S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

3rd & 6th Floor, Worldmark - 1
IGI Airport Hospitality District
Aerocity New Delhi - 110 037, India
Tel : +91 11 6671 8000
Fax : +91 11 6671 9999

Report on Special Purpose Standalone Financial Statements

To the Members of GMR Airports Limited

Introduction

We have audited the accompanying Special Purpose Standalone Financial Statements of GMR Airports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Standalone Financial Statements"). These Special Purpose Standalone Financial Statements have been approved by the Board of Directors of the Company, and have been prepared by the Management, and this report thereon issued, to enable the Company to prepare its special purpose consolidated financial statements as at and for the year ended March 31, 2018 and to enable GMR Infrastructure Limited ("the holding company" or "GIL") to prepare its consolidated financial statements as at and for the year ended March 31, 2018 and their auditors in their audit of the aforesaid consolidated financial statements and for internal use by the Management.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation of these Special Purpose Standalone Financial Statements in accordance with accounting practices and policies as stated in note 2(A) to the accompanying Special Purpose Standalone Financial Statements, and for such internal controls relevant to the preparation of the Special Purpose Standalone Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Special Purpose Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Special Purpose Standalone Financial Statements.

S.R. Batliboi & Associates LLP
New Delhi

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Special Purpose Standalone Financial Statements.

S.R. Batliboi & Associates LLP
New Delhi

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Standalone Financial Statements for the year ended March 31, 2018; are prepared in all material respects, in accordance with accounting practices and policies as stated in note 2(A) to the accompanying Special Purpose Standalone Financial Statements.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2(A) to the Special Purpose Standalone Financial Statements, which describes the basis of accounting.

The accompanying Special Purpose Standalone Financial Statements and this report have been prepared solely for the purpose stated in paragraph 1 of this report, and therefore, may not be suitable for any other purpose. This should not be used, referred to or distributed for any other purpose without our prior written consent.

The Company has prepared separate set of financial statements for the year ended March 31, 2018 in accordance with the with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014, on which we issued a separate auditor's report to the shareholders of the Company dated May 15, 2018.

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

S.R. Batliboi & Associates LLP * New Delhi *

per Yogesh Midha
Partner
Membership No.: 094941
Place: New Delhi
Date : May 15, 2018

GMR Airports Limited
CIN U65999KA1992PLC037455
Special purpose standalone Balance Sheet as at March 31, 2018
(Amount in Rupees except otherwise stated)

	Notes	March 31, 2018	March 31, 2017
Assets			
Non-current assets			
Property, Plant and Equipment	3	65,511,469	88,569,945
Capital work-in-progress	3	-	-
Investment in subsidiaries	4	23,449,946,589	22,404,946,589
Financial Assets			
(i) Loans	5.2	13,055,141	7,341,990
(ii) Other financial assets	5.3	12,500,021	1,051,750,000
Deferred tax asset (net)	17	23,588,116	1,805,405
Prepayments and other assets	6	599,390,270	221,206,878
		24,163,991,606	23,775,620,807
Current assets			
Financial Assets			
(i) Investments	5.1	311,476,493	65,552,116
(ii) Loans	5.2	1,047,231,582	415,731,582
(iii) Trade Receivables	7	636,176,509	528,979,128
(iv) Cash and cash equivalents	8	17,115,296	69,865,176
(v) Other financial assets	5.3	712,443,649	234,366,459
Prepayments and other assets	6	19,742,080	65,697,712
		2,744,185,609	1,380,192,173
Total assets		26,908,177,215	25,155,812,980
Equity and liabilities			
Equity			
Equity Share Capital	9	3,508,694,900	3,508,694,900
Other Equity			
(i) Equity component of convertible preference share	10	3,731,468,000	3,731,468,000
(ii) Securities premium	10	11,046,532,000	11,046,532,000
(iii) Capital reserve	10	2,265,399	2,265,399
(iv) Special Reserve u/s 45 IC of RBI Act	10	660,663,169	222,681,698
(v) Retained earnings	10	4,103,776,389	2,386,797,033
Total Equity		23,053,399,857	20,898,439,030
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	11	3,304,300,000	3,263,644,153
(ii) Other financial liabilities	12	2,158,938	3,813,407
Non Current provisions	14	8,093,020	4,835,517
		3,314,551,958	3,272,293,077
Current liabilities			
Financial liabilities			
(i) Trade payables	15.1		
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		278,615,091	183,630,547
(ii) Other payables	15.2	-	38,352,329
(iii) Other financial liabilities	12	12,818,500	676,570,309
Deferred revenue	13	4,563,243	2,999,433
Other current liabilities	16	167,205,729	31,625,187
Current Provisions	14	65,742,162	40,622,393
Liability for current tax (net)		11,280,675	11,280,675
		540,225,400	985,080,873
Total Liabilities		3,854,777,358	4,257,373,950
Total Equity and Liabilities		26,908,177,215	25,155,812,980
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per Yogesh Midha
Partner
Membership No.: 094941
Place: New Delhi
Date: May 15, 2018

For and on behalf of the Board of Directors of GMR Airports Limited

RSSLN Bhaskarudu
Director
DIN:- 00058527

P.S. Nair
Whole Time Director
DIN:- 00063118

Sidharath Kapur
President & Chief Financial Officer
PAN:- AAJPK7956Q

Deepanjali Gulati
Company Secretary
PAN:- AHXPD3292P

Place: New Delhi
Date: May 15, 2018

GMR Airports Limited
CIN U65999KA1992PLC037455
Special purpose standalone statement of Profit and Loss for the year ended March 31, 2018
(Amount in Rupees except otherwise stated)

		Notes	March 31, 2018	March 31, 2017
I	**Income**			
	Revenue from operations (net)	18	3,504,057,690	1,326,078,044
	Other income	19	2,454,850	60,860,971
	Total income		3,506,512,540	1,386,939,015
II	**Expenses**			
	Employee benefits expense	20	153,773,451	108,009,672
	Finance costs	21	506,142,562	501,589,501
	Depreciation expense	22	8,204,598	8,619,750
	Other expenses	23	337,721,735	263,921,595
	Total expenses		1,005,842,346	882,140,518
III	**Profit before exceptional item and tax (I-II)**		2,500,670,194	504,798,497
	Exceptional item	24	323,100,000	-
IV	**Profit before tax**		2,177,570,194	504,798,497
	Tax expense:	17		
	Current tax (refer note 46)		44,831,427	158,251,711
	Deferred tax (credit)/charge		(21,940,926)	6,331,394
V	**Total tax expense**		22,890,501	164,583,105
VI	**Profit for the year (III -IV)**		2,154,679,693	340,215,392
	Other comprehensive Income			
A	**Items that will not be reclassified to profit or loss in subsequent period**			
	Re-measurement gains/(losses) on defined benefit plans		457,136	(2,125,433)
	Income tax effect		(158,215)	726,810
VII	**Total other comprehensive income for the year (net of tax)**	25	298,921	(1,398,623)
VIII	**Total Comprehensive Income for the year (net of tax) (VI+VII)**		2,154,978,614	338,816,769
IX	**Earnings per equity share:**	26		
	[nominal value of share Rs. 10 (March 31, 2017: Rs. 10)]			
	Computed on the basis of total profit for the year			
	(1) Basic		3.27	0.52
	(2) Diluted		3.27	0.52
	Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per Yogesh Midha
Partner
Membership No.: 094941
Place: New Delhi
Date: May 15, 2018

S.R. Batliboi & Associates LLP * New Delhi *

For and on behalf of the Board of Directors of GMR Airports Limited

RSSLN Bhaskarudu
Director
DIN:- 00058527

P.S. Nair
Whole Time Director
DIN:- 00063118

Sidharath Kapur
President & Chief Financial Officer
PAN:- AAJPK7956Q

Deepanjali Gulati
Company Secretary
PAN:- AHXPD3292P

Place: New Delhi
Date: May 15, 2018

GMR AIRPORTS LIMITED *

GMR Airports Limited
CIN U65999KA1992PLC037455
Special purpose standalone statement of change in Equity for the year ended March 31, 2018
(Amount in Rupees unless otherwise stated)

		Other Equity					
	Equity share capital	Equity component of convertible preference share	Securities premium	Captial reserve	Special Reserve u/s 45-IC of Reserve Bank of India ('RBI') Act	Retained earnings	Total equity
Balance as at April 1, 2016	3,508,694,900	3,731,468,000	11,046,532,000	2,265,399	154,690,777	2,115,988,972	20,559,640,048
Profit for the year	-	-	-	-	-	340,215,392	340,215,392
Addition / transfer during the year	-	-	-	-	-	-	-
Transferred to special reserve u/s 45 - IC	-	-	-	-	67,990,921	(67,990,921)	-
Dividend and Dividend Corporate tax	-	-	-	-	-	(17,787)	(17,787)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(1,398,623)	(1,398,623)
Balance as at March 31, 2017	3,508,694,900	3,731,468,000	11,046,532,000	2,265,399	222,681,698	2,386,797,033	20,898,439,030
Profit for the year	-	-	-	-	-	2,154,679,693	2,154,679,693
Addition / transfer during the year	-	-	-	-	-	-	-
Transferred to special reserve u/s 45 - IC	-	-	-	-	437,981,471	(437,981,471)	-
Dividend and Dividend Corporate tax	-	-	-	-	-	(17,787)	(17,787)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	298,921	298,921
Balance as at March 31, 2018	3,508,694,900	3,731,468,000	11,046,532,000	2,265,399	660,663,169	4,103,776,389	23,053,399,857

Summary of significant accounting policies (refer note 2.1)

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

As per our report of even date

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

per Yogesh Midha
Partner
Membership No.: 094941
Place: New Delhi
Date: May 15, 2018

S.R. Batliboi & Associates LLP * New Delhi *

For and on behalf of the Board of Directors of
GMR Airports Limited

RSSLN Bhaskarudu
Director
DIN:- 00058527

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President & Chief Financial Officer
PAN:- AAJPK7956Q

Deepanjali Gulati
Company Secretary
PAN:- AHXPD3292P

Place: New Delhi
Date: May 15, 2018

GMR AIRPORTS LIMITED *

GMR Airports Limited
CIN U65999KA1992PLC037455
Special purpose standalone cash flow statement for the year ended March 31, 2018
(Amount in Rupees except otherwise stated)

	March 31, 2018	March 31, 2017
Cash flow from operating activities		
Profit before tax	2,177,570,194	504,798,497
Adjustments to reconcile profit before tax to net cash flows		
Depreciation expenses	8,204,598	8,619,750
Loss on discard of property, plant and equipment	-	27,699
Exchange differences (net)	172,563	1,080,371
Provision written back for diminution in value of investment in subsidiary company	-	(8,927,310)
Bad debts written off	300,000	956,139
Contingent provision against standard assets made / (written back)	2,722,500	(522,500)
Provision written back for loss in subsidiary company	-	(49,200,000)
Deferred income on financial assets carried at amortised cost	(2,454,850)	(2,211,161)
Rent expense on financial assets carried at amortised cost	1,019,706	846,501
Fair value gain on financial instruments carried at fair value through profit & loss	(664,332)	1,055,862
Remeasurement gain/(loss) on defined benefit obligation	457,136	(2,125,433)
Exceptional item (refer note 24)	323,100,000	-
Interest on term loan	505,604,456	501,396,780
Operating profit before working capital changes	3,016,031,971	955,795,195
Movements in working capital :		
Increase in trade payables	94,984,544	108,256,468
Increase in other current liabilities	135,580,542	12,080,880
Increase in trade receivables	(107,669,944)	(72,964,749)
(Increase)/ decrease in loans and advances	(636,215,642)	253,653,499
Decrease / (increase) in prepayment and other assets	45,189,954	(48,713,371)
Decrease / (increase) in other financial assets	583,138,448	(142,379,011)
Increase / (decrease) in other financial liabilities	9,614,557	(1,457,341)
Increase in current deferred revenue	1,563,810	1,060,013
Increase in provisions	25,654,772	18,052,281
Cash generated from operations	3,167,873,012	1,083,383,864
Direct taxes paid (net of refund)	(423,320,822)	(246,590,085)
Net cash flow from operating activities (A)	2,744,552,190	836,793,779
Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress and capital advances	(5,623,299)	(26,334,131)
Purchase of non current investments	(1,045,000,000)	(94,999,990)
Proceeds from sale of current investments	12,084,639,954	5,591,670,878
Purchase of current investments	(12,329,900,000)	(5,379,845,000)
Net cash flow (used in)/ from investing activities (B)	(1,295,883,345)	90,491,757
Cash flow from financing activities		
Repayment of long-term borrowings	(5,045,700,000)	(450,000,000)
Proceeds from long-term borrowings	4,300,000,000	-
Interest paid	(432,600,938)	(456,620,548)
Dividend paid on preference shares	(14,778)	(14,778)
Dividend distribution tax on preference shares	(3,009)	(3,009)
Cash flow before exceptional items	(1,178,318,725)	(906,638,335)
Exceptional item (refer note 24)	(323,100,000)	-
Net cash flow used in financing activities (C)	(1,501,418,725)	(906,638,335)
Net (decrease)/ increase in cash and cash equivalents (A + B + C)	(52,749,880)	20,647,201
Cash and cash equivalents at the beginning of the year	69,865,176	49,217,975
Cash and cash equivalents at the end of the year	17,115,296	69,865,176
Components of cash and cash equivalents		
Cheques on hand	1,205,458	-
With banks		
- on current account	15,909,838	49,865,176
- on deposit account	-	20,000,000
Total cash and cash equivalents (refer note 8)	17,115,296	69,865,176

Summary of significant accounting policies 2.1

Explanatory notes to statement of cashflows

1. The above cash flow statement has been compiled from and is based on the Special purpose standalone balance sheet as at March 31, 2018 and the related standalone statement of profit and loss for the year ended on that date.

2. Changes in liabilities arising from financing activities

Particulars	Changes in liabilities arising from financing activities	
	Borrowings	**Interest accrued on Borrowings**
As at April 1, 2017	3,938,644,153	38,352,329
Cash flows	(745,700,000)	(432,600,938)
Non-cash changes		
Finance cost	111,355,847	394,248,609
As at March 31, 2018	3,304,300,000	-

3.The accompanying notes are an integral part of the Special purpose standalone financial statements.

As per our report of even date

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

S.R. Batliboi & Associates LLP New Delhi

per Yogesh Midha
Partner
Membership No.: 094941
Place: New Delhi
Date: May 15, 2018

For and on behalf of the Board of Directors of GMR Airports Limited

RSSLN Bhaskarudu
Director
DIN:- 00058527

P.S. Nair
Whole Time Director
DIN:- 00063118

Sidharath Kapur
President & Chief Financial Officer
PAN:- AAJPK7956Q

Deepanjali Gulati
Company Secretary
PAN:- AHXPD3292P

Place: New Delhi
Date: May 15, 2018

GMR AIRPORTS LIMITED

1. Corporate Information

GMR Airports Limited ('the Company') was incorporated on February 6, 1992, as an investing company. The Company holds majority of its investments in group companies with the objective to consolidate and expand its airport sector. In earlier years, the Company got registered as Non-Banking Financial Institution i.e. Systematically Important Core Investment Company (CIC-ND-SI), and has been granted certificate of registration by Reserve Bank of India (RBI) vide letter number DNBS (BG) No. 912 / 08.01.018 / 2013-14 dated April 22, 2014.

These special purpose standalone financial statements were approved for issue in accordance with a resolution of the directors passed in board meeting held on May 15, 2018.

2 (A). Basis of preparation

These special purpose standalone financial statements ('financial statements') of the Company have been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and as per the instructions mentioned in the Group Referral Instructions (GRI) issued by the management of GMR Infrastructure Limited (GIL), to enable the Company to prepare its special purpose consolidated financial statements as at and for the year ended March 31, 2018 and to enable GIL to prepare its Consolidated financial statements and their auditors in their audit of the aforesaid consolidated financial statements and for internal use by the Management.

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.

2.1 Significant Accounting Policies

a. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financials statements have been disclosed in note 27. Accounting estimates could change from year to year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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 it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle
ii) Held primarily for the purpose of trading
iii) 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

S.R. Batliboi & Associates LLP * New Delhi *

GMR AIRPORTS LIMITED

twelve months after the reporting period

The company classifies all other assets 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

The company classifies all other liabilities as non-current.

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

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

c. Investments in subsidiary

The Company has accounted for its investments in subsidiaries at cost.

d. Property, plant and equipment

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

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 are 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.

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

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

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S.R. Batliboi & Associates LLP New Delhi

GMR Airports Limited

e. Depreciation on Property, plant and equipment

The depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013 except for assets individually costing less than Rs. 5,000 which are fully depreciated in the year of acquisition. The Company has used the following rates to provide depreciation on its fixed assets:

Asset category	Schedule II Life of Assets (in years)
Office Equipments	5
Computer	3
Furniture & Fixtures	10
Plant & Machinery	15
Vehicles	8-10

Leasehold Improvements are improvements, betterments, or modifications of leased property which will benefit the company for the period of more than one year. The amount of leasehold improvements are capitalised and amortised over the useful life or period of lease whichever is lower.

f. Leases

The determination of whether an agreement 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.

Company as a lessee:

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

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S.R. Batliboi & Associates LLP * New Delhi *

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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) fair value less cost of disposal 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 fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

Impairment losses of operations, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets 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.

h. Provisions, Contingent liabilities and Commitments

Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Contingent liabilities

Contingent liability is disclosed in the case of:

i) 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
ii) A present obligation arising from past events, when no reliable estimate is possible
iii) A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments

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

i. Retirement and other Employee Benefits

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

i) Retirement benefit in the form of provident fund is a defined benefit scheme. The Company contributes a portion of contribution to Delhi International Airport Limited ('DIAL') Employees Provident Fund Trust (the 'Trust'). The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. As such, the amount to the extent of loss in the Trust, if any, is accounted by the Company as provident fund cost.
ii) Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability is defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India ('LIC'). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. 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.

Re-measurements, 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. Re-measurements 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

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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

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability

j. 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.

I. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

i) Financial assets at amortised cost
ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost: A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii) 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

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

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Financial assets at FVTPL: FVTPL is a residual category for financial assets. Any Financial asset, 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 Financial assets, 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'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

i) The rights to receive cash flows from the asset have expired or

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

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

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

Impairment of financial assets

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

Financial assets are measured at amortised cost e.g. deposits, trade receivables and bank balance

The company follows 'simplified approach' for recognition of impairment loss allowance on-Trade receivables or contract revenue receivables; and

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.

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

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

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

i) 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
ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

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

II. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables 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 financial guarantee contracts.

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.

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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.

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. This category generally applies to borrowings.

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.

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

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k. Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

l. 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.

m. Foreign currencies

Functional currency

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

Transactions and translations

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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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n. Fair value measurement

The Company measures financial instruments 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

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.

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

The Company, 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.

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

i) Disclosures for valuation methods, significant estimates and assumptions (note 27)

ii) Quantitative disclosures of fair value measurement hierarchy (note 33)

iii) Financial instruments (including those carried at amortised cost) (note 5 & 12)

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

Income from consultancy services

Income from consultancy services and business support services are recognised on a pro-rata basis over the period of the contract as and when services are rendered.

Income from aviation academy

Income from aviation academy is recognised on a pro-rata basis over the period as and when services are rendered.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from investment

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

On disposal of current investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

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p. Taxes

Tax expense comprises current and deferred tax.

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 (in other comprehensive income). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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, 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
iii) At the time of the transaction, affects neither the accounting profit nor taxable profit or loss
iv) In respect of taxable temporary differences associated with investments in subsidiaries, 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, 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

iii) At the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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iv) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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.

Taxes, cess, duties such as sales tax/ value added tax/ service tax/ GST etc. paid on acquisition of assets or on incurring expenses

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

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.

q. Segment Reporting

The Company has only one reportable business segment, which is Investment activities. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

r. 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 year.

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.

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s. Corporate Social Responsibility ('CSR') expenditure

The Company has opted to charge its CSR expenditure during the year to the statement of profit and loss.

t. Recent accounting pronouncements

Standards 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.

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

Ind AS 115- Revenue from Contracts with Customers

Ind AS 115 'Revenue from Contracts with Customers' was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is 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.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company for the annual period beginning on or after April 1, 2018 and permits two possible methods of transition:

(i) 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 115 (the full retrospective method); or

(ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The 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 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

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

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

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

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

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

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

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

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

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

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

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3. Property, plant and equipment and Capital work in Progress

	Computer	Office Equipments	Vehicles	Furniture & Fixtures	Plant & Machinery	Leasehold Improvement *	Total	Capital work in progress (CWIP)
Cost								
As at April 1, 2016	3,631,624	33,524,211	7,010,196	1,356,546	80,950	-	45,603,527	49,761,091
Additions	882,473	431,101	-	98,344	-	74,599,047	76,010,965	-
Disposals	-	34,400	-	-	-	-	34,400	-
Capitalised/ Transfer to PPE	-	-	-	-	-	-	-	49,761,091
At March 31, 2017	4,514,097	33,920,912	7,010,196	1,454,890	80,950	74,599,047	121,580,092	-
Additions	**1,097,870**	**781,413**	**2,663,908**	**502,638**	-	**2,065,951**	**7,111,780**	-
Disposals	-	-	-	-	-	-	-	-
Capitalised/ Transfer to PPE	-	-	-	-	-	-	-	-
As at March 31, 2018	**5,611,967**	**34,702,325**	**9,674,104**	**1,957,528**	**80,950**	**76,664,998**	**128,691,872**	-
Depreciation								
As at April 1, 2016	2,896,953	9,452,623	2,410,795	462,399	9,938	-	15,232,708	-
Charge for the year	597,012	6,956,794	917,847	142,700	5,397	9,164,390	17,784,140	-
Disposals	-	6,701	-	-	-	-	6,701	-
At March 31, 2017	**3,493,965**	**16,402,716**	**3,328,642**	**605,099**	**15,335**	**9,164,390**	**33,010,147**	-
Charge for the year	**692,271**	**6,357,103**	**947,056**	**202,771**	**5,397**	**21,965,659**	**30,170,257**	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2018	**4,186,236**	**22,759,819**	**4,275,698**	**807,870**	**20,732**	**31,130,049**	**63,180,404**	-
Net Book value								
As at March 31, 2018	**1,425,731**	**11,942,506**	**5,398,406**	**1,149,658**	**60,218**	**45,534,949**	**65,511,469**	-
As at March 31, 2017	1,020,132	17,518,196	3,681,554	849,791	65,615	65,434,657	88,569,945	-

* Depreciation charge on leasehold improvement has been allocated by the Company to its Subsidiaries as per the cost allocation methodology approved by the board of directors.

Net book value

	As at March 31, 2018	As at March 31, 2017
Property, Plant and Equipment	**65,511,469**	88,569,945
CWIP	-	-

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4. Investment in subsidiaries

		March 31, 2018	March 31, 2017
A) Investments carried at cost [refer note 30]			
Unquoted equity shares fully paid up			
- 10,196,926 (March 31, 2017: 5,098,463) equity shares of Rs.10 each fully paid up in GMR Airports Developers Limited ('GADL')*		102,053,970	102,053,970
- 238,139,000 (March 31, 2017: 238,139,000) equity shares of Rs. 10 each fully paid up in GMR Hyderabad International Airport Limited		2,381,390,000	2,381,390,000
- 1,567,999,800 (March 31, 2017: 1,567,999,800) equity shares of Rs. 10 each fully paid up in Delhi International Airport Limited		18,854,998,933	18,854,998,933
- 150,001 (March 31, 2017: 150,001) equity shares of $1.00 each fully paid up in GMR Airports (Mauritius) Limited		8,927,310	8,927,310
- 13,624,000 (March 31, 2017: 13,624,000) equity shares of Rs. 10 each fully paid up in Delhi Duty Free Services Private Limited		952,375,000	952,375,000
-113,999,999 (March 31, 2017: 9,499,999) equity shares of Rs. 10 each fully paid up in GMR Goa International Airport Limited		1,139,999,990	94,999,990
	(A)	23,439,745,203	22,394,745,203
B) Others			
Investment in GADL on account of fair valuation of financial guarantee provided (refer note 30 & 34)		10,201,386	10,201,386
	(B)	10,201,386	10,201,386
Total non-current investments	(A+B)	23,449,946,589	22,404,946,589
Aggregate book value of unquoted non-current investments		23,449,946,589	22,404,946,589

* Bonus share issued during the year in the ratio of 1:1

5. Financial assets

5.1 Investments at Fair value through profit and loss ('FVTPL')

	March 31, 2018	March 31, 2017
Investments in mutual funds (Unquoted)		
Nil (March 31, 2017: 1,343 units) Baroda Pioneer Liquid Fund Plan A-Growth of face value of Rs.1,000 each	-	2,500,747
415,597 (March 31, 2017: 137,518 units) ICICI Prudential Liquid - Plan Growth of face value of Rs.100 each	106,554,114	33,025,870
2,311 units (March 31, 2017: Nil) Invesco India Liquid Fund - Growth Plan of face value of Rs.1000 each	5,507,851	-
886,312 units (March 31, 2017: 142,484 units) DHFL Pramerica Insta Cash Plus fund - Growth of face value of Rs.100 each	199,414,528	30,025,499
Total FVTPL current investments in mutual funds (A)	311,476,493	65,552,116
Aggregate book value of unquoted investments	311,476,493	65,552,116

5.2 Loans

	March 31, 2018	March 31, 2017
Loans (Unsecured considered good unless otherwise stated)		
Carried at amortised cost		
Security deposit		
Security deposit to related parties (refer note 30)	47,231,582	50,731,582
Security deposit to others	13,055,141	7,341,990
Loans to related parties (refer note 30 & 42)	1,000,000,000	365,000,000
Total loans (B)	1,060,286,723	423,073,572
Current	1,047,231,582	415,731,582
Non-current	13,055,141	7,341,990
Breakup of above-		
Current		
Loans to related parties (refer note 30 & 42)	1,000,000,000	365,000,000
Security deposit to related parties (refer note 30)	47,231,582	50,731,582
	1,047,231,582	415,731,582
Non-current		
Security deposit to others	13,055,141	7,341,990
	13,055,141	7,341,990

5.3 Other financial assets

	March 31, 2018	March 31, 2017
Carried at amortised cost		
Non-current bank balances [refer note 29(iii)(b)]	12,500,021	1,051,750,000
Interest accrued but not due on deposits	81,935	16,268,842
Other Receivables	712,361,714	218,097,617
Total other financial assets (C)	724,943,670	1,286,116,459
Current	712,443,649	234,366,459
Non-current	12,500,021	1,051,750,000
Breakup of above-		
Current		
Interest accrued but not due on deposits	81,935	16,268,842
Other Receivables		
- Related parties (refer note 30)	652,913,645	218,097,617
- Others (refer note 47)	59,448,069	-
	712,443,649	234,366,459
Non-current		
Non-current bank balances [refer note 29 (iii)(b)]	12,500,021	1,051,750,000
Total financial assets (A+B+C)	2,096,706,886	1,774,742,147

Break up of financial assets carried at amortised cost and at fair value through profit and loss:

		March 31, 2018	March 31, 2017
Financial assets carried at amortised cost			
Loans (refer note 5.2)		1,060,286,723	423,073,572
Other financial assets (refer note 5.3)		724,943,670	1,286,116,459
Trade receivables (refer note 7)		636,176,509	528,979,128
Cash and cash equivalents (refer note 8)		17,115,296	69,865,176
	(A)	2,438,522,198	2,308,034,335
Financial assets carried at fair value through profit & loss			
Investment in mutual funds (refer note 5.1)		311,476,493	65,552,116
	(B)	311,476,493	65,552,116
Total financial assets (A+B)		2,749,998,691	2,373,586,451

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6. Prepayments and other assets

		March 31, 2018	March 31, 2017
Unsecured, considered good unless otherwise stated			
Capital advances		-	51,975
	(A)	-	51,975
Advance other than capital advance			
Advances to employees		3,088,517	8,399,126
Advance to suppliers- related parties (refer note 30)		-	44,264,958
Advance to others		622,350	200,115
	(B)	3,710,867	52,864,199
Others			
Prepaid expenses		19,418,456	15,986,271
Service tax credit		-	488,513
Advance Income Tax (net of provisions)		596,003,027	217,513,632
	(C)	615,421,483	233,988,416
Total prepayment and other assets (A+B+C)		619,132,350	286,904,590
Current		19,742,080	65,697,712
Non-Current		599,390,270	221,206,878
Breakup of above-			
Current			
Advance to suppliers			
-related parties (refer note 30)		-	44,264,958
Capital advances		-	51,975
Prepaid expenses		16,926,213	13,448,025
Service tax credit		-	488,513
Advances to employees		2,193,517	7,244,126
Advance to others		622,350	200,115
		19,742,080	65,697,712
Non-current			
Advance Income Tax (net of provisions)		596,003,027	217,513,632
Prepaid expenses		2,492,243	2,538,246
Advances to employees		895,000	1,155,000
		599,390,270	221,206,878

7. Trade receivables

	March 31, 2018	March 31, 2017
Unsecured, considered good		
Others	623,911,213	527,526,463
Related parties (refer note 30)	12,265,296	1,452,665
	636,176,509	528,979,128

As at March 31, 2018; Rs 1.23 crores (March 31, 2017: Rs 0.15 crores) are due from firms or private companies respectively in which a director is a director .

For terms and conditions relating to related party receivables, refer note 30.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

8. Cash and Cash Equivalents

	March 31, 2018	March 31, 2017
Balance with banks		
-On current accounts	15,909,838	49,865,176
-Deposits with original maturity of less than three months*	-	20,000,000
Cheques on hand	1,205,458	-
Total	17,115,296	69,865,176

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

	March 31, 2018	March 31, 2017
Balances with banks:		
-on current accounts	15,909,838	49,865,176
Cheque on hand	1,205,458	-
-Deposits with original maturity of less than three months	-	20,000,000
	17,115,296	69,865,176

*Deposit with banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

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GMR AIRPORTS LIMITED

9. Share Capital

Authorised Share Capital

	Equity Shares		Preference Shares	
	No. of shares	Amount*	No. of shares	Amount**
As at April 1, 2016	400,000,000	4,000,000,000	16,000,000	16,000,000,000
Increase/(decrease) during the year	-	-	-	-
As at March 31, 2017	400,000,000	4,000,000,000	16,000,000	16,000,000,000
Increase/(decrease) during the year	-	-	-	-
As at March 31, 2018	400,000,000	4,000,000,000	16,000,000	16,000,000,000

*Equity share of Rs 10 each
**Preference share of Rs 1,000 each

a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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 would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Terms/ rights attached to preference shares

i) Non-cumulative Compulsory Convertible Participatory Preference shares Class A (Class A CCPS)

The Company has issued 3,731,468 of non-cumulative compulsorily convertible participatory preference shares Class A (Class A CCPS) of Rs. 1,000 each fully paid-up at a premium of Rs. 2,885.27 and Rs 3,080.90 per share for 2,298,940 Class A CCPS ('First Tranche') and 1,432,528 Class A CCPS ('Second Tranche') respectively. Class A CCPS carries preferential dividend @ 0.0001% p.a. These preference shareholders do not have any voting right. Each First Tranche and Second Tranche of Class A CCPS was to be converted into 82.82 equity shares @ Rs. 46.91 and Rs. 49.27 per equity shares respectively, on or before April 6, 2015. In the event of liquidation of the Company, Class A CCPS will have priority over equity shares in the payment of capital, pari passu with Class B CCPS. (refer note 40 & 41)

ii) Non-cumulative Compulsory Convertible Non-Participatory Bonus Preference shares Class B (Class B CCPS)

The Company has issued 11,046,532 of non-cumulative compulsorily convertible non-participatory bonus preference shares Class B (Class B CCPS) of Rs. 1,000 each. Class B CCPS carry preferential dividend @ 0.0001% p.a. Each Class B CCPS shall be converted simultaneously at the time of conversion of CCPS of Class A at rate to be determined as per Memorandum and Articles of Association. These preference shareholders do not have any voting right. In the event of liquidation of the Company, Class A CCPS will have priority over equity shares in the payment of capital pari passu with Class B CCPS. (refer note 40 & 41)

c) Reconciliation of Shares Outstanding at the beginning and end of the reporting year

i) Equity shares of Rs. 10/- each issued, subscribed and fully paid	No. of shares	Amount
As at April 1, 2016	350,869,490	3,508,694,900
Issued during the year	-	-
As at March 31, 2017	350,869,490	3,508,694,900
Issued during the year	-	-
As at March 31, 2018	350,869,490	3,508,694,900

ii) Equity component of convertible preference shares- Class A CCPS

Class A CCPS shares of Rs. 1000/- each issued, subscribed and fully paid	No. of shares	Amount
As at April 1, 2016	3,731,468	3,731,468,000
Changes during the year	-	-
As at March 31, 2017	3,731,468	3,731,468,000
Changes during the year	-	-
As at March 31, 2018	3,731,468	3,731,468,000

This note covers the equity component of the issued convertible preference shares.

d) Shares held by Holding Company

Out of equity and preference shares issued by the Company, shares held by its Holding Company are as below:

	March 31, 2018	March 31, 2017
GMR Infrastructure Limited, Holding Company 340,869,304 (March 31, 2017: 340,869,304) equity shares of Rs. 10/- each	3,408,693,040	3,408,693,040

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

	March 31, 2018		March 31, 2017	
	No. of Shares held	% Holding in the Class	No. of Shares held	% Holding in the Class
i) Equity Shares of Rs 10 each fully paid				
GMR Infrastructure Limited	340,869,304	97.15%	340,869,304	97.15%
Total	340,869,304	97.15%	340,869,304	97.15%
ii) Non Cumulative Compulsorily Convertible Participatory Preference Share Class A	No. of Shares held	% Holding in the Class	No. of Shares held	% Holding in the Class
Preference Shares of Rs.1000 each fully paid				
Macquarie SBI Infrastructure Investments Limited	2,298,940	61.61%	2,298,940	61.61%
Standard Chartered Private Equity (Mauritius) III Limited	944,890	25.32%	944,890	25.32%
JM Financial - Old Lane India Corporate Opportunities Fund I Limited	295,420	7.92%	295,420	7.92%
Total	3,539,250	94.85%	3,539,250	94.85%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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

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10. Other Equity

	March 31, 2018	March 31, 2017
i) Capital Reserve		
Balance as per last financial statements	2,265,399	2,265,399
Amount transferred during the year	-	-
Net Balance as at year end	2,265,399	2,265,399
ii) Special Reserve u/s 45 IC of RBI Act *		
Balance as per last financial statements	222,681,698	154,690,777
Amount transferred during the year	437,981,471	67,990,921
Net Balance as at year end (refer note 46)	660,663,169	222,681,698
iii) Equity Component of Preference Shares		
Balance as per last financial statements	3,731,468,000	3,731,468,000
Amount transferred during the year	-	-
Net Balance as at year end (refer note 40)	3,731,468,000	3,731,468,000
iv) Securities Premium		
Balance as per last financial statements	11,046,532,000	11,046,532,000
Amount transferred during the year	-	-
Net Balance as at year end (refer note 40)	11,046,532,000	11,046,532,000
(v) Retained earnings		
Balance as per last financial statements	2,386,797,033	2,115,988,972
Add: Net profit for the year	2,154,679,693	340,215,392
Less: Transfer to special reserve u/s 45 IC of RBI Act	(437,981,471)	(67,990,921)
Less: Dividend on Class A and Class B CCPS	(14,778)	(14,778)
Less: Dividend Distribution tax on Class A and Class B CCPS	(3,009)	(3,009)
Add: Re-measurement gains/ (losses) on defined benefit plans (net of tax)	298,921	(1,398,623)
Net balance of Retained earnings	4,103,776,389	2,386,797,033
Total reserves and surplus (i + ii + iii + iv + v)	19,544,704,957	17,389,744,130

* As required by section 45IC of RBI Act 1934, 20% of net profit for the year ended March 31, 2018 and March 31, 2017 is transferred to special reserve. The said reserve can be used only for the purpose as may be specified by the bank from time to time.

11. Financial liabilities - borrowings

	March 31, 2018	March 31, 2017
Non-Current borrowings		
Term Loan		
Indian rupee loan from banks (secured)* (refer note a)	-	3,263,644,153
Loan from related parties (refer note b)	3,304,300,000	-
Total non-current borrowings	3,304,300,000	3,263,644,153
Current borrowings		
Current maturities of Indian rupee loan from banks (secured)	-	675,000,000
Total current borrowings	-	675,000,000
Less: amount clubbed under "other current financial liabilities" (refer note 12)	-	675,000,000
Net current borrowings	-	-
Liability component of compound financialnstrument		
Non-cumulative Compulsory Convertible Non-Participatory Bonus Preference shares Class B (refer note 40)	-	-
	-	-
Total Borrowings	3,304,300,000	3,263,644,153

* Balance under effective interest rate method.

a) Rupee Term Loan (RTL) of Rs. Nil (March 31, 2017: Rs. 405 Crores) from Axis Bank carries interest at Base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the year ranging from 10.20% to 10.10% p.a. (March 31, 2017: 10.25% pa to 10.20% pa). The 76% of the principal loan amount is repayable in 15 quarterly equal instalments as per repayment schedule starting from March 2017 and ending on September, 2020. The balance 24% shall be repaid as a bullet repayment on September 30, 2020. During the year company has repaid entire outstanding loan (refer note 24).

b) During the year, Company has taken loan of Rs.430 crores its Holding Company; carries an interest of 10.10% p.a. The loan is to be re-paid with a bullet repayment on September 2025; with an option for the Holding Company to recall the Loan, either entirely or in part after 3 years from the date of first disbursement i.e. September 2017. The option to recall the Loan may be exercised by the Holding Company on quarterly interval after the end of 3 years and by giving 3 month notice to the Company or either Company may opt for voluntary re-payment of part of loan. However, Company has repaid Rs. 99.57 crores out of the said loan during the year. (refer note 30).

Loan covenant relating to Rupee Term Loan from Axis Bank

GMR Airports Limited has a Rupee Term Loan facility sanctioned from Axis Bank and another Non-fund based facility sanctioned from IDFC Bank. In respect to the financing agreements for these facilities, GAL is required to comply with certain financial covenants. Any non-compliance to these covenants, may lead to penalties in form of additional interest. The RTL from Axis Bank is secured with following security:-

(1) Pledge of 26% equity share capital of the GAL held by GIL;
(2) All accounts of the borrower including without limitation Trust Retention Accounts
(3) Non-disposal undertaking & power of attorney of equity shares in DIAL for any acquisition of shares by GAL in DIAL beyond 54%, which is currently 10%
(4) Unconditional & irrevocable corporate guarantee of GIL
(5) exclusive first charge over current assets and movable fixed assets

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Non Cumulative Compulsorily Convertible Participatory Preference Share

The Company has issued 11,046,532 of non-cumulative compulsorily convertible non-participatory bonus preference shares (Class B CCPS) of Rs. 1,000 each. Class B CCPS carry preferential dividend @ 0.0001% p.a. Each Class B CCPS shall be converted simultaneously at the time of conversion of CCPS of Class A at rate to be dertermined as per Memorandum and Articles of Association. These preference shareholders do not have any voting right. In the event of liquidation of the Company, Class A CCPS will have priority over equity shares in the payment of capital pari passu with Class B CCPS (refer note 40).

12. Other Financial Liabilities

	March 31, 2018	March 31, 2017
Other financial liabilities at amortised cost		
Financial Guarantee (refer note 30 & 34)	3,616,279	5,270,748
Current maturities of long-term borrowings (refer note 11)	-	675,000,000
Creditors for capital expenses	1,549,474	112,968
Advance from customers	9,811,685	-
Total other financial liabilities at amortised cost	14,977,438	680,383,716
Total other financial liabilities	14,977,438	680,383,716
Break up of above:		
Current	12,818,500	676,570,309
Non-current	2,158,938	3,813,407
Break up of above:		
Current		
Financial Guarantee (refer note 30 & 34)	1,457,341	1,457,341
Current maturities of long-term borrowings (refer note 11)	-	675,000,000
Creditors for capital expenses		
-related parties (refer note 30)	1,355,851	-
-others	193,623	112,968
Advance from customers	9,811,685	-
	12,818,500	676,570,309
Non-current		
Financial Guarantee (refer note 30 & 34)	2,158,938	3,813,407
	2,158,938	3,813,407

Break up of financial liabilities

	March 31, 2018	March 31, 2017
Financial liabilities carried at amortised cost		
Borrowings (refer note 11)	3,304,300,000	3,263,644,153
Trade payables (refer note 15.1)	278,615,091	183,630,547
Other payables	-	38,352,329
Other financial liabilities	14,977,438	680,383,716
	3,597,892,529	4,166,010,745

13. Deferred revenue

	March 31, 2018	March 31, 2017
Unearned revenue	4,563,243	2,999,433
	4,563,243	2,999,433
Unearned revenue		
Opening balance	2,999,433	1,939,987
Billed during the year	57,902,292	49,496,915
Released to the statement of profit and loss (refer note 18)	(56,338,482)	(48,437,469)
Closing balance	4,563,243	2,999,433

14. Provisions

	March 31, 2018	March 31, 2017
Provision for employee benefits		
Provision for leave benefit	61,724,375	39,327,106
Provision for gratuity [refer note 28(b)]	8,093,020	4,835,517
Contingent provisions against standard assets (refer note 39)	4,000,000	1,277,500
Dividend and Dividend distribution tax on Class A and Class B CCPS	17,787	17,787
Total	73,835,182	45,457,910
Breakup of above-		
Non-current		
Provision for gratuity	8,093,020	4,835,517
Current		
Provision for leave benefit	61,724,375	39,327,106
Dividend and Dividend distribution tax on class A and Class B CCPS	17,787	17,787
Contingent provisions against standard assets (refer note 39)	4,000,000	1,277,500
	65,742,162	40,622,393

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15.1 Trade payables

	March 31, 2018	March 31, 2017
Trade payables		
- Micro, Small and Medium Enterprises (refer note 36)	-	-
- Related parties (refer note 30)	**94,457,694**	91,588,323
- Others	**184,157,397**	92,042,224
	278,615,091	183,630,547

15.2 Other payables

	March 31, 2018	March 31, 2017
Interest payable	-	38,352,329
	-	38,352,329

16. Other current liabilities

	March 31, 2018	March 31, 2017
Statutory dues		
Withholding tax payable	**48,813,960**	22,882,782
Service tax payable	-	6,356,395
Goods and Service tax Payable (net of credit)	**113,919,853**	-
Superannuation fund payable	**1,049,214**	622,714
Provident Fund payable	**3,422,702**	1,763,296
Total other current liabilities	**167,205,729**	31,625,187

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17. Income Tax

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

Special purpose standalone statement of profit and loss:
Profit or loss section

	March 31, 2018	March 31, 2017
Current income tax:		
Current income tax charge (refer note 46)	44,831,427	158,251,711
Deferred tax:		
Relating to origination and reversal of temporary differences	(21,940,926)	6,331,394
Income tax expense reported in the special purpose standalone statement of profit or loss	22,890,501	164,583,105
OCI Section		
Re-measurement gains/ (losses) on defined benefit plans	(158,215)	726,810
Income tax charged to OCI	(158,215)	726,810

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

	March 31, 2018	March 31, 2017
Accounting profit before tax	2,177,570,194	504,798,497
Tax at the applicable tax rate of 34.608% (March 31, 2017 : 34.608%)	753,613,493	174,700,664
Tax effect of income that are not taxable in determining taxable profit:	(735,399,799)	(27,818,464)
Income exempt under Income tax		
Tax effect of expenses that are not deductible in determining taxable profit:		
Donations	2,941,680	2,336,040
Other non-deductible expenses	1,735,127	15,364,865
Tax expense	22,890,501	164,583,105
Income tax expense recorded in the special purpose standalone statement of profit and loss	22,890,501	164,583,105

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Deferred tax:

		Balance sheet		Profit & Loss	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred tax liability					
on account of fair valuation of investments		**240,837**	365,413	**(124,576)**	(10,933)
On account of upfront fees being amortized using effective interest method ('EIR').		**-**	38,538,031	**(38,538,031)**	(15,402,691)
On account of remeasurement of defined benefit plans		**158,215**	-	**158,215**	(394,110)
Gross deferred tax liability	**(A)**	**399,052**	38,903,444	**(38,504,392)**	(15,807,734)
Deferred tax asset					
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting		**1,916,615**	710,959	**1,205,656**	323,259
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis		**20,686,233**	12,012,753	**8,673,480**	6,452,657
Provision for standard asset		**1,384,320**	442,117	**942,203**	(180,827)
Provision for diminution in value of investment in subsidiary company (refer note 45)		**-**	-	**-**	(3,089,563)
Provision for loss in subsidiary company (refer note 45)		**-**	-	**-**	(17,027,136)
- Impact due to accounting of term loan under EIR		**-**	26,816,210	**(26,816,210)**	(8,617,518)
On account of remeasurement of defined benefit plans		**-**	726,810	**(726,810)**	726,810
Gross deferred tax assets	**(B)**	**23,987,168**	40,708,849	**(16,721,682)**	(21,412,318)
Net deferred tax asset(liability)	**(B-A)**	**23,588,116**	1,805,405	**21,782,711**	(5,604,584)

Reconciliations of deferred tax liabilities/assets(net)

	March 31, 2018	March 31, 2017
Opening balance	**1,805,405**	7,409,989
Tax income/(expense) during the year recognised in statement of profit or loss	**21,940,926**	(6,331,394)
Tax expense during the year recognised in OCI	**(158,215)**	726,810
Closing balance	**23,588,116**	1,805,405

The Company offsets 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.

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18. Revenue From Operations

	March 31, 2018	March 31, 2017
Income from investments / loans		
Gain on sale of mutual funds*	61,955,691	45,357,449
Interest income	95,190,862	131,881,458
Dividend income	2,124,941,630	80,381,600
	2,282,088,183	257,620,507
Other operating revenue		
Consultancy revenue	1,165,631,025	1,020,020,068
Aviation Academy revenue	56,338,482	48,437,469
	1,221,969,507	1,068,457,537
	3,504,057,690	1,326,078,044

* Gain on sale of mutual fund inculdes net gain/(loss) on fair value changes for investment classified at fair value through profit or loss	664,332	(1,055,862)

19. Other income

	March 31, 2018	March 31, 2017
Other non-operating income		
Provision written back for loss in subsidiary company (refer note 45)	-	49,200,000
Provision written back for diminution in value of investment in subsidiary company (refer note 45)	-	8,927,310
Contingent provisions against standard assets written back (refer note 39)	-	522,500
Interest income on financial asset measured at amortised cost		
Financial Gurantee (refer note 34)	1,457,341	1,457,341
Security deposit	997,509	753,820
	2,454,850	60,860,971

20. Employee benefits expense *

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	116,172,004	92,955,876
Contribution to provident and other funds	15,081,169	7,739,055
Gratuity expense [refer note 28(b)]	10,831,019	1,109,132
Other post employment benefits	9,983,124	5,584,961
Staff welfare expenses	1,706,135	620,648
	153,773,451	108,009,672

* Above expenses are net of allocation/ recovery done (refer note 30)

21. Finance costs

	March 31, 2018	March 31, 2017
Interest On:		
-Term Loan	505,604,456	501,396,780
-Others	484,231	81,879
Bank charges	53,875	110,842
	506,142,562	501,589,501

22. Depreciation expense

	March 31, 2018	March 31, 2017
Depreciation of property, plant and equipment (refer note 3)	30,170,257	17,784,140
Less: Transfer/ Allocation to subsidiaries	(21,965,659)	(9,164,390)
	8,204,598	8,619,750

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23. Other expenses *

	March 31, 2018	March 31, 2017
Legal and professional fees	**237,485,587**	160,131,756
Guarantee commission	**-**	2,774,085
Loan processing fees and commission	**2,986,524**	-
Travelling and conveyance	**30,518,371**	15,146,392
Contingent provisions against standard assets (refer note 39)	**2,722,500**	-
Rent	**4,011,654**	3,762,267
Business development	**800,000**	2,889,775
Office maintenance	**4,092,837**	1,265,426
Rates and taxes	**416,412**	203,349
Communication costs	**661,888**	889,924
Auditors remuneration (refer note A below)	**2,345,319**	2,466,945
Logo fees	**4,135,355**	4,117,728
Donation	**6,700,000**	34,500,000
CSR expenditure (refer note B below)	**10,300,000**	13,500,000
Power and fuel	**1,468,373**	1,275,765
Director sitting fees	**1,300,000**	1,770,962
Air freight station expenses	**-**	21,040
Training Expenses	**19,659,172**	14,048,144
Loss on discard of property, plant and equipment	**-**	27,699
Exchange differences (net)	**172,563**	1,080,371
Bad debts Written off	**300,000**	956,139
Miscellaneous expenses	**7,645,180**	3,093,828
	337,721,735	263,921,595

* Above expenses are net of allocation/ recovery done (refer note 30)

Note A. Payment to Auditors

	March 31, 2018	March 31, 2017
As Auditor		
Audit fee	**1,550,000**	1,550,000
Limited Review	**300,000**	300,000
In other capacity		
Other services (including certification fees)*	**400,000**	400,000
Reimbursement of expenses	**95,319**	216,945
	2,345,319	2,466,945

* excluding professional fees amounting to Rs. 35,000,000 relating to initial public offer which has been included under other receivables (refer note 5.3 & 47)

Note B. Details of CSR expenditure:

	March 31, 2018	March 31, 2017
a) Gross amount required to be spent by the Company during the year	**10,300,000**	13,500,000
Amount spent during the year ending on March 31, 2018	**In cash**	**Yet to be paid in cash**
i) Construction/acquisition of any asset	**-**	-
ii) On purposes other than (i) above	**10,300,000**	-
Amount spent during the year ending on March 31, 2017:	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	13,500,000	-

24. Exceptional item

	March 31, 2018	March 31, 2017
Loan Prepayment charges (refer note 43)	**323,100,000**	-
	323,100,000	-

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25. Components of Other Comprehensive Income (OCI)

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

	March 31, 2018	March 31, 2017
Re-measurement gain/ (losses) on defined benefit plans	**457,136**	(2,125,433)
Income tax effect	**(158,215)**	726,810
Net Impact	**298,921**	(1,398,623)

26. Earnings Per Share (EPS)

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

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

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

	March 31, 2018	March 31, 2017
Profit attributable to equity holders for basic and diluted earnings: (A)	**2,154,679,693**	340,215,392
Equity shares	**350,869,490**	350,869,490
Convertible preference shares	**309,043,053**	309,043,053
Weighted average number of equity shares adjusted for basic/ diluted EPS (B)	659,912,543	659,912,543
Basic earning per share (A/B)	**3.27**	0.52
Diluted earning per share (A/B)	**3.27**	0.52

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27. Significant accounting judgements, estimates and assumptions

The preparation of the Company's special purpose 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.

27.1 Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Discounting rate

The Company has considered incremental borrowing rate of Airport business as at transition date for measuring deposits, being financial assets and financial liabilities, at amortised cost.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounting cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

27.2 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 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 company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

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.

(b) Defined benefit plans

The cost of the defined benefit 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, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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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.

Further details about gratuity obligations are given in Note 28 (b).

(c) Provision for Leave encashment

The present value of leave encashment is 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 discount rate, future salary increases, and withdrawal rates. Due to complexities involved in the valuation and its long term nature, provision for leave encashment is sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

(d) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor 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 judgement and the use of estimates regarding the outcome of future events.

(e) 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 judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 32, 33 and 34 for further disclosures.

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28. Retirement and other employee benefits

Employee benefits

i) Defined Contribution Plan

	March 31, 2018	March 31, 2017
Benefits (contribution to):		
Employer's contribution to Superannuation fund	**9,983,124**	5,584,961

ii) Defined Benefit Plan

a) Provident and other funds

	March 31, 2018	March 31, 2017
Benefits (contribution to):		
Employer's contribution to Provident and other fund's	**15,081,169**	7,739,055

The Company makes contribution towards provident fund which is administered by the trustees. The rules of the Company's provident fund administered by a trust, require that if the board of the trustees are unable to pay interest at the rate declared by the government under para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the company making interest shortfall a defined benefit plan. Accordingly, the company has obtained actuarial valuation and based on the below provided assumption there is no deficiency at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

As per the requirement of Ind AS 19 of the Institute of Chartered Accountants of India, benefits involving employer established provident funds, which require interest shortfalls to be re-compensated, are to be considered as defined benefit plans. Based on the actuarial valuation and on the assumptions provided below there is no cumulative short-fall which has been provided in the financial statements.

Particulars	March 31, 2018	March 31, 2017
Plan assets at the year end, at fair value **	**1,115,914,337**	942,664,177
Present value of benefit obligation at year end	**1,115,914,337**	942,664,177
Net (liability) recognized in the balance sheet	-	-

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

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	**7.60%**	7.10%
Fund rate	**9.30%**	9.50%
PFO rate	**8.55% for the next one year**	8.60% for the next one year
Withdrawal rate	**5%**	5%
Mortality	**Indian Assured Lives Mortality (2006-08) (modified)Ult ***	Indian Assured Lives Mortality (2006-08) (modified)Ult *

*As published by IRDA and adopted as Standard Mortality Table as recommended by Institute of Actuaries of India effective April 1, 2013.

** The above disclosures are inclusive of those pertaining to Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited), a subsidiary of the Company, as the fund is common.

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b) Gratuity expense

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 summarise the components of net benefit expense recognised in the special purpose standalone statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost) for the year ended March 31, 2018:

Particulars	March 31, 2018	March 31, 2017
Current Service Cost	**2,033,639**	1,150,149
Net Interest Cost	**(285,342)**	(41,017)
Past Service Cost	**9,082,722**	-
Net benefit expense	**10,831,019**	1,109,132

Amount recognised in Other Comprehensive Income (OCI) for the year ended March 31, 2018:

Particulars	March 31, 2018	March 31, 2017
Actuarial loss due to DBO experience	**804,190**	880,495
Actuarial (gain)/loss due to DBO financial assumption changes	**(1,184,219)**	1,018,524
Actuarial (gain)/loss arising during the year	**(380,029)**	1,899,019
Return on plan assets (greater)/less than discount rate	**(77,107)**	226,414
Actuarial (gain)/loss recognized in OCI	**(457,136)**	2,125,433

Balance Sheet

Particulars	March 31, 2018	March 31, 2017
Defined benefit obligation	**(43,603,291)**	(22,096,996)
Fair value of plan assets	**35,510,271**	17,261,479
Benefit liability	**(8,093,020)**	(4,835,517)

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

Particulars	March 31, 2018	March 31, 2017
Opening defined benefit obligation	**22,096,996**	14,604,364
Interest cost	**1,521,186**	1,056,054
Current service cost	**2,033,639**	1,150,149
Past service cost	**9,082,722**	-
Acquisition cost	**10,592,452**	5,517,838
Benefits paid (including transfer)	**(1,343,675)**	(2,130,428)
Actuarial losses on obligation-experience	**(380,029)**	1,899,019
Closing defined benefit obligation	**43,603,291**	22,096,996

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

Particulars	As at March 31, 2018	As at March 31, 2017
Opening fair value of plan assets	**17,261,479**	11,739,210
Acquisition adjustment	**(320,273)**	-
Contributions by employer	**18,029,105**	6,782,040
Benefits paid (including transfer)	**(1,343,675)**	(2,130,428)
Interest income on plan assets	**1,806,528**	1,097,071
Return on plan assets greater/(lesser) than discount rate	**77,107**	(226,414)
Closing fair value of plan assets	**35,510,271**	17,261,479

The Company expects to contribute Rs. 18,029,105 to gratuity fund during the year ended on March 31, 2019 (March 31, 2018: Rs. 6,782,040)

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

Particulars	As at March 31, 2018	As at March 31, 2017
	(%)	(%)
Investments with Insurer Managed Funds	**100%**	100%

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

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined benefit obligation at the end of period	**(43,603,291)**	(22,096,996)	(14,604,364)	(12,748,796)	(10,895,122)
Plan assets	**35,510,271**	17,261,479	11,965,286	12,518,763	687,157
Funded status	**(8,093,020)**	(4,835,517)	(2,639,078)	(10,741,482)	(10,207,965)
Experience gain / (loss) adjustment on plan liabilities	**(804,190)**	(880,495)	(1,472,388)	307,260	2,452,195
Experience gain / (loss) adjustment on plan assets	**77,107**	(451,455)	228,590	(82,180)	4,543
Actuarial loss due to change in financial assumptions	**1,184,219**	(1,018,524)	-	(1,095,899)	860,626

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

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate (in %)	**7.60%**	7.10%
Salary Escalation (in %)	**6.00%**	6.00%
Expected rate of return on assets	**7.60%**	7.80%
Attrition rate (in %)	**5.00%**	5.00%

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

	As at March 31, 2018	**As at March 31, 2017**
Assumptions	**Discount rate**	
Sensitivity Level	**1%**	1%
Impact on defined benefit obligation due to increase	**(2,656,615)**	(1,426,505)
Impact on defined benefit obligation due to decrease	**3,026,174**	1,637,442

	As at March 31, 2018	**As at March 31, 2017**
Assumptions	**Future Salary Increase**	
Sensitivity Level	**1%**	1%
Impact on defined benefit obligation due to increase	**2,382,096**	909,259
Impact on defined benefit obligation due to decrease	**(2,294,463)**	(940,434)

	As at March 31, 2018	**As at March 31, 2017**
Assumptions	**Attrition rate**	
Sensitivity Level	**1%**	1%
Impact on defined benefit obligation due to increase	**313,066**	284,280
Impact on defined benefit obligation due to decrease	**(357,420)**	(324,427)

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

29. Commitments and Contingencies

(i) Leases

Company as lessee:

Assets taken on operating Lease

The Company has taken office space under cancellable operating lease arrangements. There are no sub leases.

The lease expenses pertaining of the company during the year amounted to Rs 4,011,654 (March 31, 2017: Rs. 3,762,267).

(ii) Contingent liabilities not provided for:

Guarantees excluding financial guarantees

(a) The Company has given corporate guarantee to Punjab National Bank for issuing counter guarantee of Rs. 300 crores (March 31, 2017: Rs. 300 Crores) in respect of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited).

(b) During the year, the Company has given bid bond guarantee of Rs. 12.08 Crores (March 31, 2017: Nil) to Bhogapuram International Airport Corporation Limited in respect of bidding for Bhogapuram Airport.

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(c) During the year, the Company has released corporate guarantee given to Yes Bank Limited for issuing Bank Guarantee of Rs.90 Crores (March 31, 2017: Rs. 90 Crores) in respect of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited).

(d) During the year, the Company has released corporate guarantee given to Dena Bank for issuing Bank Guarantee of Rs.75 Crores (March 31, 2017: Rs. 75 Crores) in respect of GMR Hyderabad International Airport Limited.

(e) During the year, the Company has released corporate guarantee given to Axis Bank for issuing Loan Equivalent Risk Facility (LER Facility) of Rs. 90 Crores (March 31, 2017: Rs. 90 Crores) in respect of GMR Aerospace Engineering Limited.

(f) During the year, the Company has released performance bank guarantee of Rs. 62 crores given to IDFC Bank (March 31, 2017: Rs 62 crores) in respect of GMR Goa International Airport Limited.

(g) During the year, the Company has released bid bond guarantee of Rs. 50 crores given to IDFC Bank (March 31, 2017: Rs 50 crores) in respect of Navi Mumbai Airport Bid.

(h) The following long term investments have been freeze / pledged / secured by the Company towards borrowing of the Group Companies:

Company Name	As at March 31, 2018		As at March, 2017	
	No. of Shares	Amount (Rs)	No. of shares	Amount (Rs)
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited))	**245,000,000**	**2,946,093,959**	245,000,000	2,946,093,959
GMR Hyderabad International Airport Limited	-	-	164,123,514	1,641,235,140
Delhi Duty Free Services Private Limited	**13,624,000**	**952,375,000**	13,624,000	952,375,000
GMR Goa International Airport Limited	**29,070,000**	**290,070,000**	-	-

Income tax matters

a) In previous year, Company had received an order under section 143(3) for the Assessment year 2014-2015 relating to disallowance under section 14A with respect to expenditure incurred for earning the exempted income amounting to Rs. 6.77 crores. The Company filed an appeal before CIT (appeals) against the said order but same has been dismissed by CIT (appeals). The company has further filed appeal in ITAT against said order.

Based on the legal opinion, the management is of the view that there is no requirement of any provision to be made in the special purpose standalone financial statements.

iii) Capital and Other Commitments:

(a) There are no capital commitments outstanding as at March 31, 2018 (March 31, 2017: Nil).

(b) Other commitments

i. The Company is required to pay Rs 2,306,000 (Rs. 1,431,000 to CARE and 875,000 to CRISIL) as annual surveillance fee each year (March 31, 2017: Rs 1,250,000) for its rating in relation to bank facilities and Bond issue.

ii. The Company has entered into share purchase agreement dated February 02, 2018 with Malaysia Airport Holdings Berhard (MAHB) and MAHB (Mauritius) Private Limited to purchase 11% equity share capital of GMR Hyderabad International Airport Private Limited. As on March 31, 2018, these shares are pending to be purchased / transferred. The long stop date for the said transaction is December 1, 2018.

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iii. During the year, bank fixed deposits amounting to Rs 90 crores pledged with bank as a security for the credit facility availed by the Welfare Trust for GMR Group Employees has been matured and the lien has been removed.

iv. During the year, bank fixed deposits amounting to Rs 3.98 crores pledged with Axis Bank against DSRA requirement of term loan facility has been matured and lien has been removed.

v. Bank fixed deposits of Rs. 1.21 crores (March 31, 2017: Rs. 11.20 crores) have been pledged as cash margin with IDFC Bank.

30. Related party disclosures

Name of related parties and related party relationship:-

a) Related parties where control exists:

Ultimate Holding Company	GMR Enterprises Private Limited (formally known as GMR Holdings Private Limited)[1]
Holding Company	GMR Infrastructure Limited (GIL)
Subsidiaries and Step-down Subsidiaries	Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) Delhi Aerotropolis Private Limited[3] Delhi Duty Free Services Private Limited GMR Airport Developers Limited (GADL) GADL (Mauritius) Limited[4] GADL International Limited[4] GMR Airports (Mauritius) Ltd. GMR Goa International Airport Limited GMR Hyderabad International Airport Limited Hyderabad Duty Free Retail Limited[2] GMR Aero Technic Limited[5] GMR Aerospace Engineering Limited[5] GMR Hospitality And Retail Limited (Formerly known as GMR Hotels And Resorts Limited)[2] GMR Hyderabad Aerotropolis Limited[5] GMR Hyderabad Airport Power Distribution Limited[5] GMR Hyderabad Aviation SEZ Limited[5] Hyderabad Airport Security Services Limited[5] Hyderabad Menzies Air Cargo Private Limited[5] Asia Pacific Flight Training Academy Limited[5]
Fellow Subsidiaries (including subsidiaries companies of the ultimate holding Company (where transactions have taken place)	GMR Aviation Private Limited GMR Male International Airport Private Limited Raxa Security Services Limited GMR Infrastructure Singapore Pte Limited

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b) Related parties with whom transactions exists during the year

Enterprise owned or significantly influenced by key management personnel or their relatives	GMR Family Fund Trust GMR Varalakshmi Foundation
Post-employment benefit plan of the Company	DIAL Employee's Provident Fund Trust
Key management personnel	Mr. P. S. Nair (Whole Time Director) Mr. G. M. Rao (Executive Chairman) Mr. Grandhi Kirankumar (Director) Mr. Srinivas Bommidala (Director) Mr. N.C. Sarabeswaran (Independent Director) Mr. R.S.S.L.N. Bhaskarudu (Independent Director) Mrs. Siva Kameswari Vissa ((Independent Director) Mr. Suresh Goyal (Nominee Director)

1. GMR Holding Private Limited and GMR Projects Limited has been amalgamated With GMR Enterprises Private Limited (Transferee Company), pursuant to approval of scheme of amalgamation and arrangements by Hon'ble court of madras Vide its order no 8471/16 dated July 06, 2016 effective from August 10, 2016.
2. During the year 2016-17 pursuant to the scheme of merger approved by NCLT on April 18, 2017 Hyderabad Duty Free Retail Limited has been merged with GMR Hospitality And Retails Limited (Formerly known as GMR Hotels And Resorts Limited) effective April 27, 2017.
3. Step down subsidiary through DIAL.
4. Step down subsidiary through GADL
5. Step down subsidiary through GHIAL.

c) Details of transactions existing with related parties during the year along with balances as at year end:

A. Transactions during the year	**March 31, 2018**	**March 31, 2017**
Interest Income		
GMR Infrastructure Limited	**32,447,946**	48,619,178
Aviation academy income		
GMR Hyderabad International Airport Limited	**7,554,556**	3,565,453
GMR Aviation Private Limited	**24,000**	24,501
GMR Airport Developers Limited	**2,091,360**	212,600
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**3,068,070**	-
Delhi Duty Free Services Private Limited	**109,200**	318,261
Hyderabad Duty Free Retail Limited	**-**	240,428
GMR Aero Technic Limited	**43,200**	-
Hyderabad Menzies Air Cargo Private Limited	**1,004,000**	-
Dividend income		
GMR Airport Developers Limited	**40,787,760**	-
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**1,019,199,870**	-
GMR Hyderabad International Airport Limited	**952,556,000**	-
Delhi Duty Free Services Private Limited	**112,398,000**	80,381,600
Consultancy Income		
GMR Hospitality And Retail Limited (Formerly known as GMR Hotel And Resorts Limited)	**19,800,000**	-
Hyderabad Duty Free Retail Limited	**-**	18,000,000

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A. Transactions during the year	March 31, 2018	March 31, 2017
Notional Income		
GMR Airport Developers Limited	**1,457,341**	1,457,341
Other expenses		
Rent		
GMR Family Fund Trust	-	20,851,108
GMR Hyderabad International Airport Limited	**2,912,908**	2,806,485
Legal and professional fees		
Raxa Security Services Limited	**3,207,675**	12,612,075
GMR Infrastructure Limited	**114,183,782**	49,866,698
GMR Airport Developers Limited	-	4,050,705
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	-	43,125
Business Development		
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	-	29,774
Logo fees		
GMR Enterprises Private Limited (formerly known as GMR Holding Private Limited)	**4,135,355**	4,117,728
Travelling and conveyance		
GMR Aviation Private Limited	**103,909,703**	104,328,740
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**12,317**	231,775
GMR Hyderabad International Airport Limited	**286,022**	265,802
Training expenses		
GMR Hyderabad International Airport Limited	**72,304**	(584,787)
Electricity and fuel		
GMR Hyderabad International Airport Limited	**1,298,461**	1,224,515
GMR Family Fund Trust	-	2,765,467
Communication expenses		
GMR Hyderabad International Airport Limited	**250,235**	266,738
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**262,375**	17,250

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GMR Airports Limited

GMR Airports Limited
CIN U65999KA1992PLC037455
Notes to special purpose standalone financial statements for the year ended March 31, 2018
(All amounts in Rupees, except otherwise stated)

A. Transactions during the year	March 31, 2018	March 31, 2017
CSR Expenditure		
GMR Varalakshmi Foundation	**10,300,000**	13,500,000
Office Maintenance		
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**17,946,207**	17,082,380
GMR Family Fund Trust	-	15,294,640
GMR Airport Developers Limited	**46,666,664**	-
Interest Expense		
GMR Infrastructure Limited	**210,791,068**	-
(vii) Reimbursement of expenses		
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**137,180**	115,315
GMR Hyderabad International Airport Limited	**276,880**	-
Delhi Duty Free Services Private Limited		
GMR Infrastructure (Singapore) Pte Limited	**139,779**	174,406
GMR Varalakshmi Foundation	**67,777**	-
GMR Hospitality And Retail Limited (Formerly known as GMR Hotel And Resorts Limited)	**440,732**	-
(viii) Recovery of expenses		
GMR Infrastructure Limited	**77,367,505**	237,668
GMR Hyderabad International Airport Limited	**190,650,943**	104,466,417
GMR Male International Airport Private Limited	**3,647,069**	4,797,046
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**641,205,604**	379,967,000
GMR Infrastructure (Singapore) Pte Limited	**63,841**	1,455,623
GMR Goa International Airport Limited	**4,407,077**	58,767,782
Remuneration to key managerial personnel		
Salary, bonus and contribution to PF		
P.S. Nair (Whole Time Director) *	**9,784,061**	9,851,451
G.M.Rao (Executive Chairman) *	**80,000,000**	38,665,220
Club Membership fees	-	24,598
Director sitting fees		
Mr. Grandhi Kirankumar	**100,000**	80,000
Mr. Srinivas Bommidala	**100,000**	120,000
Mr. N.C. Sarabeswaran	**360,000**	520,000
Mr. R.S.S.L.N. Bhaskarudu	**380,000**	560,000
Mrs.Siva Kameswari Vissa	**360,000**	480,000

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A. Transactions during the year	For the year ended March 31, 2018	For the year ended March 31, 2017
Loan given to		
GMR Infrastructure Limited	**1,000,000,000**	600,000,000
Loan refunded by:		
GMR Infrastructure Limited	**365,000,000**	835,000,000
Lease hold Improvement:		
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**2,065,951**	24,837,957
Loan taken from		
GMR Infrastructure Limited	**4,300,000,000**	-
Loan repaid to		
GMR Infrastructure Limited	**995,700,000**	-
Reversal of provision for Impairment in value of Investment		
GMR Airports (Mauritius) Limited	-	8,927,310
Non-current investment in subsidiary company		
GMR Goa International Airport Limited	**1,045,000,000**	94,999,990

*The Management has allocated the "Remuneration to Key Managerial Personnel" on the basis of Corporate Cost Allocation methodology followed by the Company.

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B. Balance outstanding as at year ended	**March 31, 2018**	**March 31, 2017**
Investment in Group Company		
GMR Hyderabad International Airport Limited	**2,381,390,000**	2,381,390,000
GMR Airport Developers Limited*	**102,053,970**	102,053,970
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**18,854,998,933**	18,854,998,933
GMR Airports (Mauritius) Limited	**8,927,310**	8,927,310
Delhi Duly Free Services Private Limited	**952,375,000**	952,375,000
GMR Goa International Airport Limited	**1,139,999,990**	94,999,990
* Bonus share issued during the year in the ratio of 1:1		
Investment on fair valuation of financial guarantee		
GMR Airport Developers Limited	**10,201,386**	10,201,386
Trade receivables		
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**3,620,322**	-
GMR Airport Developers Limited	**699,149**	-
Delhi Duty Free Services Private Limited	**114,224**	-
GMR Aero Technic Limited	**15,576**	-
Hyderabad Duty Free Retail Limited	**5,346,000**	-
GMR Hyderabad International Airport Limited	**2,435,945**	559,300
Hyderabad Menzies Air Cargo Private Limited	**34,080**	-
Other Receivables		
GMR Hyderabad International Airport Limited	**83,593,175**	32,001,913
GMR Infrastructure Limited	**41,199,275**	273,318
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**457,455,584**	119,192,763
GMR Male International Airport Private Limited	**47,477,805**	48,336,837
Raxa Security Services Limited	**112,597**	112,593
GMR Infrastructure (Singapore) Pte Limited	**45,136**	1,165,808
GMR Goa International Airport Limited	**23,030,073**	16,600,146
Security Deposit		
GMR Family Fund Trust	**47,231,582**	50,731,582
Loans and advances		
GMR Infrastructure Limited	**1,000,000,000**	365,000,000
GMR Aviation Private Limited	-	44,264,958
Raxa Security Services Limited	**75,000**	75,000
Creditors for capital expenses		
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	**1,355,851**	-
Financial Liability		
GMR Airport Developers Limited	**3,616,279**	5,270,748

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B. Balance outstanding as at year ended	March 31, 2018	March 31, 2017
Trade payables		
GMR Infrastructure Limited	**4,499,873**	12,844,440
Raxa Security Services Limited	**4,095,908**	10,593,857
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)	-	20,363,866
GMR Family Fund Trust	**15,058,002**	15,058,002
GMR Aviation Private Limited	**18,233,645**	9,885,067
GMR Male International Airport Private Limited	-	2,691,955
GMR Hyderabad International Airport Limited	**213,144**	362,114
GMR Hospitality And Retail Limited (Formerly known as GMR Hotel And Resorts Limited)	**39,593**	-
GMR Infrastructure (Singapore) Pte Limited	**236,035**	138,900
GMR Enterprises Private Limited	**4,131,220**	4,043,118
GMR Airport Developers Limited	**6,299,999**	-
Borrowings		
GMR Infrastructure Limited	**3,304,300,000**	-
Salary Payable		
Mr. G. M. Rao (Executive Chairman)	**41,650,275**	15,600,530

Terms and conditions of transactions with related parties:-

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 unsecured and settlement occurs in cash. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Contingent liabilities / Commitments with related parties:

The contingent liabilities and commitments in respect of related parties are provided in note no 29 above , forming part of these special purpose standalone financial statements.

Transactions with key management personnel

The transaction with key management personnel includes the payment of director sitting fees and managerial remuneration which are provided in note no 30 (c) above. There are no other transactions with the Key management personnel.

'The remuneration of the key management personnel is determined by the Remuneration committee having regard to the performance of the individual and the market trend.

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GMR AIRPORTS LIMITED

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d) Interest in significant investment in subsidiaries

Name of the subsidiary	Ownership interest	Date of incorporation	Country of incorporation
Delhi International Airport Limited (Formerly known as Delhi International Airport Private Limited)	64.00%	March 01, 2006	India
GMR Hyderabad International Airport Limited	63.00%	December 17, 2002	India
Delhi Duty Free Services Private Limited	17.03%	July 07, 2009	India
GMR Airport Developers Limited	100%	June 13, 2008	India
GMR Airports (Mauritius) Limited	100%	January 18, 2013	Mauritius
GMR Goa International Airport Limited	99.99%	October 14, 2016	India

31. Segment Information

The Company is primarily engaged in a single segment i.e. Investment Activities. The risk and returns of the Company are predominantly determined by its principal activity and the Company's activities fall within a single business and geographical segment.

Major customers: Revenue from three customers of the Company is approximately Rs. 311.68 crore of the Company's total revenues (March 31, 2017: Revenue from one customer of the Company is approximately Rs. 100.20 crore of the Company's total revenues).

32. Fair Value

The carrying amount of all financial assets and liabilities (except for certain other financial assets i.e. 'Instruments carried at fair value') appearing in the special purpose standalone financial statements is reasonable approximation of fair values. Such instruments carried at fair value are disclosed below:

Particulars	Carrying value		Fair value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets Investment in mutual fund	**311,476,493**	65,552,116	**311,476,493**	65,552,116
Total	**311,476,493**	65,552,116	**311,476,493**	65,552,116

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.

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33. Fair value Hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2018:

			Fair value measurement using		
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets measured at fair value Investment in Mutual Fund	**March 31, 2018**	**311,476,493**	**311,476,493**	-	-

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2017:

			Fair value measurement using		
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets measured at fair value Investment in mutual fund	March 31, 2017	65,522,116	65,522,116	-	-

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

34. Risk Management

Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company doesn't hold "Fair Value through Other Comprehensive Income (FVTOCI)" investments.

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings and deposits.

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The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant in place at March 31, 2018.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 29.

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

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 at March 31, 2018 and March 31, 2017.

Interest rate risk

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

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. With all other variables held constant, the Company's profit before tax (PBT) is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	**Effect on PBT**
March 31, 2018*		**Amount**
INR	25 bp increase - Decrease in profit	-
INR	25 bp decrease - Increase in profit	-
March 31, 2017		
INR	25 bp increase - Decrease in profit	(10,100,000)
INR	25 bp decrease - Increase in profit	10,100,000

*As at March 31, 2018, the company does not have any floating rate borrowings.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

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Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Company's profit before tax (PBT) is due to changes in the fair value of liabilities.

Particulars	Effects on PBT	
	As at March 31, 2018	As at March 31, 2017
Increase in 500 bp	(482,130)	(1,941,007)
Decrease in 500 bp	482,130	1,941,007

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's management is responsible for liquidity, funding as well as settlement management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
As at March 31, 2018						
Borrowings	-	-	-	-	**3,304,300,000**	**3,304,300,000**
Trade payables	**278,615,091**	-	-	-	-	**278,615,091**
Other financial liabilities	**11,361,159**	**367,330**	**1,090,011**	**2,158,938**	-	**14,977,438**
Total	**289,976,250**	**367,330**	**1,090,011**	**2,158,938**	**3,304,300,000**	**3,597,892,529**
As at March 31, 2017						
Borrowings	-	168,700,000	506,300,000	3,375,000,000	-	4,050,000,000
Trade payables	183,630,547		-	-	-	183,630,547
Other financial Liabilities	1,112,968	367,330	1,090,011	3,813,407	-	5,383,716
Total	184,743,515	169,067,330	507,390,011	3,378,813,407	-	4,239,014,263

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 other financial assets) 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 Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any services to major customers are generally covered by bank guarantee or other forms of credit assurance.

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Financial instruments 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 credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's senior management on regular basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company has given Corporate Guarantee to Yes Bank Limited for issuing Term Loan of Rs. 100 Crores (March 31, 2017: Rs.100 Crores) in respect of GMR Airport Developers Limited. (refer note 4 & 12)

35. Capital management

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

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

The Company monitors capital using a gearing ratio, which is total debt divided by total equity plus total debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents and other bank balances not classified as cash & cash equivalents.

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

	March 31, 2018	**March 31, 2017**
Borrowings (including current maturities)	**3,304,300,000**	3,938,644,153
Total debts (A)	**3,304,300,000**	3,938,644,153
Share Capital	**3,508,694,900**	3,508,694,900
Other Equity	**19,544,704,957**	17,389,744,130
Total Equity (B)	**23,053,399,857**	20,898,439,030
Total equity and total debt (C=A+B)	**26,357,699,857**	24,837,083,183
Gearing ratio (%) (A/C)	**12.54%**	15.86%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

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36. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	March 31, 2018	March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

37. Expenditure in foreign currency (accrual basis)*

Particulars	March 31, 2018	March 31, 2017
Legal and professional fees	**113,822,220**	72,977,745
Training expenses	**6,843,326**	6,004,720
Travelling and conveyance	**66,303,821**	32,777,389
Miscellaneous expenses	**37,453,123**	21,583,888
Total	**224,422,490**	133,343,742

*The above expenses are before cost allocation/recovery

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38. Earnings in foreign currency (accrual basis)

Particulars	March 31, 2018	March 31, 2017
Aviation Academy Income	**4,417,114**	3,531,156
Total	**4,417,114**	3,531,156

39. As per regulation 10 of the prudential norms issued by Reserve bank of India ("RBI"), every Non-Banking Financial Institution i.e. Systematically Important Core Investment Company (CIC-ND-SI) is required to make provision @ 0.40% (March 31, 2017 : 0.35%) on all standard assets and as per regulation 9 at other defined percentages for all "sub-standard assets, doubtful assets and loss assets".

In order to comply with the prudential norms, the Company, based on the legal opinion, has identified only interest bearing assets to be considered for provisioning. Accordingly, the Company has created provision on standard assets @ 0.40% (March 31, 2017: 0.35%) on inter corporate deposits only.

40. Pursuant to investor agreements (including amendments thereof) entered into during the years ended March 31, 2011 and 2012 (hereinafter collectively referred to as "investor agreement"), Company has issued 3,731,468 of non-cumulative compulsorily convertible participatory preference shares Class A ("Class A CCPS") of Rs. 1,000 each fully paid-up at a premium of Rs. 2,885.27 and Rs 3,080.90 per share for 2,298,940 Class A CCPS ('First Tranche') and 1,432,528 Class A CCPS ('Second Tranche') respectively. Further, Company had allotted bonus shares of 11,046,532 non-cumulative compulsorily convertible non-participatory bonus preference shares Class B ("Class B CCPS") to GMR Infrastructure Limited ("GIL" or "Holding Company"), utilising the securities premium.

As per the terms of the investor agreement, GIL has a call option to buy Class A CCPS from the Investors for a call price to be determined as per the terms of investor agreement. The call option could be exercised by the GIL on or before April 6, 2015.

If the call option is not exercised by the GIL before April 06, 2015, as per the investment agreement, each CCPS A will get converted into 82.821 equity shares of GAL with simultaneous conversion of CCPS B held by the GIL into equity shares of GAL as per Articles and Memorandum of Association of GAL which includes restrictions on promoters equity dilution in the company and enterprise value of the Company at the time of conversion etc. Thus, settlement is not exclusively by an exchange of a fixed number of shares. Accordingly, CCPS A have been classified as equity instrument and CCPS B have been classified as compound instrument as per Ind AS 109.

GIL vide its letter dated April 1, 2015, had exercised the call option to buy CCPS A, subject to the regulatory approvals. However, Investors have initiated arbitration proceedings against the Company and GIL, seeking conversion of the CCPS A. The Oral hearing/submissions in the matter before Singapore International Arbitration Centre are over and the matter is re- sub judice as judgement is still not awarded. In view of ongoing arbitration and resultant uncertainty on the valuations involved for CCPS B conversion, no value has been assigned to the instrument, and consequently, the original transaction for its issuance as bonus shares utilising securities premium to GIL have been reversed.

Accordingly, the special purpose standalone financial statement of the Company do not include any adjustments that might result from the outcome of this uncertainty.

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41. Net dividend remitted in foreign exchange

Year of remittance (ending on)	March 31, 2018	March 31, 2017
Period to which it relates	**April 01, 2016 to March 31, 2017**	April 01, 2015 to March 31, 2016
Number of non-resident shareholders	**3**	3
Number of Class A CCPS held on which dividend was due	**3,539,250**	3,539,250
Amount remitted (in USD)	**52.26**	52.26
Amount remitted (in INR)	**3,539**	3,539

42. Loans and advances in the nature of loans given to companies in which directors are interested

GMR Infrastructure Limited

Balance as at March 31, 2018: **Rs. 100 crores** (March 31, 2017: Rs 36.5 crores)
Maximum amount outstanding during the year Rs. 100 crores (March 31, 2017: Rs. 60 crores)
There is no repayment schedule in respect of this loan. The initial term of the loan as per agreement was for three months which has been further extended upto June 20, 2018.

43. During the year ended March 31, 2018, the Company refinanced its existing term loan from taken from Axis bank amounting to Rs. 3,881,200,000 outstanding as at September 15, 2017; by taking loan from its Holding Company. As a result of such refinancing, the Company has incurred prepayment charges of Rs. 323,100,000 which have been disclosed as "Exceptional item" in the special purpose standalone statement of profit and loss.

44. Unhedged foreign currency exposure

Particulars	March 31, 2018	March 31, 2017
Trade payables –		
USD 141,822 @ 65.34 (March 31, 2017: USD 186,207 @ 65.60)	**9,266,650**	12,215,179
SGD 35,279 @ 49.82 (March 31, 2017: SGD 5,618 @ 47.11)	**1,757,600**	264,663
GBP 206,114 @ 92.28 (March 31, 2017: Nil)	**19,020,200**	-
Trade receivables –		
USD 4,000 @ 65.34 (March 31, 2017: USD 12,000 @ 65.60)	**261,360**	787,200
Other Assets –		
USD 753,382 @ 65.34 (March 31, 2017: USD 754,629 @ 65.60)	**49,225,980**	49,503,628
Advance from Customer–		
USD 150,000 @ 65.34 (March 31, 2017: Nil, March 31, 2016 : Nil)	**9,801,000**	-
Total	**89,332,790**	62,770,670

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45. During the financial year 2015-16, net worth of GMR Airports (Mauritius) Limited (GAML); a wholly owned subsidiary of Company had fully eroded; basis which Company had made the following provisions:
    - Provision for diminution in value of investment amounting to Rs. 0.89 crores.
    - Provision amounting to Rs. 4.92 crores relating to loss incurred by GAML, basis the commitment given by the Company to provide financial support to meet liabilities of GAML.

    In the previous year, GAML had earned a profit of Rs. 8.95 crore resulting in the net worth of GAML becoming positive to the extent of Rs. 3.70 crores. Therefore, the company had written back the above mentioned provisions in the books during the previous year.

46. The Company has provided for Current Income Tax liability for the year as per Income Tax Act, 1961; considering the book profit as per financial statements prepared in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (Indian GAAP financial statements). For the purpose of these special purpose standalone financial statements, the Company has considered the current Income tax expenses / liability arrived at basis Indian GAAP financial statements.

    Also as required by section 45IC of RBI Act 1934; Company has transferred 20% of profit after tax for the year calculated basis Indian GAAP financial statement to special reserve.

47. The Company has incurred Rs. 59,448,069 (March 31, 2017: Nil) in connection with the proposed Initial public offer (IPO) of its equity shares. The amount incurred shall be adjusted against the Securities Premium arising from the proposed initial public offer of equity shares as permitted under section 52 of Companies Act, 2013. Accordingly, this amount has been included under "Other current assets" in the balance sheet.

48. **Specified Bank Notes**

The details of Specified Bank Notes (SBNs) or other denomination notes, as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017, held and transacted during the period from November 8, 2016 to December 30, 2016 is provided in the table below:

Particulars	**SBNs***	**Other denomination notes**	**Total**
Closing cash in hand as on November 8, 2016	-	-	-
(+)Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

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

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49. Previous year figures:

Previous year figures have been regrouped /reclassified, where necessary, to conform the current year's classification.

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

per Yogesh Midha
Partner
Membership No.: 094941
Place: New Delhi
Date: May 15, 2018

S.R. Batliboi & Associates LLP * New Delhi *

For and on behalf of the Board of Directors of
GMR Airports Limited

RSSLN Bhaskarudu **Director** DIN:- 00058527	**P.S. Nair** **Whole Time Director** DIN:- 00063118
Sidharath Kapur **President & Chief Financial Officer** PAN:- AAJPK7956Q	**Deepanjali Gulati** **Company Secretary** PAN:- AHXPD3292P

Place: New Delhi
Date: May 15, 2018

GMR AIRPORTS LIMITED *