private Limited	-	0.71	-	1.02

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(All amounts in Rupees Crores, except otherwise stated)

Particulars	31-Mar-19		31-Mar-18	
GMR Warora Energy Limited	-	-	-	0.00
GMR Holdings Private Limited	-	-	-	0.01
GMR Tuni Anakapalli Expressways Private Limited	-	-	-	0.00
GMR Aerostructure Services Limited	-	0.03	-	0.03
GMR Goa International Airport Limited	-	-	-	-
GMR Vemagiri Power Generation Ltd.	-	0.00	-	0.00
GMR Kamalanga Energy Limited	-	-	-	0.01
GMR Business Process Services Private Limited	-	-	-	0.49
Laqshya Hyderabad Airport Media Private Limited	-	0.97	-	9.57
Government of Telangana	-	(3.69)	-	(3.52)
Airports Authority of India	-	2.97	-	5.90
GMR Family Fund Trust	-	2.32	-	-
GMR Varalakshmi Foundation	-	(0.99)	-	(0.88)
Security deposit received from / (paid) to related parties reccognised at amortised cost:				
GMR Infrastructure Limited	-	0.03	-	0.04
Raxa Security Services Limited	(1.55)	-	(1.75)	-
Laqshya Hyderabad Airport Media Private Limited	0.15	0.29	0.27	0.05
GMR Varalakshmi Foundation	0.09	-	0.15	-
GADL International Limited	-	0.03	-	0.07
Sri Varalakshmi Jute Twine Mills Private Limited	-	(0.08)	-	(0.10)
Delhi International Airport Limited	-	-	-	0.21
GMR Family Fund trust	(0.30)		(0.39)	
GMR Airport Development Limited	(8.72)	(3.81)	-	-
Deferred income on deposits received recognized at amortised cost				
Laqshya Hyderabad Airport Media Private Limited	0.06	0.03	0.01	0.03
GMR Varalakshmi Foundation	0.05	0.01	-	0.01
Prepaid expenses on deposits paid recognized at amortized cost:				
Raxa Security Services Limited	0.05	0.14	-	-
Sri Varalakshmi Jute Twine Mills Private Limited	0.01	0.01	-	-
GMR Family Fund trust	0.05	0.03	-	-
GMR Airport Development Limited	1.65	0.83	-	-
Investment in joint venture company:				
Laqshya Hyderabad Airport Media Private Limited	9.80	-	9.80	-
Investment in Joint venture on account of amortisation of Loans given and Fair valuation of Financial guarantees:				
Laqshya Hyderabad Airport Media Private Limited	5.59	-	5.59	-
Loans given :				
Laqshya Hyderabad Airport Media Private Limited		0.32	-	2.87

(All amounts in Rupees Crores, except otherwise stated)

Particulars	31-Mar-19		31-Mar-18	
Borrowings:				
Government of Telangana	(315.05)	-	(315.05)	-

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.

36. Operating segments are reported in such a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The group has only a single geographical segment operating in Hyderabad, India. 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. The information relating to different products and services regarding products and services regarding Revenue from contracts with customers along with other income and finance income are given in Note 21, 22 and 23.

37. **Commitments and Contingencies**

I. Leases

Operating lease commitments: Group as lessee

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, 2019	March 31, 2018
Within one year	5.48	4.24
After one year but not more than five years	23.00	17.63
More than five years	733.80	731.38

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.

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, 2019	March 31, 2018
Within one year	45.71	39.21
After one year but not more than five years	155.56	98.54
More than five years	500.24	376.44

II. Litigation and Contingent Liabilities

1. Litigations provided for

i. 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, 2018: Rs.0.81 crore) have been provided for in the books of account.

ii. Matter related to service tax notice / order referred in note B (ix) below on contingent liabilities of GMR Hyderabad Aerotropolis Limited for which an amount of Rs. 0.85 crore (March 31, 2018: Rs. 0.85 crore.) have been provided for in the books of account.

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. In the previous year, GHIAL received the orders from the Commissioner of Income Tax (Appeals), Bengaluru reducing the disallowances from Rs. 109.44 crores to Rs. 31.17 crores against which GHIAL has filed an appeal with Income Tax Appellate Tribunal, (ITAT) Bengaluru.

Further, the Income Tax Department had filed appeals with ITAT, Bengaluru against the orders of Commissioner of Income Tax (Appeals) for the AY 2008-09 to AY 2012-13. The ITAT, Bengaluru has taken up the said appeals along with appeals filed by the GHIAL for AY 2007-08 to AY 2009-2010 and passed order dismissing the appeals filed by Income Tax Department and allowing the appeals filed by the GHIAL. During the year, the Income Tax Department has filed appeals against all the order of ITAT, Bengaluru in Hon'ble High Court of Karnataka.

b) GHIAL received an assessment order for A.Y. 2013-14 disallowing expenses amounting to Rs.23.68 crores against which GHIAL filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru (CIT). In the previous 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.

Further, the Income Tax Department had filed appeal with ITAT, Bengaluru against the order of Commissioner of Income Tax (Appeals) for the AY 2013-14. The ITAT, Bengaluru has passed order dismissing the appeal filed by the Income Tax department. During the year, the Income Tax department had filed appeal against the order of the ITAT in Hon'ble High Court of Karnataka.

c) GHIAL received assessment orders for the A.Y. 2014-15 disallowing expenses aggregating to Rs. 23.79 crores respectively, against which, GHIAL has filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru (CIT) and the disallowance of expenditure was reduced to Rs. 3.38 crores respectively, against which the GHIAL had filed an appeal with ITAT, Bengaluru. During the year, the Income Tax department has filed an appeal with the ITAT, Bengaluru against the orders of the Commissioner of Income Tax (Appeals).

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d) GHIAL received assessment orders for the A.Y. 2015-16 and 2016-17 disallowing expenses aggregating to Rs. 19.82 crores and 22.78 crores respectively against which, GHIAL has filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru. During the year, the GHIAL received an order from CIT (A) where the disallowance has been reduced to Rs. Nil. For the both the years. During the year, the Income Tax Department had filed the appeals with ITAT, Bengaluru against the orders of the Commissioner of the Income Tax (Appeals).

e) GHACLPL 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 crores (March 31, 2018: Rs. 1.54 crore) (including interest of Rs 0.22 crore) (March 31,2018: Rs. 0.22 crore), Rs. 2.73 crores (March 31, 2018: Rs. 2.73 crore) (including interest of Rs 0.69 crore (March 31, 2018: Rs. 0.69crore) and Rs. 3.03 crores (March 31, 2018: Rs 3.03 crore) (including interest of Rs. 0.74 crore (March 31, 2018: Rs. 0.74 crore) and Rs. 2.54 crores (March 31, 2018: Rs. 2.54 crore) (including interest of Rs 0.66 crore (March 31, 2018: Rs. 0.66 crore) for the respective assessment years. GHACLPL had filed an appeal with Commissioner of Income Tax (Appeals), Hyderabad and had paid Rs. 1.54 crore (March 31, 2018 Rs. 1.54 crore) Rs. 2.73 crore (March 31, 2018: Rs. 2.73 crore), Rs.3.03 crore (March 31, 2018: Rs.3.03 crore) and Rs. 2.54 crore (March 31, 2018: 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 GHACLPL had filed an appeal with the Income Tax Appellate Tribunal, Hyderabad.

During the FY 2016-17, GHACLPL 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. The department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

f) GHACLPL 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 crores for A.Y. 2013-14 and Rs. 3.11 crores 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 previous 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. During the current year, the Company 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 2013-14 and 2014-15. The Department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

g) GHACLPL has received an order during previous year 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 crores for AY 2015-16. During the current year, the Department has issued a refund order advice stating that refund for AY 2017-18 has been adjusted against the demand for AY 2015-16 to the extent of Rs. 3.77 crores. Aggrieved by the demand the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad which is pending. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

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h) GHACLPL has received an order during previous year for the assessment year 2015-16 denying the deduction u/s 80-IA of the Income Tax Act, 1961 and as per the order there is a demand amounting to Rs. 0.16 crore for AY 2016-17. Aggrieved by the demand the company had filed an appeal with the Commissioner of Income Tax (Appeals), Hyderabad which matter is pending. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

i) During the previous year, GHACLPL 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 31,2018: 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.

B. Guarantees excluding financial guarantees

In case of GHIAL, Bank guarantees outstanding in respect of customs and others Rs. 1.94 crores (March 31, 2018: Rs. 8.91 crore).

NOTE: Performance guarantees given by the GHIAL on its behalf are not considered as contingent liability.

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 crores (March 31, 2018: Rs. 24.54 crores). The order also included penalty of Rs. 31.11 crores (March 31, 2018: Rs. 31.11 crores). As per the stay order the GHIAL had deposited an amount of Rs. 12.20 crores (March 31, 2018: Rs. 12.20 crore) and accordingly, with the service tax department. During the year, the GHIAL has received an order dated March 14, 2019 from the CENVAT. The said order has allowed the Cenvat credit of Rs. 12.12 crores, remanded CENVAT credit of Rs. 4.01 crores and disallowed Cenvat credit of Rs. 8.41 crores. Accordingly, penalty amount got reduced to Rs. 12.42 crores. In addition, the order also allowed Cenvat credit of Rs. 6.56 crores which was capitalized earlier. However, the same has not been given effect to in the financial statements pending expiry of period for filing the appeal. Further, against the disallowance of Rs. 8.41 crores, the GHIAL is in the process of filing an appeal with the Hon'ble High Court of Telangana.

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, 2018: 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. During the year, the GHIAL had received order from Division bench of CESTAT comprising two members where in, the Member - Judicial allowed the appeal and Member - Technical confirmed the demand. Therefore, the matter is to be referred to a third member by CESTAT for resolving the same.

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 crores (March 31, 2018: Rs. 1.53 crores), including penalty of Rs 1.67 crores (March 31, 2018: Rs. 1.67 crores). 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.

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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, 2018: Rs. 0.25 crore). The orders also includes the interest payable thereon and penalty of Rs. 0.26 crore (March 31, 2018: Rs. 0.26 crore). Subsequent to the year ended March 31, 2018, GHIAL has filed an appeal before the office of Commissioner (Appeals) and deposited an amount of Rs.0.001 crore with the department to file the appeal. During the year, GHIAL has filed an appeal with CESTAT against the order passed by the Commissioner (Appeals) confirming the demand of 0.26 crore.

v. GHIAL has received an order dated March 23, 2018 from the office 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 amounting Rs. 2.39 crores (March 31, 2018: Rs. 2.39 crores). The order also includes a penalty of Rs. 1.80 crores (March 31, 2018: Rs. 1.80 crores) and interest as applicable. During the year, GHIAL has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) and deposited an amount of Rs. 0.18 crore as required to file the appeal.

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, 2018: 0.62 crore). The order also includes penalty of Rs. 0.62 crore (March 18 : 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. GHIAL had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction worker's Welfare Cess @ 1%of the cost of construction of Airport Metropolitan amounting to Rs. 25.20 crores (March 31, 2018: Rs. 25.20 crores). GHIAL has received the stay order against the said order in the earlier years.

viii. 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, 2019 amounts to 4.62 crores (March 31, 2018: Rs. 4.28 crores).

ix. GHAL as preferred an appeal with CESTAT against the order passed by Commissioner of Customs, Central Excise & Service Tax vide Order No. Hyd Excus-002-COM-006-15-16 dated July 23, 2015 confirming the demand of Rs. 0.29 crore towards irregular availment of Cenvat credit including a penalty of Rs 1.14 crore (March 31, 2018 Rs 1.14 crores).

x. GHAL had received an order- in-appeal from the office of the Commissioner of central Tax (Appeals) confirming the demand of Rs.1.47 crores in the matter of short payment of service tax under RCM on purchase of designs and drawings under Architecture service. GHAL had an appeal with Commissioner of Customs, Central Excise & Service Tax (CESTAT) against the order and reversed Cenvat credit of Rs.0.11 crore in FY 17-18 and paid Rs. 0.04 crore during the year towards pre-deposit.

xi. 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 31,2018: Rs.0.01 crore) has been denied. Based on the internal assessment the management is confident that no provision is required to be made as at March 31, 2019.

xii. GHASL had filed writ petition in Hon`ble High Court of judicature at Hyderabad against Order-In-Original passed by the Commissioner of Central Tax on February 20, 2018 confirming the demand of Rs 11.97 crore including a penalty of Rs 4.37 crores in the matter of 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. The Hon'ble High Court had allowed the writ petition filed by us and setting aside the demand raised in the Order-In-Original and as such the company is not required to make a provision as at March 31, 2019.

xiii. GHACLPL 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. GHACLPL. 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 GHACLPL had reversed the accrued customs cost amounting to Rs. 14.02 crores (March 31, 2018 : Rs.14.02 crore) for the period from March 23, 2008 to March 31, 2012.

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 and the matter is pending.

xiv. GHACLPL had rendered cargo handling services for export cargo during the period March 2008 to June 2010 on which GHACLPL had not paid service tax in view of the exemption available under cargo handling services. GHACLPL had received a show cause notice from the Office of Commissioner of Customs & Central Excise requiring GHACLPL 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, HMCPL 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 crores (March 31, 2018: 1.89 crore) crore as service tax for the period March 2008 to June 2010 under Airport Services and Rs. 1.07 crore (March 31, 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.

xv. GHACLPL 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 March 28, 2018 by disallowing Company demand, order received on April 09, 2018. As a result of which, there is a demand levied of Rs. 0.65 crore as service tax along with penalty of Rs. 0.63 crore. Further, the company has filed an appeal against the order with Commissioner (Appeals), Central Tax during the current period. The GHACLPL has received an unfavorable order from Commissioner of Customs and Central Tax (Appeals), Hyderabad on November 12, 2018, directing the Additional Commissioner to recalculate the demand. Subsequently, the GHACLPL has filed an appeal against the unfavorable order with CESTAT, Hyderabad on February 11, 2019.

xvi. During the current year, GHACLPL has received an order from Regional PF Commissioner – I, Regional Office II, Hyderabad, regarding the payment of contributions to International Worker under Employees Provident Funds and Miscellaneous Provisions Act, 1952 demanding an amount of Rs. 0.14 crore. GHACLPL has filed writ petition before the High Court of Telangana.

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xvii. 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. 94.30 crores (March 31, 2018: Rs. 94.48 crores towards capital expenditure (including the construction cost and cost of land mentioned in note (b) and excluding related maintenance expense and interest thereon) till September 30, 2018 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).

The GHIAL has stopped incurring maintenance expenditure of security systems / equipment from PSF (SC) fund with effect from April 1, 2018. Accordingly, during the year ended as at March 31, 2019 an amount totaling to Rs. 3.07 crores incurred (March 31, 2018 Rs. 3.50 crore) on maintenance of security systems / equipment has been considered in the above financial statements.

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, 2018: 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 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 advice 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.

xviii. 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 favorable order for the same.

xix. 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 GATL from Ministry of Commerce and Industry, customs duty is not applicable on such transactions.

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xx. 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.

xxi. Fuel surcharge adjustments (FSA) of GHIAL for the period from April 2008 to March 2010 amounting to Rs. 2.05 crore (March 31, 2018: Rs. 2.05 crore).

xxii. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. The financial impact on a prospective basis from the date of the SC order is not material and hence, no adjustments have been to the financial statements of the company. Group will update its provision, on receiving further clarity on the subject.

xxiii. GHRL has filed appeals with Appellate Tribunal against the orders of Deputy Commissioner and Appellate Deputy Commissioner against the order confirming the demand of 0.23 crore (March 31, 2018:0.34 crore) towards levying of Value Added Tax on usage of Audio Video Equipment's by the Hotel customers for the periods from Oct-10 to Nov-12 and Dec-12 to Mar-14 respectively.

xxiv. GHRL is in receipt of Order-in- appeal passed by Commissioner (appeals) setting aside the levying of service tax on Notice pay recovered from the employees of Rs. NIL. (March 31, 2018 Rs 0.00).

xxv. GHRL is in receipt of a show cause notice alleging non-payment of service tax on License fee paid to Government of Telangana of Rs. 0.13 crore and has filed a reply to SCN.

xxvi. During the current year GHRL received an order from Income Tax Officer for the AY 2016-17 demanding income tax of Rs. 0.06 crore, on account of disallowance. GHRL has filed with CIT (appeals).

xxvii. During the current year, GHRL received an order from Deputy Commissioner of Customs, RGI Airport in respect of Customs Duty on. alleged stock variance amounting to Rs. 0.01crore (March 31, 2018, NIL). GHRL has filed with Commissioner of Customs & Central Tax (Appeals-1) against the order passed by Deputy Commissioner Customs, RGIA. The Commissioner Customs & Central Tax (Appeals-1) upheld the order passed by Deputy Commissioner Customs, RGIA and reduced penalty to Rs. 0.01 crore. GHRL is in the process filling an appeal with CESTAT.

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, 2019.

III. Commitments

a) Capital commitments

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) amounting to Rs.3,334.25 crores including the goods and service tax (March 31, 2018: Rs. 222.78 crores including the goods and service tax). (Refer note 58).

NOTE: In order to meet the capital commitment, GHIAL has tied up the rupee term facility amounting to Rs. 4,200 crores with a bank. Further, the said facility is available for drawdown for next five years with door to door tenure of 16years 3 months.

b) Other commitments

i. As per the terms of concession agreement, the GMR Hyderabad International Airport Limited (GHIAL) 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 at the option of the GHIAL which has been exercised by the GHIAL & the same is calculated as per the provisions of Ins AS.

ii. For commitments pertaining to lease arrangement refer clause I of note 37.

38. 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.

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 and GHIAL has exercised the same. 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 D to Ind AS 115 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 D of Ind AS 115. 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.

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GHIAL had received advance revenue from its customer. Using the practical expedient in Ind AS 115, GHIAL does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Applicability of Service Concession Agreement (SCA) to GHACLPL

GHACLPL, 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 D to Ind AS 115 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 GHACLPL receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when GHACLPL 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 GHACLPL along with leasing of the part of the cargo infrastructure facility but since GHACLPL 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: 49)

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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. However, for the transactions undertaken from April 1, 2018 incremental borrowing rate of Airport sector i.e. 9.65% has been considered.

Defined benefit plans (gratuity benefits)

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 33 for further disclosures.

Provision for doubtful receivables:

GHACLPL makes provision for doubtful receivables based in a provision matrix which takes into account historical credits loss experience and adjusted for current estimates.

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.

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(All amounts in Rupees Crores, except otherwise stated)

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.

39. **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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets				
At Fair Value through profit or loss				
Investments	112.41	724.47	112.41	724.47
At Fair Value through Other Comprehensive Income				
Cross Currency Swap (Derivative designed as cash flow hedge)*	239.23	71.69	239.23	71.69
At Amortized cost				
Investments in Commercial paper	370.35	216.61	370.35	216.61
Loans	53.30	2.73	53.30	2.73
Bank balances other than cash and cash equivalents	115.67	72.91	115.67	72.91
Other financial assets	38.18	26.44	38.18	26.44
Trade receivables	180.55	129.47	180.55	129.47
Cash and cash equivalents	395.08	598.55	395.08	598.55
Total	**1,504.77**	**1,842.87**	1,504.77	1,842.87
Financial liabilities				
At amortized cost				
Borrowings	3,211.57	3,079.77	3,043.28	2,934.08
Other financial liabilities	663.77	481.57	663.63	481.57

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	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Trade payables	131.81	136.51	131.81	136.51
Total	4,007.15	3,697.85	3,838.72	3,552.16

*Excluding accrued net interest of Rs. 39.81 crore (March 31, 2018:40.36 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:

i. Cross currency swaps: -The fair value of cross currency swaps is calculated as the present value of the estimated future cash flows based on observables yield curve.
ii. The fair values of quoted mutual funds and commercial paper are based on price quotations at the reporting date.
iii. The fair value of loans is computed using the current applicable discounting rate (9.65%) and the carrying value is measured at the initial rate of 11.44%.
iv. The fair value of borrowings is based on the traded price of the bond and the prevailing exchange rate.

40. **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 un observable inputs
			Level-1	Level-2	Level-3
Assets measured at fair value					
At FVTPL					
Investment	March 31, 2019	112.41	112.41	-	-
	March 31, 2018	724.47	724.47	-	-
At FVTOCI					
Derivative designed as cash flow hedge (Cross currency swap)	March 31, 2019	239.23	-	239.23	-
	March 31, 2018	71.69	-	71.69	-
Liabilities measured value					
4.25% Senior Secured Notes	March 31, 2019	2,208.64	2,208.64*	-	-
	March 31, 2018	2,093.66	2,093.66*	-	-

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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 Mutual funds.
ii. The Fair value of cross currency swaps is calculated as the present value of estimated future cash flows based on observable interest yield curves.
iii. The fair value of 4.25% senior secured notes is based on the traded price of the bond and the prevailing exchange rate.

41. 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 2019 and 31 March 2018.

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 37 B.

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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 2019 and 31 March 2018 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(March 31,2018: 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, 2019, approximately 97% (March 31, 2018: 97% after taking into account the effect of interest rate swaps) of the Group's borrowings are at fixed rate of interest.

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, 2019	March 31, 2018
Floating Interest rate		
INR	100.19	225.65
Fixed Interest Rate		
Bonds/Debentures	2,420.43	2,286.90
INR	709.43	595.77

*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:

	Movement in basis points	Impact on profit before tax
March 31, 2019		
INR	50	0.50
USD	50	-
March 31, 2018		
INR	50	1.13
USD	50	-

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 2,376.93 crore) (March 31, 2018: 2,239.35). 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, 2019	March 31, 2019	March 31, 2018	March 31, 2018
Foreign Currency	**Foreign Currency**	**(Rs. in crores)**	**Foreign Currency**	**(Rs. in crores)**
Payable				
EURO	206,204	1.60	135,206	1.10
GBP	79,843	0.72	424,431	3.93
USD	1,496,973	10.32	2,127,657	13.88
CHF	11,160	0.08	20,828	0.14
CAD	-	-	31,718	0.16
Receivable				
USD	6,129,205	42.40	3,298,314	21.46
CHF	10,695	0.07	2,095	0.01
EURO	1,745	0.01	1,474	0.01
Bank balances (including credit card collection)				
USD	432,032	2.99	970,866	6.34
Other advances				
USD	727,944	5.03	668,579	4.33
EURO	-	-	53,816	0.43
CHF	6,864	0.05	-	-
GBP	299	0.00	-	-
Advances from customer				
USD	1,500	0.01	28,341	0.06
Payable for purchase of fixed assets				
USD	90,374	0.63	-	-
Cash in transit				
USD	26,295	0.18	40,249	0.26
Foreign currency on hand				
AED	10,246	0.02	10,616	0.02
AUD	451	0.00	1,141	0.01
CAD	350	0.00	325	0.00
CHF	7	0.00	47	0.00
EURO	588	0.00	1,033	0.01
GBP	565	0.01	85	0.00

(All amounts in Rupees Crores, except otherwise stated)

HKD	1,848	0.00	548	0.00
JPY	42	0.00	42	0.00
KWD	776	0.02	484	0.01
MYR	630	0.00	162	0.00
NZD	28	0.00	8	0.00
OMR	188	0.00	102	0.00
QAR	5,455	0.01	1,395	0.00
SAR	11,431	0.02	7,626	0.01
SGD	1,010	0.01	121	0.00
THB	86,977	0.02	87	0.00
USD	41,493	0.29	40,308	0.26
LKR	-	-	7,350	0.00
BAH	-	-	40	0.00
CNY	1,575	0.00	500	0.00

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD CAD and EURO 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, 2019 Rs.	March 31, 2018 Rs.
USD	Change in fair valuation of financial liabilities and assets	5%	1.60	0.38
CAD	Change in fair valuation of financial liabilities and assets	5%	-	0.01
GBP	Change in fair valuation of financial liabilities and assets	5%	0.04	0.20
EURO	Change in fair valuation of financial liabilities and assets	5%	0.08	0.05

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.

At March 31, 2019, GHIAL had 11 customers (31 March 2018: 16 customers) that owed GHIAL more than 1% each of total receivable and accounted for approximately 71% (31 March 2018: 72%) of all the receivables outstanding. There were 3 customers (31 March 2018: 2 customers) with balances greater than 5% each accounting for approximately 48% (31 March 2018: 30%) of the total amounts receivable.

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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.

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, 2019						
Borrowings	-	0.84	6.33	74.29	3,148.60	3,230.06
Trade & other payables	13.79	110.05	10.11	-	-	133.95
Other financial liabilities	1.87	318.56	99.01	173.51	137.89	730.84
Total	**15.66**	**429.45**	**115.45**	**247.80**	**3,286.49**	**4,094.85**
Year ended 31 March, 2018						
Borrowings	-	1.18	3.86	47.98	3,050.08	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**	**3,194.44**	**3,769.49**

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.

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42. 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 March 31, 2019	As at March 31, 2018
Borrowings	3,211.56	3,079.77
Borrowings(A)	**3,211.56**	**3,079.77**
Equity	378.00	378.00
Other equity	807.15	270.30
Total Capital(B)	**1,185.15**	**648.30**
Capital and borrowings(C=A+B)	**4,396.71**	**3,728.07**
Gearing ratio(A/C)	**73.04%**	**82.61%**

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, 2019 and March 31, 2018.

43. GHIAL has recognized, Minimum alternate tax (MAT) credit entitlement of Rs.405.41 crore (March 31, 2018: Rs. 269.10 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 2019-20, 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.

44. GHASL continues to recognize, Minimum alternate tax (MAT) credit entitlement of Rs. 0.30 crore (March 31, 2018 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.

45. Minimum Alternative Tax (MAT) Credit Entitlement claimed by GHACLPL in the income tax returns aggregating Rs. 32.31 crore have not been recognized in the books in View of the ongoing disputes/litigations with the tax authorities.

46. 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.

47. 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. 48 dated March 25, 2019 has allowed to continue to charge the Aeronautical tariff as prevailed on 31.03.2019 for a period of 6 months w.e.f April 1, 2019 or till determination of tariff for the aforesaid period whichever is earlier.

48. 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.

49. 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.

50. As per the Concession Agreement (CA), 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.

Income on forex restatement of SSN of Nil (March 2018: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
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

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

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51. In case of GHACLPL, 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. 1.49 crore (March 31, 2018: Rs. 2.55crore). The Management is confident that there would be no additional liability other than the amount accrued in the books of account.

52. The Board of directors of wholly owned subsidiary namely "Hyderabad Airport Security Service Limited"(HASSL) at its meeting held on September 17, 2018, approved the proposal to wind up the affairs by way of voluntary liquidation. Accordingly, HASSL has appointed Official Liquidator for the purposed voluntary liquidation on September 27, 2018 and is under the Voluntary Liquidation Process as required under Insolvency and Bankruptcy Code 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017. As on date, "HASSL" has the positive net worth hence does not have any adverse effect to the above financial results of GHIAL.

53. The Board of Directors of three of its subsidiary companies, namely GMR Hyderabad Air Cargo and Logistics Private Limited ("GHACLPL"), GMR Aero Technic Limited ("GATL") and GMR Aerospace Engineering Limited ("GAEL") in their meeting held on December 10, 2018 has approved, subject to the required approvals, the Composite Scheme of Arrangement amongst GHACLPL (Transferor Company) and GATL (Demerged company) and GAEL(Transferee/Resulting Company) and their respective Shareholders and Creditors ("Scheme"), wherein GATL will demerge the Maintenance, Repair and Overhauling (MRO) business and the demerged undertaking will be merged into GAEL with an Appointed Date of April 01, 2018.

Further, the Composite Scheme of Arrangement amongst GHACLPL (Transferor Company), GATL (Demerged company) and GAEL (Transferee/Resulting Company) and their respective Shareholders and Creditors ("Scheme") has been filed with the National Company Law Tribunal (NCLT) on January 10, 2019 under applicable laws / regulations to give effect to the above scheme and is pending approval of the NCLT.

54. 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.

55. 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, 2019	For the Year ended March31, 2018
Electricity and water charges	23.41	23.83
Salaries, wages and bonus	0.34	0.32
Staff welfare expenses	0.65	0.60
Miscellaneous expenses	0.18	0.32
Travelling and conveyance	0.26	0.02
Communication expenses	0.00	0.00
Legal & professional expenses	0.74	0.00
Repairs and maintenance	0.66	-
Office Maintenance	0.74	0.03

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(All amounts in Rupees Crores, except otherwise stated)

56. 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, 2019		March 31, 2018	
		As % of consolidated net assets	Amount	As % of consolidated net assets	As % of consolidated net assets
1	GHIAL	83.68%	1,665.83	78.14%	1,122.42
2	GHACLPL	5.30%	105.54	6.94%	99.62
3	HASSL	0.66%	13.22	0.92%	13.22
4	GHAL	2.36%	46.94	3.54%	50.83
5	GHASL	2.60%	51.69	3.86%	55.44
6	APFTAL	-	-	(0.33)%	(4.79)
7	GAEL including GATL	4.66%	88.84	4.02%	57.77
8	GHAPDL	0.00%	0.02	0.00%	0.02
9	GLPPL	0.00%	(0.05)	NA	NA
10	GHRL	1.06 %	21.10	(0.84) %	(12.05)
	Jointly controlled entities (as per Equity method)				
1	LAQSHYA	(0.03)%	(0.64)	(0.30)%	(4.36)
		100%	1,992.49	100%	1,378.12
	Less: Consolidated adjustments/elimination*		(807.34)		(729.82)
	Grand Total		1,185.15		648.30
	Non-controlling interest in subsidiary				
1	GHACLPL	NA	NA	4.06%	58.27

*Consolidated adjustments/eliminations include intercompany eliminations and consolidated adjustments

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

	Name of the entity	2018-19		2017-18	
		As % of consolidated profit or loss	As % of consolidated profit or loss	As % of consolidated profit or loss	Amount
1	GHIAL	98.53%	749.05	103.77%	617.60
2	GHACLPL	1.13%	8.58	4.28%	25.45
3	HASSL	0.00%	0.01	0.00%	0.01
4	APFTAL	0.28%	2.12	(0.11)%	(0.65)
5	GHAL	(0.51)%	(3.89)	(0.51)%	(3.04)
6	GHASL	(0.49)%	(3.74)	(0.69)%	(4.08)
7	GAEL including GATL	(0.78)%	(5.94)	(10.72)%	(63.79)
8	GHAPDL	0.00%	0.00	0.00%	0.00
9	GLPPL	(0.01)%	(0.06)	NA	NA
10	GHRL	0.52%	4.83	0.81%	4.83
	Jointly controlled entities (as per Equity method)				
1	LAQSHYA	0.49%	3.72	0.68%	4.03
	Non-controlling interest in subsidiary				
1	GHACLPL	0.84%	6.39	2.49%	14.79
	Sub total		760.20		595.15
	Less: Consolidated adjustments/elimination*		(20.26)		(14.94)
	Grand Total		739.94		580.21

57. 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, 2019:

	March 31, 2019	March 31, 2018
Current assets, including cash and cash equivalents Rs. 0.05 crore (March 2018: Rs.0.45 crore)	27.47	25.21
Non-current assets	21.40	20.50
Current liabilities	(4.86)	(4.27)
Non-current liabilities including borrowing Rs. 4.17 crore (March 2018: Rs.10.29 crore)	(6.85)	(11.88)
Equity	37.17	29.55
Less: Equity component of borrowings	18.45	18.48
	18.71	11.08
Proportion of the Group's ownership	49%	49%
	9.17	5.43
Add: GHIAL's share of equity components of borrowings	5.59	5.59
Carrying amount of the investment	14.75	11.02

Summarised statement of Profit and Loss account as at March 31, 2019:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	58.14	68.05
Other income	0.14	0.80
Total Income	58.28	68.85
Employee benefit expenses	3.40	3.32
Other expenses	40.13	47.43
Depreciation	1.84	1.93
Finance cost	2.41	3.81
Total expenses	47.78	56.49
Profit before tax	10.50	12.36
Tax expenses	2.84	4.13
Profit after tax	7.66	8.23
Other comprehensive income	(0.05)	0.00
Total comprehensive income	7.61	8.23
Group's share of profit for the year	3.73	4.03

Group's share of contingent liabilities of the jointly controlled entity is Rs. 0.40 crore (March 2018: Rs. 0.29 crore).

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58. 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.

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

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

Note: The Consolidated Financial statements as at March 31, 2019 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. 5.44 crore (March 31, 2018: Rs. 57.79 crore) for the year and has accumulated losses as at March 31, 2019 of Rs. 427.16 crore (March 31, 2018: Rs. 421.71 crore) which exceeds its net worth. 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 31,2019	March 31,2018
Goodwill-GAEL&GATL	36.27	36.27
Goodwill-APFTAL	-	4.14

MRO:

The Group performed its annual impairment test for year ended March 31, 2019 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 Consolidated Financial Statements do not include any adjustment relating to the impairment of Goodwill acquired through business combination.

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The recoverable amount of the MRO business, Rs. 36.27 crore as at March 31, 2019, 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 rate applied to cash flow projections for impairment testing during the current period is 11.48% (March 31, 2018: 13.69%) and cash flows beyond the ten-year period are extrapolated using a 2.0% growth rate (March 31, 2018: 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 2.14% 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 2.75%. 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.

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Growth rate estimates -The management has considered stable perpetual growth rate of 2%. The management recognizes that the possibility of new entrants can have a significant impact on growth rate assumptions and a reduction of 6.5% perpetual growth rate after forecast period will result in impairment.

59. In accordance with the provisions of the amended and restated Joint Venture Agreement (JVA) dated November 16, 2010 executed by the Company with Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) Limited (MACL), Menzies Aviation (India) Private Limited and Hyderabad Menzies Air Cargo Private Limited (HMACPL), the Company exercised its Buy Back Rights to buy the shares held by MACL in HMACPL. MACL disputed Company's position as regards exercising the buyback rights. In view of the above dispute, GHIAL invoked Arbitration and post conclusion of proceedings the Arbitral Tribunal issued the final award on January 29, 2018 dismissing the claims of the Company with costs stating that the fair market value was not determined as per the requirement of JVA, The Company has thus not exercised its buy back rights validly and hence dismissed the claims of the Company with costs.

However, on October 30, 2018, the Company has entered into a share purchase agreement to buy out the balance 49% stake in HMACPL held by the, Menzies Aviation Cargo (Hyderabad) Ltd. at a value of Rs. 59.75 Crore. Accordingly, post transfer of shares in favour of the Company on November 2, 2018, HMACPL became a wholly owned subsidiary of the Company. Further, with effect from November 5, 2018, the name of the HMACPL has been changed to GMR Hyderabad Air Cargo and Logistics Private Ltd. (GHACLPL).

60. **Sale of Investment in APFTAL**

On January 7, 2019, GHIAL has entered into a share purchase agreement (SPA) to sell the 100% stake in its subsidiary Asia Pacific Flight Training Academy Limited (APFTAL) to Aerostream Aviation Private Limited (AAPL) at a nominal consideration of Rs. 100. Pursuant to the SPA, the shares have been transferred to AAPL on February 27, 2019.

The fair value of identifiable assets and liabilities as at the date of transfer of shares were:

Description	**Fair value as on sale of Investment in APFTAL**
Assets	
Property, Plant and Equipment	0.49
Intangible assets	0.01
Other financial assets	0.49
Other non-current assets	0.00
Inventories	1.13
Investments	1.06
Trade receivables	0.25
Cash and cash equivalents	0.45
Others financial assets	0.36
Current Tax Assets (Net)	0.02
Other current assets	0.32
Total Assets	**4.58**
Liabilities	
Long term provisions	18.02
Trade payables	0.66
Other financial liabilities	0.00
Other current liabilities	5.55
Short term provisions	0.16
Total Liabilities	**6.45**
Net Liabilities over assets	**1.88**

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

During the previous 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, 2019	For the year ended March 31, 2018
Un utilized amount at the beginning of the year (A)	407.33	-
Amount raised during the year (B)	-	2,273.74
Add: Income on temporary cash investment (C)	15.04	12.00
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	422.37	111.57
Total (D)	422.37	1,878.41
Unutilised amount at the end of the year (A+B+C-D)	-	407.33

Details of temporary cash investment made from unutilized portion of Senior Secured Notes raised during the year ended as at March 31, 2019:

	No of Units	March 31, 2019	No of Units	March 31, 2018
Investment in Liquid Growth Funds				
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

62. The disclosure on nature of revenue from contracts as required under Ind AS 115 is part of note 21. Further, the additional disclosure on trade receivable and contract assets, contract liabilities are as below:

Contract balances

Particulars	March 31, 2019		March 31, 2018	
	Non-Current	Current	Non-Current	Current
Trade receivables *	-	180.55	-	129.47
Contract assets**	-	10.48	-	3.84
Contract liabilities***	41.31	4.26	39.91	9.88

* Trade receivables, beyond the credit period as per the contracts with the customers, are interest bearing. In March 31, 2019, Rs. 1.09 crore (March 31, 2018 Rs. 0.57 crore) was recognized as provision for expected credit losses on trade receivables
** Contract asset includes unbilled revenue.
*** Contract liabilities includes unearned revenue received from customers (Current and Non-current)

Details of provision movement for trade receivable are as below:

Particulars	March 31, 2019	March 31, 2018
Opening balance	0.77	0.33
Add: Provision made during the year	1.04	0.44
Less: Bad Debts written off	(0.44)	-
Closing balance	1.37	0.77

63. Events occurring after the Balance Sheet date

Subsequent to the year ended on March 31, 2019, the GHIAL has issued the 5.375% senior secured notes (SSN) through overseas market equivalent to USD 300 million (INR 2067.15 Crore). SSN were listed on Singapore stock exchange on April 10, 2019. The SSN are repayable after five years on April 10, 2024. The proceeds of the SSN is proposed to be utilized for capital expenditures with respect to Airport Activities (as defined in the Concession Agreement) as part of the expansion.

64. 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, Companies (Indian Accounting Standards) Amendment Rules, 2018 and Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the following standard:

New Standard issued but not yet effective

Ind AS 116 Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

Ind AS 116 is effective for the Group w.e.f. April 1, 2018 using either one of the following two methods:

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(a) Retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 116 (the full retrospective method); or

(b) Retrospectively with the cumulative effect of initially applying Ind AS 116 recognized at the date of initial application (April 01, 2019) and providing certain additional disclosures as defined in Ind AS 116 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 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 116 related to leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

Appendix C to Ind As 12 uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider for example, (a) how it prepares its income tax filings and supports tax treatments: or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after April 1, 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. Group may need to establish processes and procedures to obtain information that is necessary to apply the interpretation on a timely basis.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to re measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

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- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement, using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event and the discount rate used to re measure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement without considering the effect of the asset ceiling. This amount is recognized in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any the first change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendment, curtailment or settlement occurring on or after the beginning of the first annual reporting period that begins on or after April 1, 2019. These amendments will apply only to any future plan amendments, curtailment or settlements of the Group.

Annual improvements to Ind AS

Amendment to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its financial statementsThe 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

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 de-recognition 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 have 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

per Shankar Srinivasan
Partner
Membership No.: 213271
UDIN: 19213271AAAAAI1345

Place: Hyderabad
Date : July 23, 2019

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

per Hitesh Kumar P
Partner
Membership No.:233734
UDIN: 19233734AAAAAZ9996

Place : Hyderabad
Date : July 23, 2019

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

G B S Raju
Managing Director
DIN.:00061686

RSSLN Bhaskarudu
Director
DIN.:00058527

SGK Kishore
Chief Executive Officer

Anand Kumar
Chief Financial Officer

Anup Kumar Samal
Company Secretary

Place : Hyderabad
Date : July 23, 2019

Form No. AOC - 1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

(Pursuant to First proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Rs. In Crores

S.No	1	2	3	4	5	6	7	8	9	10
Name of the subsidiary	GMR Hyderabad Air Cargo And Logistics Private Limited (GHACLPL) (formerly Hyderabad Menzies Air Cargo Private Limited) **	Hyderabad Airport Security Services Limited (HASSL)	GMR Hyderabad Aerotropolis Limited (GHAL)	GMR Hyderabad Aviation SEZ Limited (GHASL)	GMR Aerospace Engineering Limited (GAEL)	GMR Aero Technic Limited (GATL) ***	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)	Asia Pacific Flight Training Academy Limited (APFTAL) #	GMR Logistics Park Private Limited (GLPPL) ##	GMR Hospitality and Retail Limited (Formerly GMR Hotels and Resorts Limited) (GHRL) $
The date since when subsidiary was acquired	7-Feb-2007	20-Jul-2007	18-Jul-2007	4-Dec-2007	12-Dec-2014	12-Dec-2014	18-Sep-2012	9-Oct-2017	20-Dec-2018	8-Sep-2008
Reporting period	April 01, 2018 - March 31, 2019	April 01, 2018 - March 31, 2019	April 01, 2018 - March 31, 2019	April 01, 2018 - March 31, 2019	April 01, 2018 - March 31, 2019	April 01, 2018 - March 31, 2019	April 01, 2018 - March 31, 2019	April 01, 2018 - February 28, 2019	December 20, 2018 - March 31, 2019	April 01, 2018 - March 31, 2019
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Share Capital	19.04	12.50	57.50	51.60	338.40	25.00	0.05	-	0.01	156.00
Reserves and Surplus	86.50	0.72	(10.56)	0.09	(3.99)	(270.57)	(0.03)	-	(0.06)	(134.90)
Total Assets	137.27	13.22	142.78	161.46	464.85	122.50	0.02	-	0.01	208.12
Total Liabilities	31.74	0.00	95.85	109.77	130.44	368.07	0.00	-	0.06	187.03
Investments*	3.02	0.23	1.21	4.41	-	-	-	-	-	12.07
Turnover	98.57	-	9.65	11.99	20.27	153.65	-	5.80	-	230.43
Profit before taxation	14.30	0.01	(2.00)	(3.24)	(0.50)	(11.47)	(0.00)	2.11	(0.06)	3.87
Provision for taxation	5.50	0.00	1.89	0.50	-	(6.25)	-	-	-	(0.02)
Profit after taxation	8.80	0.01	(3.89)	(3.74)	(0.50)	(5.22)	(0.00)	2.11	(0.06)	3.90
Proposed dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Notes:

1 The annual accounts of the Subsidiary Companies and the related detailed information will be made available to the members of the Company and the subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any member in the registered office and that of the subsidiary companies concerned.

2 * Investments except investment in Subsidiaries, joint ventures and associates.

3 **On October 30, 2018, GHIAL has entered into an share purchase agreement to buy out the balance 49% stake in GHACLPL held by Menzies Aviation Cargo (Hyderabad) Limited at a value of Rs. 59.75 crores. Accordingly post transfer of shares in favour of GHIAL on November 2, 2018 GHACLPL has become a wholly owned subsidiary of GHIAL.

4 # APFTAL ceased to be a subsidiary of GHIAL with effect from March 01, 2019 as GHIAL had sold its 100% stake in APFTAL for a nominal sale consideration of Rs. 100/-

5 ## GLPPL was incorporated on December 20, 2018. GLPPL is an wholy owned subsidary of GHAL

6 *** GATL is an wholly owned subsidiary of GAEL

Part "B" - Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Rs. in Crores

Name of Associates or Joint Ventures	**Laqshya Hyderabad Airport Media Private Limited (LHAMPL)**
1. Latest audited Balance Sheet Date	31-Mar-2019
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate or Joint Ventures held by the company on the year end	
No.	9,800,000
Amount of Investment in Associates or Joint Venture	9.80
Extent of Holding (in percentage)	49.00%
4. Description of how there is significant influence	NA
5. Reason why the associate/joint venture is not consolidated	Refer note 1 below
6. Networth attributable to shareholding as per latest audited Balance Sheet	14.75
7. Profit or Loss for the year	-
i. Considered in Consolidation	3.76
ii. Not Considered in Consolidation	-

Note 1 :
On transition to Ind AS, GHIAL has assessed and determined that LHAMPL as its JV under Ind AS 111 Joint Arrangements. Therefore, this need to be accounted for using the equity method as against proportionate consolidation.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the entity's share of net assets of the joint venture 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.

Further, in case entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the entity's net investment in the joint venture), the entity discontinues recognising its share of further losses. If the joint venture 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 recognised.

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

Place : Hyderabad
Date : July 23, 2019

Sd/-	Sd/-
G B S Raju	**RSSLN Bhaskarudu**
Managing Director	Director
DIN: 00061686	DIN 00058527

Sd/-	Sd/-
SGK Kishore	**P Anand Kumar**
Chief Executive Officer	Chief Financial Officer

Sd/-
Anup Kumar Samal
Company Secretary

Registered Office:

GMR Hyderabad International Airport Limited
GMR Aero Towers, Rajiv Gandhi International Airport,
Shamshabad, Hyderabad – 500108,
Telangana, India