Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT
To The Members of GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)** ("the Company"), which comprise the Balance Sheet as at March, 31 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor dated May 02, 2017 on the comparative financial information and the said opening balance sheet expressed an unmodified opinion.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

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e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 30, 2018

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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Deloitte
Haskins & Sells LLP

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 30, 2018

VK

Deloitte
Haskins & Sells LLP

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(b) The Company has a program of verification of property, plant and equipment once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In respect of immovable properties of buildings constructed on leasehold land and disclosed as fixed asset in the financial statements, the lease agreement (for land) is in the name of the Company, where the Company is the lessee.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year falling within the purview of the Sections 73 to 76 of the Companies Act, 2013. There are no unclaimed deposits.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount relates	Amount involved (₹ in Lakhs)	Amount unpaid (₹ in Lakhs)
APVAT Act, 2005	Value Added Tax	Commercial Taxes Department, AP	FY 2010-11 to FY 2013-14	35.57	33.68
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeals, Hyderabad	FY 2011-12 to FY 2014-15	224.30@	@

@ The disallowance of the amount does not have any tax impact. The assessing officer has reduced the loss of the respective assessment years based on the income tax returns filed by the Company.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary, or associate Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 30, 2018

VK

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866

Balance Sheet as at March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,034.20	14,140.44
Capital work-in-progress	3A	63.47	52.41
Intangible assets	4	52.06	57.02
Intangible assets under development	4A	2.40	-
Financial Assets			
Other Financial Assets	5C	1.73	12.85
Deferred tax assets (net)	6	-	-
Non-current tax assets (net)	14	365.74	434.05
Other non current assets	9A	41.41	158.15
		13,561.01	**14,854.92**
Current assets			
Inventories	7	1,841.41	1,759.24
Financial assets			
Investments	5A	3,281.93	454.13
Trade receivables	5B	456.28	278.18
Cash and cash equivalents	8A	813.13	1,664.36
Other bank balances	8B	-	74.81
Other Financial Assets	5D	227.41	168.43
Other current assets	9B	201.20	158.17
		6,821.36	**4,557.32**
Total Assets		**20,382.37**	**19,412.24**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	12,660.89	10,965.89
Share capital suspense	10A	-	1,695.00
Other equity	11	(13,865.44)	(14,349.00)
Total Equity		**(1,204.55)**	**(1,688.11)**
Non-current liabilities			
Financial liabilities			
Borrowings	12A	11,810.19	18,681.79
Other financial liabilities	12C	6.12	13.62
Provisions	13A	41.62	35.28
		11,857.93	**18,730.69**
Current liabilities			
Financial liabilities			
Trade payables	12B	2,164.25	1,907.98
Other financial liabilities	12D	7,203.87	246.67
Provisions	13B	55.90	45.44
Other current liabilities	15	304.97	169.57
		9,728.99	**2,369.66**
Total Equity and Liabilities		**20,382.37**	**19,412.24**
Corporate Information & Significant accounting policies	1 & 2		

The accompanying notes are an integral part of the Financial Statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi

Sumit Trivedi
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)

SGK Kishore
Director
DIN: 02916539

Rajesh Kumar Arora
Director
DIN: 03174536

Venu Madhav Tenjarla
Chief Financial Officer

C Bharathi
Company Secretary
Membership No. : FCS-9406

GMR HOSPITALITY AND RETAIL LIMITED SHAMSHABAD

Place: Hyderabad
Date: April 30, 2018

Place: Hyderabad
Date: April 30, 2018

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866
Statement of profit and loss for the year ended March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from operations	16	18,783.30	16,746.56
Other income	17	266.90	252.64
Total Income (I)		**19,050.20**	**16,999.20**
Expenses			
Food and Beverages consumed	18	632.62	597.58
Purchases of Stock In Trade		4,783.68	4,989.31
Changes in Inventories-Stock In Trade	19	(71.43)	(685.80)
Employee benefits expense	20	1,900.04	1,671.32
Other expenses	21	8,001.00	6,765.17
Depreciation and amortization expense	22	1,288.69	1,781.04
Finance costs	23	2,030.99	2,352.69
Total Expenses (II)		**18,565.59**	**17,471.31**
Profit/(Loss) before tax		**484.61**	**(472.11)**
Tax expenses	24		
a) Current income tax		-	-
b) Adjustment of tax relating to earlier periods		-	(2.62)
c) Deferred tax charge/ (credit)		-	(168.50)
Total Tax expenses		-	**(171.12)**
Profit/(Loss) for the year		**484.61**	**(300.99)**
Other comprehensive income	25		
i. Item that will not be reclassified to profit or loss:			
Re-measurement (losses)/gains on defined benefit plans		(1.05)	2.90
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income		**(1.05)**	**2.90**
Total comprehensive income for the year		**483.56**	**(298.09)**
Earnings per equity share of par value of Rs.10 each	26		
Basic and diluted (Rs. per share)		0.38	**(0.24)**
Corporate Information & Significant accounting policies	1&2		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Sumit Trivedi
Partner

Place: Hyderabad
Date: April 30, 2018

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)

SGK Kishore
Director
DIN: 02916539

Rajesh Kumar Arora
Director
DIN: 03174536

GMR HOSPITALITY AND RETAIL LIMITED SHAMSHABAD

Venu Madhav Tenjarla
Chief Financial Officer

C.Bharathi
Company Secretary
Membership No. :FCS-9406

Place: Hyderabad
Date: April 30, 2018

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866
Cash flow statement for the year ended March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from Operating Activities		
Profit / (Loss) before tax	**484.61**	**(472.11)**
Non-cash adjustment to reconcile profit/(loss) before tax		
Depreciation and amortisation expense	1,288.69	1,781.04
Finance cost	1,734.00	1,844.67
Finance costs (fair value change in financial instruments)	296.99	302.40
Profit on sale of current investments	(149.69)	(80.50)
Gain on fair valuation of current investments	(7.87)	-
Interest income	(0.88)	(5.04)
Provisions no longer required written back	(7.36)	(12.49)
Loss on Mark to Market	-	(14.48)
Loss on sale/write off of fixed assets (net)	133.95	-
Unrealised foreign exchange loss/(gain)	8.19	(11.35)
Operating Profit before Working Capital Changes	**3,780.63**	**3,332.14**
Adjustments for changes in working capital :		
Increase in trade payables	259.85	355.58
Increase in provisions	15.76	2.08
Increase/(Decrease) in other liabilities	137.75	(112.94)
(Increase)/Decrease in trade receivables	(178.10)	126.71
Increase in inventories	(82.17)	(320.99)
Increase in Other Assets	(40.87)	(24.17)
Increase in other financial assets	(54.43)	(23.75)
Cash generated from operations	**3,838.42**	**3,334.66**
Direct taxes paid/refund (net)	68.31	(103.14)
Net cash flow from Operating Activities (A)	**3,906.73**	**3,231.52**
Cash flows from Investing Activities		
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(245.07)	(367.18)
Interest income	1.18	5.04
Redemption/maturity of fixed deposits (not forming part of cash and cash equivalents)	74.81	15.03
Sale of Fixed Assets	1.02	-
Purchase of investments	(16,620.00)	(8,039.07)
Proceeds from sale of investments	13,949.76	8,901.36
Net cash flow (used)/ from in Investing Activities (B)	**(2,838.30)**	**515.18**
Cash flows from Financing Activities		
Proceeds from long-term borrowings	-	13,650.00
Repayment of long-term borrowings	(187.50)	(12,821.12)
Repayment of /proceeds from short-term borrowings	-	(424.00)
Finance cost paid	(1,727.68)	(1,844.67)
Dividend Paid including Dividend distribution tax	-	(1,224.04)
Net cash used in financing activities (C)	**(1,915.18)**	**(2,663.83)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(846.75)**	**1,082.87**
Cash and cash equivalents at the beginning of the year	1,664.36	28.92
Cash and cash equivalents taken over pursuant to scheme of merger (refer note 1.1)	-	553.87
Effect of exchange differences on cash and cash equivalents held in foreign currency	(4.48)	(1.30)
Cash and cash equivalents at the end of the year (See note 1 below)	**813.13**	**1,664.36**
Components of cash and cash equivalents		

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

GMR HOSPITALITY AND RETAIL LIMITED
SHAMSHABAD

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866
Cash flow statement for the year ended March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash on hand	44.71	36.89
Cash in transit	26.30	-
Balance with banks		
- On current accounts	237.62	1,160.30
- Exchange earner's foreign currency	504.50	445.15
Credit card collection	-	22.02
Total	**813.13**	**1,664.36**

Reconciliation of liabilities from financing activities:

Particulars	As at March 31,2017	Proceeds	Repayment	Fair Value Changes	As at March 31,2018
Long-term Borrowings (including current maturities of long term borrowings)	18,869.29	-	(187.50)	296.99	18,978.78
Total	**18,869.29**	**-**	**(187.50)**	**296.99**	**18,978.78**

Note :
1. During the previous year, cash flow statement is prepared after eliminating the acquisition of assets and liabilities on merger on account of non-cash transactions.

The accompanying notes are an integral part of the Financial Statements.
In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Sumit Trivedi
Partner

Place: Hyderabad
Date: April 30, 2018

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited (fomerly known as GMR Hotels and Resorts Limited)

SGK Kishore
Director
DIN: 02916539

Rajesh Kumar Arora
Director
DIN: 03174536

Venu Madhav Tenjarla
Chief Financial Officer

C.Bharathi
Company Secretary
Membership No. :FCS-9406

GMR HOSPITALITY AND RETAIL LIMITED SHAMSHABAD

Place: Hyderabad
Date: April 30, 2018

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866
Statement of Changes in Equity for the year ended March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

A. Equity Share Capital
Equity Shares of Rs.10 Each, Fully paid up

	No.	Rs. Lakh
As at April 1, 2016	10,96,58,916	10,965.89
Issued during the year	-	-
As at March 31, 2017	10,96,58,916	10,965.89
Issued during the year	1,69,50,000	1,695.00
As at March 31, 2018	12,66,08,916	12,660.89

B. Other Equity

	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Equity component of parent company loan* (A)	Capital Reserve (B) (Refer Note 1.1)	Retained Earnings (C)	FVTOCI reserve (D)	E=(A+B+C+D)
As at April 1, 2016	435.70		(14,716.40)	(0.31)	(14,281.01)
Capital reserve arising on account of amalgamation (Note 1.1)	-	548.10	-	-	548.10
Loss for the year	-	-	(300.99)	-	(300.99)
Other Comprehensive Income (Note 25)	-	-	-	2.90	2.90
Additional equity component of Holding Company loan *	396.02		-		396.02
Equity Interim dividend #			(593.25)		(593.25)
Tax on Interim equity dividend #			(120.77)		(120.77)
Total Comprehensive Income	831.72	548.10	(15,731.41)	2.59	(14,349.00)
As at March 31, 2017	831.72	548.10	(15,731.41)	2.59	(14,349.00)
Profit for the year			484.61		484.61
Other Comprehensive Income				(1.05)	(1.05)
Total Comprehensive Income	831.72	548.10	(15,246.80)	1.54	(13,865.44)
As At March 31, 2018	831.72	548.10	(15,246.80)	1.54	(13,865.44)

* Equity component of interest free loan is shown net of deferred tax liability.

Interim dividend for the financial year 2016-17 has been declared and paid out of the profits pertaining to Hyderabad Duty Free Retail Limited, prior to the date on which scheme became effective.

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: April 30, 2018

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)

SGK Kishore
Director
DIN: 02916539

Rajesh Kumar Arora
Director
DIN: 03174536

GMR HOSPITALITY AND RETAIL LIMITED * SHAMSHABAD *

Venu Madhav Tenjarla
Chief Financial Officer

C.Bharathi
Company Secretary
Membership No. :FCS-9406

Place: Hyderabad
Date: April 30, 2018

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN: U52100TG2008PLC060866
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

1. Corporate information

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited) ("GHRL or the Company") was incorporated on September 08, 2008 as a wholly owned subsidiary of GMR Hyderabad International Airport Limited. The main objective of the Company is to carry on the business of running hotels, resorts, restaurants, lodging house, swimming pools, night clubs, exhibition halls, entertainment centers, amusement parks, wine, beer shops and departmental stores, discotheques, clubs, skating halls, boating and padding pools, gymnasiums and race courses. To establish and run shops, business centres and shopping complexes including duty free shops and customs free trade zone, either directly or through agencies to cater to the requirements of National and International passengers and tourists.

Pursuant to the approval of the Board of Directors dated May 02, 2017, the Company has changed its name from GMR Hotels and Resorts Limited to GMR Hospitality and Retail Limited subsequent to which the Memorandum of Association and Articles of Association of the Company have been amended and the same were filed with the Registrar of Companies on May 16, 2017.

The financial statements of the Company for the year ended March 31, 2018 were adopted by the Board of Directors and authorized for issue on April 30, 2018.

1.1 Scheme of arrangement (Merger)

The Board of Directors of the Company had filed a scheme of arrangement ("the Scheme") under Sections 391 and 394(1) of the Companies Act, 1956 between Hyderabad Duty Free Retail Limited ("HDFRL") and GHRL and their respective shareholders which envisaged the amalgamation of the Duty Free business undertaking along with related assets and liabilities into the Company with effect from April 01, 2015 in accordance with the provisions of the Companies Act, 1956. The National Company Law Tribunal ("NCLT") passed an order approving the said scheme but had changed the Appointed Date to April 01, 2016 instead of April 01, 2015 that was specified in the Scheme. The above scheme has received the approval of the NCLT on April 18, 2017 and thereafter filed with the Registrar of Companies on April 27, 2017.

Pursuant to the approved scheme of arrangement entered into between HDFRL ('Transferor Company'), GMR Hotels and Resorts Limited ('GHRL') (Transferee Company) and its shareholders and as approved by NCLT, the Company has given effect to the scheme with effect from April 01, 2016 as specified in the order of the NCLT.

Salient features of the Scheme are as follows:
Upon the Scheme coming into effect, all the assets and liabilities appearing in the books of accounts of Transferor Company shall stand transferred to and vested in the Transferee Company, as the case may be pursuant to the Scheme and shall be recorded by Transferee Company at their respective book values.

Purchase consideration
As per the share exchange ratio approved by the NCLT, the Company shall allot 1 (one) fully paid-up equity share of Rs.10 each for every 1 (one) fully paid-up equity share of Rs.10 each held by the shareholders in the Transferor Company as at the appointed date i.e. April 01, 2016 aggregating to Rs. 169,500,000. Pending allotment of shares to the shareholders of Transferor Company, the Company has disclosed the same under Share capital suspense.

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GMR HOSPITALITY AND RETAIL LIMITED SHAMSHABAD

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN: U52100TG2008PLC060866
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

Assets and Liabilities acquired -
In accordance with the Scheme, the Company has acquired the following assets and liabilities as on the appointed date of Transferee Company at book values as at April 01, 2016 as stated in the table below:

Particulars	Amount
Non-current assets	
Tangible assets	805.66
Intangible assets	7.15
Capital work – in – progress	12.90
Deferred tax asset (net)	8.59
Loans and advances	28.84
Other non-current assets	40.54
Sub-total	**903.68**
Current assets	
Current investments	1,240.00
Inventories	999.24
Cash and bank balances	584.73
Loans and advances	25.17
Other current assets	175.66
Sub-total	**3024.80**
Total assets (A)	**3928.48**

Non-current liabilities	
Long term provisions	3.99
Sub-total	**3.99**
Current liabilities	
Trade payables	816.82
Other current liabilities	332.46
Short term provisions	532.11
Sub-total	**1681.39**
Total liabilities (B)	**1685.38**

Net Assets (C = A - B)	2243.10
Purchase Consideration – (D)	1695.00
Capital Reserve (E = D - C)	548.10

Note:
In accordance with the scheme has approved by NCLT Hyderabad Bench, The difference between the purchase consideration and net assets has been treated as capital reserve.

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2. Significant accounting policies

2.1 Basis of preparation and presentation:

(a) Statement of Compliance:

The Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

(b) Basis of measurement:

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of reporting period. (as explained in accounting policy regarding financial instruments).

2.2 Summary of significant accounting policies

a) Use of estimates

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Current versus non-current classification

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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.

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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) Foreign currencies

The Financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. 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 the profit and 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 and loss are also recognised in OCI or profit and loss, respectively).

d) Fair value measurement

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

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

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All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized 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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

(e) Revenue recognition

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

However, sales tax/ value added tax (VAT)/Service tax and Goods and service tax which came into effect from 01st July 17 is not received by the Company on its own account. Rather, it is tax collected by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

- Sale of goods:
  Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from the sale of goods at duty free outlets operated by the Company is recognized at the time of delivery of goods to customers which coincides with transfer of risks and rewards. Sales are stated net of discounts and returns.

- Income from services and sale of products :
  Revenue from hotel operations comprises income by way of hotel room rent, sale of food, beverages and allied services relating to hotel and is recognised net of taxes and discounts as and when the services are provided and products are sold.

  The Company recognizes revenue on accrual basis as per the terms of the agreement and on the basis of services rendered.

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- <u>Space rentals:</u>
  Space rentals have been recognised as per the terms of the contract with the customers.

- <u>Dividend income:</u>
  Revenue is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

- <u>Interest income:</u>
  Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

(f) Taxes

Current income tax:
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 in the countries where the Company operates and generates taxable income.

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

Deferred tax:
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

(g) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit and loss as incurred.

Capital Work in Progress are items of Property, Plant and Equipment which are not yet ready for their intended use and are carried at cost, comprising direct cost and related incidental expenses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particulars	Years
Buildings on leasehold land	30
Leasehold improvements	15
Roads #	10
Plant and equipment	15
Electrical installations and equipment	10
Furniture and fittings	8-10
Office equipment	5
Computers and data processing units	3 – 6
Motor vehicles	8

The management has estimated, supported by technical evaluation and experience, the useful life of internal roads as 10 years.

The management has estimated, supported by independent assessment of professionals, the useful lives of the following class of assets.

The useful lives of certain plant and equipment are estimated as 8 years with respect to Kitchen equipments. This life is lower than those indicated in Schedule II of the Companies Act, 2013.

The Company, based on assessment made by technical expert and Management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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.

Leasehold improvements are amortized over shorter of estimated useful lives or lease period.

Individual assets costing less than Rs.5,000 are fully depreciated in the year of purchase.

(h) Intangible assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Intangible Assets are amortized on a straight – line basis over their useful life not exceeding six years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognized.

(i) Leases

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

For arrangements entered into prior to April 01, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition

Company as a lessee
Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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

Leases are classified as finance leases whenever the terms of lease transfer substantially all of the risks and rewards of ownership to the lessee. Amounts due from lessees under finance leases are recorded

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as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(j) Borrowing costs

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

(k) Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis and includes other directly associated costs in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(l) 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 unit's (CGU) fair value less costs of disposal and its value in use. 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 groups 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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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.

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

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(m) Provisions, contingent liabilities and commitments

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

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.

Contingent liability is disclosed in the case of:
• A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
• A present obligation arising from past events, when no reliable estimate is possible
• A possible obligation arising from past events, unless the probability of outflow of resources is remote

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

(n) Retirement and other employee benefits

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

Retirement benefit in the form of Superannuation Fund and Employees State Insurance are defined contribution schemes and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. The Company has no obligation, other than the contribution payable to the respective funds.

The Company operates a defined benefit gratuity plan (partly funded) in India, which requires contribution to be made to a separately administrated fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

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 and loss in subsequent periods.

Past service costs are recognised in profit and loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

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

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

Accumulated leave is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave as short-term employee benefit. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(o) 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. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

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 and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement of financial instrument:
For the purpose of subsequent measurement, financial instruments of the Company are classified into categories as explained below. The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms/arrangements.

For purposes of subsequent measurement, financial assets are classified in four categories:
a. Debt instruments at amortized cost
b. Debt instruments at fair value through other comprehensive income (FVTOCI)
c. Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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Debt instruments at amortized cost:
A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

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

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

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

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

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

De-recognition:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flows from the asset, and
   i. The Company has transferred substantially all the risks and rewards of the asset, or
   ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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GMR HOSPITALITY AND RETAIL LIMITED SHAMSHABAD

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 financial assets and credit risk exposure on any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The Company recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

Financial liabilities

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

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

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

Financial liabilities at fair value through profit and loss

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

Financial liabilities designated upon initial recognition at fair value through profit and 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 profit and loss. 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 and 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 amortized cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

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

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De-recognition:
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Subsequent Measurement
For the purpose of subsequent measurement, financial instruments of the Company are classified into categories as explained below. The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms/arrangements.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

Reclassification of financial assets
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(p) Cash and cash equivalents

Cash and cash equivalents 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.

(q) Contingent liabilities

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

Contingent assets are disclosed when the economic benefits are probable.

(r) Earnings per share

Basic Earnings per Share is calculated by dividing the net profit and loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating Diluted Earnings per Share, the net profit and 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) New standards and interpretations not yet adopted

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.
Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.

The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard is effective for annual periods beginning on or after 1 April 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

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

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

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

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

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GMR HOSPITALITY AND RETAIL LIMITED * SHAMSHABAD *

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

3. Property, Plant and Equipment

Particulars	#Buildings on leasehold land	Leasehold improvements	Roads	Plant and equipment	Electrical Installations and Equipment	Furniture and fittings	Office Equipment	Computers and data processing units	Motor Vehicles	Total
Gross Block										
As at April 1, 2016	12,119.53	-	24.50	1,888.01	1,155.29	1,133.23	4.61	10.87	10.80	16,346.84
Acquired on account of merger (Note 1.1)	-	659.39	-	8.92	22.15	95.46	3.76	15.96	-	805.64
Additions	87.81	-	-	115.65	0.27	106.51	1.20	79.66	-	391.10
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	12,207.34	659.39	24.50	2,012.58	1,177.71	1,335.20	9.57	106.49	10.80	17,543.58
Additions	-	-	-	248.22	-	14.01	10.94	32.15	-	305.32
Disposals	-	(7.30)	-	(183.69)	(0.27)	(28.42)	(0.03)	(0.47)	-	(220.18)
As at March 31, 2018	12,207.34	652.09	24.50	2,077.11	1,177.44	1,320.79	20.48	138.17	10.80	17,628.72
Depreciation										
As at April 1, 2016	530.34	-	5.71	249.41	288.82	551.88	0.30	4.14	4.45	1,635.05
Charge for the year	538.35	79.13	5.71	242.57	292.87	574.50	2.46	28.05	4.45	1,768.09
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	1,068.69	79.13	11.42	491.98	581.69	1,126.38	2.76	32.19	8.90	3,403.14
Charge for the year	541.52	77.80	5.72	280.44	292.87	36.86	3.02	37.09	1.27	1,276.59
Disposals	-	(3.24)	-	(59.26)	(0.04)	(22.17)	(0.03)	(0.47)	-	(85.21)
As at March 31, 2018	1,610.21	153.69	17.14	713.16	874.52	1,141.07	5.75	68.81	10.17	4,594.52
Net block										
As at March 31, 2017	11,138.65	580.26	13.08	1,520.60	596.02	208.82	6.81	74.30	1.90	14,140.44
As at March 31, 2018	10,597.13	498.40	7.36	1,363.95	302.92	179.72	14.73	69.36	0.63	13,034.20

Building is constructed on lease hold land taken from GHIAL (holding company) who obtained land under Concession agreement with Ministry of Civil Aviation.

3A. Captial work in progress

	As at March 31, 2018	As at March 31, 2017
Capital expenditure incurred on tangible assets	63.47	52.41
	63.47	52.41

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GMR HOSPITALITY AND RETAIL LIMITED
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GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)

CIN : U52100TG2008PLC060866
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

4. Intangible Assets

	Acquired Software
Gross Block	
As at April 1, 2016	8.00
Acquired on account of merger (Note 1.1)	7.15
Additions	54.90
Disposals	-
As at March 31, 2017	**70.05**
Additions	7.14
Disposals	-
As at March 31, 2018	**77.19**
Amortisation	
As at April 1, 2016	0.08
Acquired on account of merger (Note 1.1)	-
Charge for the year	12.95
Disposals	-
As at March 31, 2017	**13.03**
Charge for the year	12.10
Disposals	-
As at March 31, 2018	**25.13**
Net block	
As at March 31, 2017	**57.02**
As at March 31, 2018	**52.06**

4A. Intangible assets under development

	As at March 31, 2018	As at March 31, 2017
Capital expenditure incurred on intangible assets	2.40	-
	2.40	**-**

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(All amounts are in Rs. lakhs, unless otherwise stated)

5 Financial Assets

	As at March 31, 2018	As at March 31, 2017
A. Current investments		
Unquoted Mutual Fund :		
391,037.422 (March 31, 2017 : 96,020.643) units of face value of Rs.100 each of ICICI prudential mutual fund- liquid growth plan	1,002.57	230.60
521,89.022 (March 31, 2017: Nil) units of face value of Rs.1,000 each of Axis mutual fund- liquid growth plan	1,002.41	-
458,950.029 (March 31, 2017 : 85,805.365) units of face value of Rs.100 each of Birla sunlife cash plus- growth regular plan	1,276.95	223.53
	3,281.93	454.13
Aggregate value of unquoted investments	3,281.93	454.13

B. Trade Receivables

	As at March 31, 2018	As at March 31, 2017
Trade receivables	416.89	264.99
Receivable from related parties (refer note 29)	39.39	13.19
Total	456.28	278.18
Less: Allowances for doubtful receivables	-	-
Total Trade Receivables	456.28	278.18

Trade receivables are non-interest bearing except in case of delay in payments and are generally on terms of 30 - 90 days.

Other Financial Assets

	As at March 31, 2018	As at March 31, 2017
C. Non Current (unsecured, considered good unless stated otherwise)		
Security deposit	1.73	12.85
	1.73	12.85
D. Current (unsecured, considered good unless stated otherwise)		
Other receivables	218.38	168.13
Security deposit	9.03	
Interest accrued on fixed deposits	-	0.30
	227.41	168.43

Note: Receivables from related parties refer note 29

6 Deferred tax asset/ (liability) (net)

	As at March 31, 2018	As at March 31, 2017
Deferred tax liability		
Impact of difference between tax depreciation and depreciation/ amortization charged for the year	(903.00)	(1,143.83)
Temporary difference arising on account of fair valuation on interest free loan	(78.44)	(177.09)
Gross Deferred tax Liabilities (A)	(981.44)	(1,320.92)
Deferred tax asset		
DTA created on unabsorbed depreciation and carried forward losses	981.44	1,320.92
Gross deferred tax assets (B)	981.44	1,320.92
Deferred tax Assets/(Liabilities) (A+B)	-	-

Deferred tax assets/ (liability):
For the year ended March 31, 2018:

	Opening balance	Recognised in other equity	Recognised in Statement of Profit and Loss	Closing balance
Deferred tax liability:				
Impact of difference between tax depreciation and depreciation/ amortization charged for the year	(1,143.83)	-	240.83	(903.00)
Temporary difference arising on account of fair valuation on interest free loan	(177.09)	-	98.65	(78.44)
Deferred tax asset:				
DTA created on unabsorbed depreciation and carried forward losses	1,320.92	-	(339.48)	981.44
	-	-	-	-

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GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
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Note to financial statement for the year ended March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

The Company has acccounted for deferred tax assets based on approval of business plan by Board
The Company has recognised deferred tax asset on unabsorbed depreciation and carry forward losses to the extent the Company has sufficient taxable temparory differences.

temporary

6.1 **Unrecognised deductible differences, unused tax losses**

temporary

	For the year ended March 31, 2018	For the year ended March 31, 2017
Unrecognised deductible differences, unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
-Unused tax loss	14,881.45	13,084.21
	14,881.45	13,084.21

7 **Inventories (valued at lower of cost and net realisable value)**

	As at March 31, 2018	As at March 31, 2017
Retail merchandise*	1,752.04	1,681.62
Packing materials	4.43	3.42
Food & Beverages	49.71	50.13
Stores, spares & consumables	35.23	24.07
Total	1,841.41	1,759.24

*includes goods in transit of Rs.409.46 lakh (March 31, 2017: Rs. 592.96 lakh)

8 **Cash & cash equivalents and Other bank balances**

	As at March 31, 2018	As at March 31, 2017
A Cash and cash equivalents		
Cash on hand	44.71	36.89
Cash in transit	26.30	-
Balances with banks:		
– On current accounts	237.62	1,160.30
– Exchange earner's foreign currency	504.50	445.15
Credit card collection	-	22.02
Total(A)	813.13	1,664.36
B Other bank balances		
On Deposit accounts#		
– Deposits with original maturity for more than 3 months but less than or equal to 12 months.	-	74.81
	-	74.81
Total(B)	-	74.81

Given as lien against bank guarantee.

9 **Other Assets**

	As at March 31, 2018	As at March 31, 2017
A Non Current (unsecured, considered good unless otherwise stated)		
Capital Advances	34.17	148.75
Gratuity Asset	-	4.83
Balance with statutory/government authorities	7.24	3.42
Prepaid expenses	-	1.15
Total	41.41	158.15
B Current (unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	18.37	29.84
Balance with statutory/government authorities	89.85	32.75
Prepaid expenses	92.98	95.58
Total	201.20	158.17

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10 Share capital

	As at March 31, 2018	As at March 31, 2017
Authorised share capital		
130,000,000 equity shares of Rs.10/- each	13,000.00	13,000.00
Total	13,000.00	13,000.00
Issued, subscribed and fully paid-up share capital		
126,608,916 equity shares of Rs.10/- each fully paid up	12,660.89	10,965.89
Total	12,660.89	10,965.89

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

	As at March 31, 2018		As at March 31, 2017	
	Number	Rs. Lakhs	Number	Rs. Lakhs
At the beginning of the year	109,658,916	10,965.89	109,658,916	10,965.89
Additions during the year (refer note (e) below)	16,950,000	1,695.00	-	-
Outstanding at the end of the year	126,608,916	12,660.89	109,658,916	10,965.89

b) 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 dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company:

Out of equity shares issued by the Company, shares held by its holding company are as below:

	As at March 31, 2018	As at March 31, 2017
GMR Hyderabad International Airport Limited and its nominees		
126,608,916 (March 31, 2017 : 109,658,916) equity shares of Rs.10/- each fully paid up	126,608,916	109,658,916

(d) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2018		As at March 31, 2017	
	Nos	% holding	Nos	% holding
Equity shares of Rs.10 each fully paid				
GMR Hyderabad International Airport Limited and its nominees	126,608,916	100%	109,658,916	100%

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

(e) During the year 16,950,000 equity share of Rs.10 each was alloted on May 02, 2017 pursuant to scheme of merger of Hyderabad Duty Free Retail Limited (refer note 1.1).

10A Share capital suspense

	As at March 31, 2018	As at March 31, 2017
Rs.Nil (March 31, 2017: 16,950,000 Equity shares of Rs 10 each to be issued as fully paid up pursuant to merger of Hyderabad Duty Free Retail Limited under the scheme of arrangement without payment being received in cash. (note 1.1)	-	1,695.00
	-	1,695.00

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GMR HOSPITALITY AND RETAIL LIMITED SHAMSHABAD

11 Other equity

		As at March 31, 2018	As at March 31, 2017
a)	**Capital Reserve**		
	Opening Balance	548.10	-
	Add: Capital reserve arising on account of amalgamation (note 1.1)	-	548.10
	Closing Balance	**548.10**	**548.10**
b)	**Equity component of other financial instruments**		
	Opening Balance	831.72	831.72
	Changes during the year	-	-
	Closing Balance	-	-
		831.72	**831.72**
c)	**Remeasurement of net defined benefit plans**		
	Opening Balance	2.59	(0.31)
	Changes during the year	(1.05)	2.90
	Closing Balance	**1.54**	**2.59**
d)	**Retained earnings**		
	Opening Balance	(15,731.41)	(14,716.40)
	Profit / (Loss) for the year	484.61	(300.99)
	Equity Interim dividend	-	(593.25)
	Dividend distribution tax on interim dividend	-	(120.77)
	Closing Balance	**(15,246.80)**	**(15,731.41)**
	Grand Total	**(13,865.44)**	**(14,349.00)**

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 25

11.1 Distributions made and proposed

	As at March 31, 2018	As at March 31, 2017
Cash dividends on Equity shares declared and paid:		
Interim dividend for the year ended March 31, 2018 : Rs Nil per share (March 31, 2017 : Rs. 3.50 per share)#	-	593.25
Dividend distribution tax on interim dividend	-	120.77
	-	714.02

Interim dividend for the financial year 2016-17 has been declared and paid out of the profits pertaining to Hyderabad Duty Free Retail Limited, prior to the date on which scheme became effective.

12 Financial Liabilities

	As at March 31, 2018	As at March 31, 2017
A. Non Current borrowings		
Term Loans		
Indian rupee term loan from NBFC (secured)	11,810.19	12,082.22
Loan from related party (unsecured)	-	6,599.57
	11,810.19	**18,681.79**
Current Maturities of Non Current borrowings		
Term Loans		
Indian rupee term loan from NBFC (secured)	298.30	187.50
Loan from related party (unsecured)	6,870.29	-
	7,168.59	**187.50**
Less: Amount disclosed under the head "other current financial liabilities" (refer note 12D)	(7,168.59)	(187.50)
Total	-	-

Notes:

a) Term loan from NBFC (Namely Aditya Birla Finance Limited and India Infradebt Limited) (secured) carries interest at base rate plus agreed spread. The loan carries the interest rate of 9.25 % to 10.8% during the current year. The loan is repayable in 54 quarterly instalments commencing from January 2017 to April 2030. The Rupee term loan is secured by a pari passu first charge on immovable assets (including assignment of leasehold rights in the case of leasehold land) , movable assets, revenues, book debts, bank accounts and a pledge over 30% of the equity shares of the Company.
Also the above loan is secured by an irrevocable and unconditional corporate guarantee given by the Holding Company (GMR Hyderabad International Airport Limited).

b) Loan from a related party represents loan taken from the holding company. In the previous year, the holding company extended the loan repayment by another 2 years from March 31, 2017 till March 31, 2019 or till the repayment of loan by the Company whichever is earlier. Out of the above, loan amounting to Rs. 4,233.00 lakhs (March 31, 2017: Rs 4,233.00 lakhs) is chargeable to interest in the range of 10.25% to 11% p.a and the balance loan of Rs.2637.29 lakhs (March 31, 2017 : Rs. 2,366.57 lakhs) is interest free.

B Trade payables

	As at March 31, 2018	As at March 31, 2017
- Outstanding dues to creditors other than micro enterprises and small enterprises	1,840.08	1,669.92
- Outstanding dues to related parties (Note 29)	324.17	238.06
	2,164.25	**1,907.98**
- Outstanding dues to micro enterprises and small enterprises (Note 36)	-	-
	2,164.25	**1,907.98**

HASKINS & SELLS LLP DELOITTE CHARTERED ACCOUNTANTS

GMR HOSPITALITY AND RETAIL LIMITED SHAMSHABAD

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866
Note to financial statement for the year ended March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

Other financial liabilities

	As at March 31, 2018	As at March 31, 2017
C Non Current Liabilities		
Security deposit received from customers	6.12	13.62
	6.12	**13.62**
D Current Liabilities		
Current maturities of long-term borrowings (note 12A)	7,168.59	187.50
Retention Money	4.50	2.35
Security deposit received from customers	9.75	-
Payable for purchase of fixed assets (note 29)	21.03	56.82
Total	**7,203.87**	**246.67**

13 Provisions

	As at March 31, 2018	As at March 31, 2017
A. Long Term Provisions		
Provision for gratuity (note 27)	41.62	35.28
Total	**41.62**	**35.28**
B. Short Term Provisions		
Provision for leave benefits (note 27)	54.08	43.79
Provision for gratuity (note 27)	1.75	1.59
Provision for superannuation fund	0.07	0.06
Total	**55.90**	**45.44**

14 Non-current tax assets (net)

	As at March 31, 2018	As at March 31, 2017
Advance tax/ TDS receivables (net)	365.74	434.05
	365.74	**434.05**

15 Other Liabilities

	As at March 31, 2018	As at March 31, 2017
Current Liabilities		
Statutory dues	230.58	144.60
Advance received from customers	74.39	24.97
Total	**304.97**	**169.57**

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GMR HOSPITALITY AND RETAIL LIMITED SHAMSHABAD

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CIN : U52100TG2008PLC060866

Note to financial statement for the year ended March 31, 2018
(All amounts are in Rs. lakhs, unless otherwise stated)

16 Revenue from operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
Sale of imported products	11,318.06	10,275.28
Sale of indigenous products	568.37	376.39
Sale of food and beverages	2,217.90	1,981.88
Sale of services - room rent	4,187.42	3,637.86
Revenue from operations	**18,291.75**	**16,271.41**
Other operating income		
Rental income (note 34)	139.22	167.33
Other operating income/services	352.33	307.82
Total	**491.55**	**475.15**
Total income	**18,783.30**	**16,746.56**

17 Other income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on bank deposits	0.88	5.04
Gain on account of foreign exchange fluctuations (net)	-	140.45
Profit on sale of investments in mutual funds	149.69	80.14
Gain on fair valuation of mutual fund	7.87	0.39
Sale of scrap	17.60	2.04
Interest income on Income tax refund	64.82	2.00
Provisions no longer required written back	7.36	12.49
Other non-operating income	18.68	10.09
	266.90	**252.64**

18 Food and Beverages consumed

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock	50.13	44.24
Add: Purchases	724.01	700.12
Less : Closing stock	(49.71)	(50.13)
Total	724.43	694.23
Less : Staff welfare Consumption	(91.81)	(96.65)
	632.62	**597.58**

19 Change In Inventory-Stock In Trade

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock	1,685.04	999.24
Less : Closing stock	(1,756.47)	(1,685.04)
	(71.43)	**(685.80)**

20 Employee benefit expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	1,458.55	1,345.22
Contribution to provident and other fund (note 27)	63.34	55.01
Gratuity expense (note 27)	19.99	21.24
Staff welfare expenses	358.16	249.85
	1,900.04	**1,671.32**

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

GMR HOSPITALITY AND RETAIL LIMITED
SHAMSHABAD

21 Other expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent	132.20	123.18
Operating Fees	415.77	364.00
Operating & maintainance expenses#	471.24	382.77
Concession fee	3,965.55	3,452.90
License Fee	160.25	123.93
Manpower outsourcing charges	157.22	156.58
Electricity & water charges #	707.19	644.84
Rates and taxes	176.74	223.80
Insurance	27.17	23.44
Repairs and maintenance - others #	453.91	387.93
Advertising, selling and distribution expense #	304.04	174.64
Travelling and conveyance	179.42	166.09
Communication costs#	115.72	120.37
Printing and stationery #	31.96	36.70
Security charges	42.62	51.22
Legal and professional fees	159.17	72.18
Management fee	232.16	207.00
Payment to auditors (refer details below)	17.86	21.25
Loss on account of foreign exchange fluctuations (net)	87.60	-
Loss on sale/writte off of fixed assets (net)	133.95	-
Donations	14.00	-
Corporate social responsibility expense	-	18.03
Miscellaneous expenses	15.26	14.32
	8,001.00	**6,765.17**

includes stores and spares consumed for the year ended March 31, 2018: Rs.395.89 lakhs (March 31, 2017:Rs. 415.89 lakhs)

Payment to auditors

	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor		
Audit fees	16.34	20.00
Reimbursement of expenses	1.52	1.25
	17.86	**21.25**

22 Depreciation and amortization expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of tangible assets (note 3)	1,276.59	1,768.09
Amortization of intangible assets (note 4)	12.10	12.95
	1,288.69	**1,781.04**

23 Finance costs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on borrowings	1,678.72	1,971.36
Unwinding of discount and effect of changes in discount rate on borrowings (Note 12A)	270.72	309.61
Bank charges and other borrowing cost	81.55	71.72
	2,030.99	**2,352.69**

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GMR HOSPITALITY AND RETAIL LIMITED SHAMSHABAD

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)

Note to Ind AS financial statement for the year ended March 31, 2018

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

24 Income tax expenses in the statement of profit and loss consist of the following:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Tax Expenses		
(a) Current Tax	-	-
(b) Adjustment of Tax relating to earlier year	-	(2.62)
(c) Deferred tax expense / (credit)	-	(168.50)
Total Tax Expense	-	(171.12)

Reconciliation of tax expenses to accounting profits is as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Accounting profit/(loss) before Tax	484.61	(472.11)
Applicable Tax Rate in India (%)	30.90%	30.90%
Expected Income tax expense	149.74	-
Adjustments:		
(a) Adjustment for brought forward losses	(149.74)	-
(b) Adjustment of Tax relating to earlier year	-	(2.62)
(c) Deferred Tax asset on additional equity component of holding Company interest free loan	-	(177.09)
(d) others	-	8.59
Tax expense reported in statement of profit and loss	**-**	**(171.12)**

25 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:	For the year ended March 31, 2018	For the year ended March 31, 2017
	Remeasurement of net defined benefit plans	**Remeasurement of net defined benefit plans**
Remeasurement costs on net defined benefit liability	(1.05)	2.90
Deferred tax effect on remeasurement costs	-	-
Total	**(1.05)**	**2.90**

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(All amounts are in Rs. lakhs, unless otherwise stated)

26. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted Earnings per share (EPS) computations:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit/(loss) for calculation of basic/diluted EPS	484.61	(300.99)
Weighted average number of equity shares (including share capital suspense) in calculating basic/diluted EPS (note 10A)	126,608,916	126,608,916
Earnings per share (Basic and diluted) (Rs.)	0.38	(0.24)

27. Retirement and other employee benefits

a. Defined contribution plan

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to provident fund	62.55	54.22
Contribution to employee state insurance	30.73	16.46
Contribution to superannuation fund	0.79	0.79

b. Defined benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet.

Hotels segment-Non Funded

i. Net employee benefit expenses (recognized in the employee benefits expenses)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	12.07	10.45
Interest cost on benefit obligation	2.30	2.49
Net employee benefit expenses	**14.37**	**12.94**

ii. Net liability to be recognized in the balance sheet:

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of defined benefit obligation	37.81	36.87
Net liability to be recognized in the balance sheet	**37.81**	**36.87**

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(All amounts are in Rs. lakhs, unless otherwise stated)

iii. Changes in the present value of the defined benefit obligation:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	36.87	33.64
Current service cost	12.07	10.46
Interest cost on benefit obligation	2.30	2.49
Benefit Payments	(8.89)	(3.46)
Acquisitions costs/(credit)	-	-
Net Actuarial loss/(gain) on obligation	(4.54)	(6.26)
Closing defined benefit obligation	**37.81**	**36.87**

iv. Amount recognised in statement of other comprehensive income (OCI):

Particulars	As at March 31, 2018	As at March 31, 2017
Opening amount recognized in OCI	(5.95)	0.31
Remeasurement for the year - Obligation (gain)/loss	(4.54)	(6.26)
Closing amount recognised in OCI	**(10.49)**	**(5.95)**

a. Principal assumptions used in determining gratuity obligation:

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.60%	7.10%
Attrition rate	5.00%	5.00%
Expected rate of salary increases	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the year ending:

Year ending	March 31, 2018
March 2019	1.82
March 2020	2.33
March 2021	2.88
March 2022	3.98
March 2023	5.76
March 2024 to March 2028	47.87

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c. **Sensitivity Analysis:**
A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2018	March 31, 2017
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(3.99)	(4.01)
- 1% decrease	4.76	4.79
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	4.79	4.51
- 1% decrease	(4.08)	(3.85)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	0.32	0.20
- 1% decrease	(0.41)	(0.27)

- **Duty Free Segment-Funded plan :**

i. **Net employee benefit expenses (recognised in the employee benefits expenses)**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	5.44	3.51
Interest cost on benefit obligation	(0.35)	(0.28)
Net employee benefit expenses	**5.09**	**3.23**

ii. **Net asset to be recognized in the balance sheet:**

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of defined benefit obligation	(26.72)	(15.50)
Fair Value of Plan Assets	21.16	20.33
Net (liability)/asset to be recognized in the balance sheet	**(5.56)**	**4.83**

iii. **Changes in the present value of the defined benefit obligation:**

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	15.50	8.94
Current service cost	5.44	3.51
Interest cost on benefit obligation	1.07	0.69
Benefit Payments	(0.79)	(0.15)
Net Actuarial loss/(gain) on obligation – Experience	7.18	-
Net Actuarial loss/(gain) on obligation – Financial Assumptions	(1.69)	2.51
Closing defined benefit obligation	**26.71**	**15.50**

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GMR HOSPITALITY AND RETAIL LIMITED
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(All amounts are in Rs. lakhs, unless otherwise stated)

iv. Changes in the fair value of plan assets:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening fair value of plan assets	20.33	4.95
Return on plan assets greater/ (lesser) than discount rate	(0.12)	(0.84)
Contribution by employer	0.30	15.40
Interest income on plan assets	1.43	0.97
Benefits Paid	(0.79)	(0.15)
Closing fair value of plan assets	**21.15**	**20.33**

Major Categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2018	March 31, 2017
Investment with Life Insurance Corporation of India	100%	100%

v. Amount recognised in statement of other comprehensive income (OCI):

Particulars	March 31, 2018	March 31, 2017
Opening amount recognized in OCI	3.35	-
Remeasurement for the year- Obligation (gain)/loss	5.60	3.35
Closing amount recognised in OCI	**8.95**	**3.35**

a. Principal assumptions used in determining gratuity obligation:

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.60%	7.10%
Attrition rate	5.00%	5.00%
Expected rate of salary increases	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:
Expected benefit payments for the year ending:

Year ending	March 31, 2018
March 2019	1.26
March 2020	0.12
March 2021	0.12
March 2022	0.13
March 2023	0.14
March 2024 to March 2028	0.32

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c. **Sensitivity Analysis:**
A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2018	March 31, 2017
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(2.94)	(1.78)
- 1% decrease	3.55	2.16
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	3.58	2.16
- 1% decrease	(3.00)	(1.81)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	0.32	0.04
- 1% decrease	(0.40)	(0.07)

c. Liability towards compensated absence is provided based on actuarial valuation amounts to Rs. 54.08 lakhs (March 31, 2017: Rs. 43.78 lakhs).

	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial assumptions for long-term compensated absences		
Discount rate	7.60%	7.10%
Salary escalation	6.00%	6.00%
Attrition	5.00%	5.00%

28. Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The Company has identified two reportable segments under Ind AS 108 as follows:

a) Hotels and Resorts Segment and ;
b) Duty Free Segment

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

The Chief Operating Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

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GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
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For the year ended March 31, 2018:

Particulars	Hotels and Resorts	Duty Free	Inter segment eliminations	Total
REVENUE				
External Sales	6,405.32	11,886.43	-	18,291.75
Other Operating Revenue	373.62	117.93	-	491.55
Total Revenue	**6,778.94**	**12,004.36**		**18,783.30**
RESULTS				
Operating Profit	1,178.63	1,204.02	-	2,382.65
Profit/(Loss) on Sale of Tangible Assets	(124.43)	(9.52)	-	(133.95)
Segment Results	**1,054.20**	**1,194.50**	**-**	**2,248.70**
Un-allocated Income/(Expenses)				
Other Income	-	-	-	266.90
Finance Costs	-	-	-	(2,030.99)
Tax Expense	-	-	-	-
Net Profit	**1,054.20**	**1,194.50**	**-**	**484.61**
Unallocated Assets	-	-	-	3,647.67
Un allocated Long term Borrowings	-	-	-	18,978.78
Segment Assets	13,389.64	3,345.06	-	16,734.70
Segment Liabilities	699.93	1,908.21	-	2,608.14
Other Information				
Capital Expenditure	191.04	54.03	-	245.07
Depreciation and amortization expense	1,175.99	112.70	-	1,288.69

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For the year ended March 31, 2017:

Particulars	Hotels and Resorts	Duty Free	Inter segment eliminations	Total
REVENUE				
External Sales	5,619.74	10,651.67	-	16,271.41
Other Operating Revenue	349.82	125.33	-	475.15
Total Revenue	**5,969.56**	**10,777.00**	**-**	**16,746.56**
RESULTS				
Operating Profit	272.07	1,355.87	-	1,627.94
Profit/(Loss) on Sale of Tangible Assets	-	-	-	-
Segment Results	**272.07**	**1,355.87**	**-**	**1,627.94**
Other Income	8.16	23.50	-	31.66
Finance Costs	-	-	-	(2,352.69)
Exchange gain/ (loss)	-	140.45	-	140.45
Profit on Sale of Current Investments (net)	4.11	76.42	-	80.53
Tax Expense	-	-		(171.12)
Exceptional Item	-	-	-	-
Net Profit / (Loss)	**284.34**	**1,596.24**	**-**	**(300.99)**
Segment Assets	14,362.07	4,616.12	-	18,978.20
Segment Liabilities	19,503.53	1,596.82	-	21,100.35
Other Information				
Capital Expenditure	299.67	70.10	-	369.77
Depreciation and amortization expense	1,665.22	115.82	-	1,781.04
Non cash expenditure other than depreciation and amortization	309.61	-	-	309.61

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

The Company prepares its segment information in confo rmity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

29. Details of transactions with related parties

A. Names of related parties and related party relationship

(i)	Holding company	GMR Hyderabad International Airport Limited (GHIAL)
(ii)	GHIAL's holding company	GMR Airports Limited (GAL)
(iii)	GAL's holding company	GMR Infrastructure Limited (GIL)
(iv)	Ultimate holding company	GMR Enterprises Private Limited

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GMR HOSPITALITY AND RETAIL LIMITED ★ SHAMSHABAD ★

(All amounts are in Rs. lakhs, unless otherwise stated)

(v)	Fellow subsidiary companies (Where transactions have taken place during the reporting periods)	GMR Airport Developers Limited Raxa Security Services Limited GMR Hyderabad Aviation SEZ Limited GMR Hyderabad Aerotropolis Limited GMR Aviation Private Limited Kakinada SEZ Private Limited GMR Aero Technic Limited GMR School of Business Delhi International Airport Limited GMR Warora Energy Limited GMR Goa International Airport Limited GMR Vemagiri Power Generation Limited GMR Business Process Services Private Limited GMR Varalakshmi Foundation GMR Sports Private Limited Asia Pacific Flight Training Academy Limited GMR Tuni Anakapalli Expressways Private Limited GMR Corporate Affairs Private Limited (GCAPL)
(vi)	Employee benefit plan	Hyderabad Duty Free Retail Limited – Employee Gratuity Fund Trust.
(vii)	Key Managerial Personnel (KMP)	➢ Gopala Krishna Kishore Surey, Director ➢ Rajesh Kumar Arora, Director ➢ Kavitha Gudapati, Independent Director ➢ Vijay Bhaskar Pedamallu, Independent Director (upto Sep 18,2017) ➢ Mohammed Ismail, Independent Director ➢ Siva Kameswari Vissa, Independent Director (upto September 25, 2016) ➢ C Prasanna, Director (upto October 17, 2016) ➢ Aman Kapoor,Director (w.e.f January 19, 2018) ➢ Venu Madhav Tenjarla, Chief Financial Officer (w.e.f July 25, 2017) ➢ Bharathi Chellappa, Company Secretary (w.e.f October 25, 2016) ➢ Pankaj Kumar Mishra, Company Secretary (up to August 27, 2016) ➢ Himansu Sekhar Samal, Chief Financial Officer (upto July 15, 2017) ➢ Arafat Ahmed Sheriff ,Manager (upto June 30, 2016) ➢ Arunangshu Ghosh, Manager(w.e.f.July 22, 2016) ➢ George Cherian, Director(upto April 27, 2017) ➢ Ravela Srisatya Lakshmi Narsimha Bhaskarudu, Independent Director(upto April 27, 2017) ➢ Somayajulu Ayyanna Kodukula, Independent Director (upto April 27, 2017) ➢ Kandi Sreenivasulu, Company Secretary (upto Oct 21, 2016)

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GMR HOSPITALITY AND RETAIL LIMITED SHAMSHABAD

(All amounts are in Rs. lakhs, unless otherwise stated)

		➢ Venkateshwara Swamy Yenduru, Chief Financial Officer (upto Jan 16, 2017) ➢ Subhash Murikenchery, Chief Executive Officer (upto June 01, 2016) ➢ Saurabh Kumar, Chief Executive Officer (w.e.f June 01, 2016 to April 27, 2017) ➢ Vishwa Sai Yakkali, Company Secretary (w.e.f October 22, 2016 to April 27, 2017)

B. Related party transactions

Sl. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	**Repairs and maintenance – others @**		
	- GMR Hyderabad International Airport Limited	95.63	90.27
(ii)	**Communication costs @**		
	- GMR Hyderabad International Airport Limited	14.76	15.68
	- GMR Airport Developers Limited	35.18	34.49
(iii)	**Concession fee and license fee @**		
	- GMR Hyderabad International Airport Limited	4,125.80	3,576.83
(iv)	**Employee benefits expense @**		
	- GMR Hyderabad International Airport Limited	159.22	120.80
(v)	**Cost of goods sold @**		
	- GMR Hyderabad International Airport Limited	2.13	1.41
(vi)	**Management fee and legal and professional fees @**		
	- GMR Airports Limited	232.16	209.76
(vii)	**Consultancy charges @**		
	- GMR Hyderabad International Airport Limited	5.19	5.06
(viii)	**Security charges @**		
	- Raxa Security Services Limited	35.47	42.76
(ix)	**Electricity charges and other expenses paid by the Company during the year to its related parties@**		
	-GMR Hyderabad International Airport Limited	45.36	40.42
	-GMR Sports Private Limited	57.50	-
(x)	**Bank guarantee availed from the holding Company:-**		
	GMR Hyderabad International Airport Limited	737.50	164.50
(xi)	**Corporate guarantee availed from the holding Company against loan taken from banks:**		
	GMR Hyderabad International Airport Limited	-	12,500.00
(xii)	**Tangible fixed assets – Additions**		
	- GMR Airport Developers Limited	5.15	2.94
(xiii)	**Rent**		
	- GMR Hyderabad International Airport Limited	131.89	127.42
(xiv)	**Hotel services rendered:**		
	GMR Hyderabad International Airport Limited	34.21	29.88
	GMR Airports Limited	3.80	6.19
	GMR Infrastructure Limited	0.55	3.88
	GMR Hyderabad Aviation SEZ Limited	1.17	0.27

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Sl. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	GMR Hyderabad Aerotropolis Limited	0.76	0.58
	GMR Aviation Private Limited	3.73	3.01
	GMR Business Process Services Private Limited	0.21	0.14
	Kakinada SEZ Private Limited	5.26	0.41
	GMR Airport Developers Limited	0.16	0.67
	GMR Warora Energy Limited	0.38	0.21
	GMR Goa International Airport Limited	-	0.45
	GMR Vemagiri Power Generation Limited	-	0.06
	GMR Aero Technic Limited	58.49	56.13
	GMR school of Business	1.97	-
	Delhi International Airport Limited	2.99	0.07
	GMR Varalakshmi foundation	0.48	1.63
	GMR Tuni-Anakapalli Expressways Private Ltd	0.20	-
	GMR Corporate Affairs Private Limited (GCAPL)	0.11	-
(xv)	**Other operating income**		
	GMR Hyderabad International Airport Limited	44.53	-
(xvi)	**Other income**		
	GMR Hyderabad International Airport Limited	2.73	-
(xvii)	**Reimbursement of expenses paid by the company during the year to its related parties**		
	GMR Hyderabad International Airport Limited	554.07	541.14
(xviii)	**Interest on unsecured loan taken from the company**		
	GMR Hyderabad International Airport Limited	433.88	387.48
(xix)	**Interest on unsecured loan taken from the company - Unwinding of discount and effect of changes in discount rate on borrowings**		
	GMR Hyderabad International Airport Limited	270.72	309.61
(xx)	**Unsecured loan taken**		
	GMR Hyderabad International Airport Limited	-	1,150.00
(xxi)	**Key Management Personnel- Remuneration paid#**		
	1) Pankaj Kumar Mishra, Company Secretary	-	3.30
	2) Vishwa Sai Yakkali, Company Secretary	-	2.10
	3) Bharathi Chellappa, Company Secretary	8.05	3.35
	4) Arunangshu Ghosh, Manager	16.83	13.68
	Sitting Fees-		
	1) Kavitha Gudapati, Independent Director	1.10	0.65
	2) Mohammed Ismail, Independent Director	0.75	0.30
	3) Siva Kameswari Vissa, Independent Director	-	0.65
	4) Vijay Bhaskar Pedamallu, Independent Director	0.80	1.30
	5) Ravela Srisatya Lakshmi Narsimha Bhaskarudu, Independent Director	-	2.13
	6) Somayajulu Ayyanna Kodukula ,Independent Director	-	2.07

@ figures are including service tax/GST.

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GMR HOSPITALITY AND RETAIL LIMITED * SHAMSHABAD *

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN: U52100TG2008PLC060866
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As the future liability for gratuity and leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

C. Balances outstanding in related party accounts are as follows

Related party transactions	As at March 31, 2018	As at March 31, 2017
Trade receivables:		
GMR Hyderabad International Airport Limited	19.97	-
Delhi International Airport Limited	2.07	0.18
GMR Aviation Private Limited	1.95	1.32
GMR Airports Limited	2.69	4.65
Kakinada SEZ Private Limited	0.22	0.10
GMR Infrastructure Limited	1.07	1.01
GMR Aero Technic Limited	9.94	4.27
GMR Tuni Anakapalli Expressways Private Limited	0.20	-
GMR Hyderabad Aviation SEZ Limited	-	0.18
GMR Hyderabad Aerotropolis Limited	-	0.08
GMR Goa International Airport Limited	-	0.46
GMR Business Process Services Private Limited	-	0.14
GMR Airport Developers Limited	0.18	-
GMR Business School	0.72	-
GMR Warora Energy Ltd	0.38	-
GMR Varalakshmi foundation	-	0.80
Trade payables:		
GMR Hyderabad International Airport Limited	263.64	228.33
GMR Airport Developers Limited	2.70	3.88
GMR Airports Limited	53.46	-
Raxa Security Services Limited	4.36	7.12
Payables for purchase of fixed assets:		
GMR Airport Developers Limited	0.12	-
Other receivables:		
GMR Hyderabad International Airport Limited	44.84	0.55
Advance Recoverable in cash or kind		
GMR Hyderabad International Airport Limited	1.01	-
Unsecured Loan		
GMR Hyderabad International Airport Limited	6,870.29	6,599.57
Security deposit receivable		
GMR Hyderabad International Airport Limited	1.32	0.48
Pledge of equity shares with bank against the loan taken by the Company		
GMR Hyderabad International Airport Limited	508.50	508.50

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Pledge of equity shares with lenders against the loan taken by the Company		
GMR Hyderabad International Airport Limited	3,289.77	3,289.77
Share Capital		
GMR Hyderabad International Airport Limited	12,660.89	10,965.89
Equity Component of Related party loan		
GMR Hyderabad International Airport Limited	831.72	831.72

D. Outstanding guarantees at the end of the year:

Related party transactions	As at March 31, 2018	As at March 31, 2017
Corporate guarantee availed from the Holding Company against loan taken from lenders:# GMR Hyderabad International Airport Limited	12,250.00	12,437.50
Bank guarantee availed from the Holding Company: GMR Hyderabad International Airport Limited	737.50	737.50

Corporate guarantee originally has been taken over at Rs.12,500 lakhs and reduced by Rs.250 lakhs due to repayment of loan.

Note: The Company has received certain corporate group services such as internal audit services, software and IT support etc. from the holding company, which are free of charge.

30. Significant accounting judgments, estimates and assumptions

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

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

(i) 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.

(ii) Defined employee benefit plans (Gratuity)
The cost of the defined benefit gratuity plan and other post-employment medical 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

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future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 27.

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

(iv) 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 31 and 32 for further disclosures.

(v) Depreciation on Property, plant and equipment
Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

31. Fair Values

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

	Carrying Value		Fair Value	
	31-Mar-18	**31-Mar-17**	**31-Mar-18**	**31-Mar-17**
Financial assets				
Valued at fair value though profit or loss				
Investment in mutual fund	3,281.93	454.13	3,281.93	454.13
Valued at amortised cost				
Trade receivable	456.28	278.18	456.28	278.18
Other financial assets	229.14	181.28	229.14	181.28
Cash and cash equivalent and Other bank balances	813.13	1,739.18	813.13	1,739.18

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Total	**4,780.48**	**2,652.77**	**4,780.48**	**2,652.77**
Financial liabilities				
Valued at amortised cost				
Borrowings	18,978.78	18,869.29	18,978.78	18,869.29
Trade payables	2,164.25	1,907.98	2,164.25	1,907.98
Other financial liabilities	41.40	72.80	41.40	72.80
Total	**21,184.43**	**20,850.07**	**21,184.43**	**20,850.07**

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

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

32. Fair Value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets:

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

			Fair value measurement using		
	Date of valuation	**Total**	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
			(Level 1)#	**(Level 2)**	**(Level 3)**
Financial assets at fair value Investment in Mutual funds	March 31, 2018	3,281.93	3,281.93	-	-

#The mutual funds are valued using closing NAV
There have been no transfers between Level 1 and Level 2 during the year

33. Financial risk management objectives and policies

Financial Risk Management Framework
The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

a) 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. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

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Exposure to credit risk:
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 456.28 lakhs and Rs. 278.18 lakhs as of March 31, 2018, and March 31, 2017 respectively, being the total of the carrying amount of balances with trade receivables.

Trade receivables:
Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

b) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Also parent company will provide support in order to meet financial obligations of the Company.

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

Year ended	Less than 1Year	1 to 5 years	> 5 Years	Total
March 31, 2018				**(Rs. lakhs)**
Long term borrowing - Term loan interest thereon#	1,459.57	6,839.16	12,563.34	**20,862.07**
Loan from holding company interest thereon	7,605.86	-	-	**7,605.86**
Trade and other financial liabilities	2,199.53	6.12	-	**2,205.65**
Provisions	55.90	41.62	-	**97.52**
	11,320.86	**6,886.90**	**12,563.34**	**30,771.10**

Included in long term borrowing and interest thereon are certain borrowings which are subject to variable interest rates. Amount included in the above maturity analysis assumes interest outflows based on the year end bench mark interest rates, the actual interest rates may differ based on the changes in the bench mark interest rates.

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Year ended March 31, 2017	Less than 1 Year	1 to 5 years	> 5 Years	Total (Rs. lakhs)
Long term borrowing - Term loan	187.50	3,062.50	9,187.50	**12,437.50**
Loan from holding company	-	-	7,171.98	**7,171.98**
Trade and other payables	1,989.50	15.97	-	**2,005.47**
Provisions	45.43	35.28	-	**80.71**
Other financial liabilities	144.88	-	-	**144.88**
	2,367.31	**3,113.75**	**16,359.48**	**21,840.54**

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

d) 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 change in market interest rates. The company performs a comprehensive corporate interest rate management policy. The company is not exposed to significant interest rate risk as at the respective reporting dates.

- **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 is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase in basis points and Effect on Profit before tax	Decrease in basis points and Effect on Profit before tax
March 31, 2018		
	+50	**-50**
Long term Borrowing Term loan	(60.79)	60.79
Loan from holding company	(21.17)	21.17
March 31, 2017	**+50**	**-50**
Long term Borrowing Term loan	(63.06)	63.06
Loan from holding company	(18.18)	18.18

e) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. The duty free business of the company is transacted in several currencies and

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consequently the Company is exposed to foreign exchange risk through its sales in duty free outlet and purchases from overseas suppliers in various foreign currencies.

- **Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in top five foreign currencies exchange rates, with all other variables held constant. The impact on the company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The company's exposure to foreign currency changes for all other currencies is not material.

March 31, 2018

	USD	CHF	GBP	SAR	AED
Effect on Profit before tax (1%)	(1.14)	(0.13)	(1.76)	0.01	0.02
Effect on Profit before tax (-1%)	1.14	0.13	1.76	(0.01)	(0.02)

March 31, 2017

	USD	CHF	EURO	GBP	SAR	AED
Effect on Profit before tax, (1%)	1.67	(0.19)	(0.06)	(1.19)	(0.02)	(0.02)
Effect on Profit before tax (-1%)	(1.67)	0.19	0.06	1.19	0.02	0.02

- **Details of un hedged foreign currency is shown below-**

Particulars	March 31, 2018		March 31, 2017	
	Amount in foreign currency	Amount in Rs. lakhs	Amount in foreign currency	Amount in Rs. Lakhs
Trade payables	USD 13,17,875 CHF 20,828 EURO 742 GBP191,196	861.10 14.27 0.60 176.43	USD 717,539 CHF 44,225 EURO 10,520 GBP 147,260	470.71 28.67 7.29 119.14
Bank balances	USD 772,111	504.50	USD 707,244	463.95
Other Receivables	USD 234,192 CHF 2,095 EURO 120	153.02 1.43 0.10	USD 232,481 CHF 15,047 EURO 746	152.51 9.75 0.52

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Particulars	March 31, 2018		March 31, 2017	
	Amount in foreign currency	Amount in Rs. lakhs	Amount in foreign currency	Amount in Rs. Lakhs
Foreign currency on hand	AED 10,616	1.88	AED 9,526	1.68
	AUD 1,141	0.57	AUD 186	0.09
	CAD 325	0.16	CAD 160	0.08
	CHF 47	0.03	CHF 7	-*
	EURO 1,033	0.83	EURO 593	0.41
	GBP 85	0.08	GBP 110	0.09
	HKD 548	0.05	HKD 28	-*
	JPY 42	-*	JPY 17,042	0.10
	KWD 484	1.05	KWD 151	0.32
	MYR 162	0.03	MYR 140	0.02
	NZD 8	-*	NZD 8	-*
	OMR 102	0.17	OMR 244	0.41
	QAR 1,395	0.25	QAR 675	0.12
	SAR 7,626	1.33	SAR 9,420	1.63
	SGD 121	0.06	SGD 381	0.18
	THB 87	-*	THB 367	0.01
	USD 40,308	26.33	USD 31,719	20.81
	CNY 500	0.05	-	-
	LKR 7,350	0.03	-	-
	BAH 40	0.07	-	-
Loans and advances	USD 458	0.30	USD 847 CHF 277 GBP 463	0.56 0.18 0.37
Cash in Transit	USD 40,249	26.30	-	-
Trade Receivables (includes credit card collection)	USD 55,465	36.24	-	-

*less than thousand

34. Leases

The Company entered into cancellable lease agreement with GMR Hyderabad International Airport Limited. The Company has a right to sub lease as per the terms of the agreement.

Company as a lessee
Lease payments accrued under cancellable operating leases amounting to Rs 288.84 lakhs (March 31 2017: Rs. 251.35 lakhs) have been recognized as an expense in the statement of profit and loss.

Company as a lessor
Lease receipts accrued under cancellable operating leases amounting to Rs. 139.22 lakhs (March 31 2017: Rs. 167.33 lakhs) have been recognized as rental income in the statement of profit and loss.

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35. Capital Management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating. The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, equity includes issued equity capital and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

	As at March 31, 2018	As at March 31, 2017
Borrowings (including current maturities of long term borrowings (Note 12A & D))	18,978.78	18,869.29
Cash and cash equivalents	(813.13)	(1,664.36)
Net debt	**18,165.65**	**17,204.93**
Equity	**(1,204.55)**	**(1,688.11)**
Net debt to equity ratio	**(15.08)**	**(10.19)**

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 year ended March 31, 2018.

36. Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2018 and March 31, 2017.

37. Commitments and Contingencies

A. Contingent Liabilities:

a. Value Added Tax dispute of Rs. 33.68 lakhs (March 31, 2017: Rs.35.57 lakhs).
The Company in the year 2013 received notices of demand from commercial taxes department, levying Value Added Tax on leasing of Audio Video Equipment's. The Company has replied to the said department against the said notices of demand. Based on the internal assessment, the management is confident that no provision is required to be made in the financial statements.

b. Service Tax Dispute of Rs. 0.36 lakhs (March 31,2017:Rs. 4.48 lakhs)
During the current year, the company has received a show cause notice from the assistant commissioner of service tax levying service tax on notice pay recovered from employees. Based on an internal assessment, Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

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B. Commitments:

a. Capital and other commitments as at March 31, 2018:Rs. 57.82 lakhs (March 31 2017: Rs. 113.77 lakhs).

b. As per the terms of concession agreement with GMR Hyderabad International Airport Limited (GHIAL), the Company is required to pay concession fees in the range of 23.5%-35% on its net revenue (as defined in the concession agreement) or the minimum guaranteed amount for an initial term of 15 years starting from May 17, 2010.

c. For commitments relating to lease arrangements, please refer note 34.

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited
(formerly known as GMR Hotels and Resorts Limited)

SGK Kishore
Director
DIN: 02916539

Rajesh Kumar Arora
Director
DIN: 03174536

Venu Madhav Tenjarla
Chief Financial Officer

C Bharathi
Company Secretary
Membership
No.: FCS-9406

Place: Hyderabad
Date: April 30, 2018

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VK