

S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Oval office, 18, iLabs Centre,
Hitech City, Madhapur,
Hyderabad - 500 081

K.S.Rao and Co.,
Chartered Accountants
2nd floor, No. 2, 7th Cross,
'B' Street Magadi Road,
Bengaluru - 560 023

INDEPENDENT AUDITOR'S REPORT

To the Members of GMR Hyderabad International Airport Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of GMR Hyderabad International Airport Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies (collectively known as the 'Ind AS Financial Statements') and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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



well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis for Qualified Opinion

As more fully explained in Note 42 to the standalone Ind AS financial statements, as at March 31, 2018, the Company has investment and share application money amounting to Rs. 233.81 Crore and Rs. 5.00 Crore respectively, made in a wholly owned subsidiary Company GMR Aerospace Engineering Limited ('GAEL') and investment of Rs. 2.27 Crore in GMR Aero Technic Limited ('GATL'), subsidiary of GAEL. GAEL has significant receivables from GATL whose accumulated losses have fully eroded its net worth as at March 31, 2018. The recovery of the aforesaid investments and share application money is dependent upon the ability of GATL to scale up its operations in future and achieve sustained profitability. Based on the reasons fully explained in the aforesaid note, the management is of the view that there is no impairment in the value of aforesaid investments and share application money required at this juncture. However, in view of the current financial position of GATL and in the absence of sufficient appropriate audit evidence to support the key assumptions made by the management of GATL in the business plan, we are unable to comment on the carrying value of the aforesaid investments and share application money including adjustments, if any, that may be required to be made to carrying amounts of the aforesaid investments and share application money.

Qualified Opinion

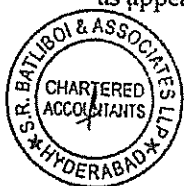
In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in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

Emphasis of Matter

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (a) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

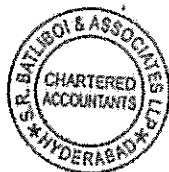


- (b) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (c) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (d) The matters described in the Basis for Qualified Opinion paragraph above and the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy 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 2" to this report; and
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36(II), 44, 46 and 51 to the standalone Ind AS financial statements;
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Shankar Srinivasan
Partner
Membership No.: 213271

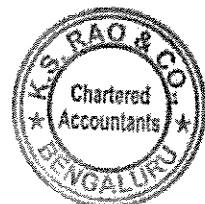
Place:
Date: May 03, 2018



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

per Hitesh Kumar P
Partner
Membership No.: 233734

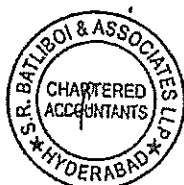
Place:
Date: May 03, 2018



Annexure 1 referred to in our report of even date

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

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to related to aeronautical services and services related to supplying of fuel at the airport and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities.

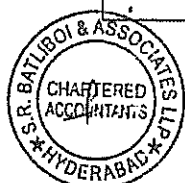


- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, customs duty, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

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

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

Name of the statute	Nature of dues	Amount of dues (including penalty) (Rs Crore)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Reversal of Cenvat Credit including penalty	55.65*	Various dates	Customs Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Penalty equivalent to service tax on User Development Fee	7.43	April 2008 to December 2008	The Commissioner of Customs, Central Excise & Service Tax Hyderabad
Building and Other Construction Workers' Welfare Cess Act, 1996.	Cess on Building	25.20	Various dates	High Court of Andhra Pradesh
Finance Act, 1994	Non- payment of service tax on import of services.	0.51**	Various dates	The Commissioner of Customs, Central Excise & Service Tax Hyderabad
Finance Act, 1994	Non-payment of service tax for supply of water and electricity to concessionaires and irregular availment of CENVAT	3.20***	October 2008 to June 2010	Customs Excise & Service Tax Appellate Tribunal Hyderabad
Finance Act, 1994	Irregular availment of CENVAT credit on Chartering of Aircrafts and IDBI Trusteeship services	1.24#	October 2011 to March 2013	Customs Excise & Service Tax Appellate Tribunal Hyderabad
Finance Act, 1994	Irregular availment of CENVAT credit.	4.19##	July 2012 to March 2015	Customs Excise & Service Tax Appellate Tribunal Hyderabad



Name of the statute	Nature of dues	Amount of dues (including penalty) (Rs Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of certain expenses	34.93	AY 2007-08 to AY 2013-14	Income Tax Appellate Tribunal, Bengaluru
Income Tax Act, 1961	Disallowance of certain expenses	43.61	AY 2014-15 and AY 2015-16	Commissioner of Income Tax (Appeals), Bengaluru
Income Tax Act, 1961	Disallowance of certain expenses	22.78	AY 2016-17	Commissioner of Income Tax (Appeals), Bengaluru

* Amount includes penalty of Rs. 31.13 Crore. The Company has deposited Rs. 12.20 Crore under protest.

** The amount includes penalty of Rs. 0.51 Crore. . The Company has deposited Rs. 0.00 Crore under protest.

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

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

The amount includes penalty of Rs. 1.80 Crore. The Company is in process of filing the appeal.

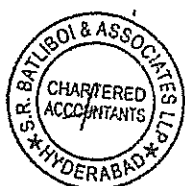
(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to bond holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer or further public offer. In our opinion and according to information and explanations given by the management, monies raised by the company by way of 4.25% Senior Secured Notes were applied for the purpose for which they were raised, though idle funds which were not required for immediate utilization have been gainfully invested in bank deposits/mutual funds. The maximum amount of idle funds invested during the year was Rs 506.82 crore, of which Rs 407.33 crore was outstanding at the end of the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

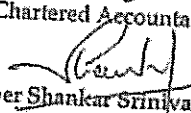
(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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



- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.


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


per Shankar Srinivasan
Partner
Membership No.: 213271



Place:
Date: May 03, 2018

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


per Hitesh Kumar P
Partner
Membership No.: 233734



Place:
Date: May 03, 2018

Annexure 2 To the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of GMR Hyderabad International Airport Limited

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

We have audited the internal financial controls over financial reporting of GMR Hyderabad International Airport Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2018:

The Company has designed internal financial controls over estimation of impairment in value of investments and share application money. However, in case of such assessment with respect to a subsidiary company and a step down subsidiary company, as more fully explained in note 42 to the standalone Ind AS financial statements as at March 31, 2018, the absence of sufficient appropriate audit evidence to support the key assumptions made by the management of the step down subsidiary company in its business plan, could potentially result in the Company not providing for adjustments, if any, that may be required to be made to such carrying amounts of investments and share application money.

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


In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018.



Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2018, and the related Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 standalone Ind AS financial statements of the Company and this report affects our report dated May 3, 2018 which expressed a qualified opinion on those standalone Ind AS financial statements.


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


per Sharfkar Srinivasan
Partner
Membership No.: 213271

Place:
Date: May 03, 2018



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


per Hitesh Kumar P
Partner
Membership No.: 233734

Place:
Date: May 03, 2018



GMR Hyderabad International Airport Limited
CIN:U62103TG2002PLC040118
Standalone Balance Sheet as at March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
I. ASSETS			
1. Non-current assets			
Property, plant and equipment	3	1,571.35	1,709.21
Capital work-in-progress	3	292.06	20.60
Intangible assets	4	1.41	1.77
Investments in subsidiaries and joint ventures	5.1	525.33	486.15
Financial assets			
- Loans	6	7.44	102.55
- Bank balances other than cash and cash equivalents	7	1.53	34.10
- Other financial assets	8	82.65	9.50
Non-current tax assets	9.1	0.31	9.83
Deferred tax asset (net)	25	269.10	167.95
Other non-current assets	10	87.32	64.67
		2,838.40	2,598.73
2. Current assets			
Inventories	11	6.88	7.19
Financial assets			
- Investments	5.2	826.22	354.43
- Loans	6	71.41	1.19
- Trade receivables	12	187.43	91.30
- Cash and cash equivalents	13	571.28	287.32
- Bank balances other than cash and cash equivalents	7	50.46	-
- Other financial assets	8	18.43	19.74
Current tax assets	9.1	12.93	26.80
Other current assets	10	7.06	9.27
		1,671.30	797.24
Total Assets		4,509.70	3,395.97
II. EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	378.00	378.00
Other equity	14.1		
- Capital reserve		107.00	107.00
- Cash flow hedge reserve		14.74	-
- Retained earnings		622.68	-
Total equity		1,122.42	685.09
LIABILITIES			
1. Non-current liabilities			
Financial liabilities			
- Borrowings	15	2,354.40	1,965.12
- Other financial liabilities	16	246.38	292.37
Government grants	17	46.13	32.10
Deferred tax liability (net)	25	122.93	117.58
Other non-current liabilities	18	27.31	29.42
		2,997.15	2,436.59
2. Current liabilities			
Financial liabilities			
- Trade payables	19	89.74	72.18
- Other financial liabilities	16	239.69	164.72
Government grants	17	5.27	1.13
Other current liabilities	18	23.05	12.69
Short term provisions	20	9.57	7.44
Current tax liability (net)	9.2	23.41	13.23
		390.13	271.39
Total liabilities		3,387.28	2,707.98
Total equity and liabilities		4,509.70	3,395.97
Summary of significant accounting policies	2.1		

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

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

per Shankar Srivastava
Partner
Membership No: 213271



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

per Hitesh Kumar P
Partner
Membership No: 233734

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

Srinivas Sreenidala
Managing Director
DIN: 00061454

per RSLM Bhaskarada
Director
DIN: 00058527

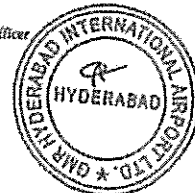
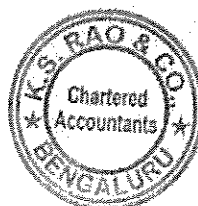
Anup Kumar Samal
Company Secretary

per Rajesh Arora
Chief Financial Officer

Place: Hyderabad
Date: May 03, 2018

Place: Hyderabad
Date: May 03, 2018

Place: Hyderabad
Date: May 03, 2018



GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Standalone Statement of Profit and Loss for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from operations	21		
Other income	22	1,252.04	1,105.40
Finance income	23	61.22	19.47
Total income		89.06	83.20
		1,402.32	1,208.07
EXPENSES			
Concession fee	47		
Employee benefits expense	24	52.95	46.20
Other expenses	25	72.41	59.65
Finance costs	26	242.61	197.38
Depreciation and amortization expenses	27	198.27	201.06
Total expenses		198.39	203.61
		764.83	708.10
Profit before tax and exceptional item			
Exceptional item			
Profit before tax	48	637.49	499.97
Tax expense			
Current tax - Minimum alternate tax	28	-	85.78
Deferred tax expense		637.49	585.75
Minimum alternate tax credit entitlement		130.57	101.38
Total tax expense	43	5.36	150.96
Profit after tax for the year		(101.14)	(101.38)
		34.79	150.96
		602.70	434.79
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	29		
Re-measurement gain/(loss) on defined benefit plans			
Items that will be reclassified to profit or loss			
Cash flow hedge reserve		0.18	(0.45)
Total Comprehensive income for the year		14.74	-
Earnings per equity share:			
Basic and diluted		617.62	434.34
Summary of significant accounting policies	30		
	2.1	15.94	11.49

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

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

per Shankar Srinivasan
Partner
Membership No.: 213271



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

per Hitesh Kumar P
Partner
Membership No.: 233734



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

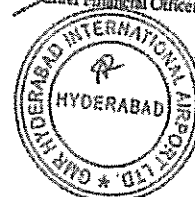
Srinivas Dommidala
Managing Director
DIN: 00061464

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: May 03, 2018

per R.S. N. Bhaskarudu
Director
DIN: 00058527

Rajesh Arora
Chief Financial Officer



Place: Hyderabad
Date: May 03, 2018

Place: Hyderabad
Date: May 03, 2018

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Standalone Cash flow statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	637.49	585.75
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	198.39	203.81
Provision for bad debts / bad debts written off	0.40	0.04
Provision for non moving inventories of stores and spares	-	0.17
Reversal for impairment in value of investments	-	(85.78)
(Profit)/ Loss on sale of assets	(0.13)	0.28
Dividend from Subsidiary	(3.91)	(11.32)
Interest income	(51.55)	(14.27)
Interest on borrowings	175.06	185.81
Other borrowing cost	17.52	11.50
Interest-others	5.69	3.00
Gain on sale of financial assets (mutual funds)	(16.97)	(26.05)
Provision no longer required, written back	(0.20)	(0.79)
Unrealised foreign exchange loss	0.12	-
Income from government grants	(4.11)	(2.08)
Amortisation of deferred income	(4.56)	(3.05)
Interest income arising from fair valuation of financial guarantee	(5.63)	(0.62)
Gain on fair valuation of financial assets (mutual funds)	(8.62)	(2.69)
Fair value gain on financial instruments at fair value through profit or loss	(11.92)	(40.19)
Exchange difference on restatement of Senior Secured Notes	(43.72)	-
Operating profit before working capital changes	883.35	803.51
Working capital adjustment:		
Increase in trade payables	17.64	8.30
Increase/(decrease) in other liabilities	12.81	(0.02)
Increase in other financial liabilities	42.84	21.35
Increase in provisions	1.95	1.82
Increase in government grants	22.28	22.11
(Increase)/decrease in trade receivables	(16.53)	26.61
Decrease/(increase) in inventories	1.11	(0.68)
Decrease in other assets	19.73	17.23
Decrease/(increase) in other financial assets	2.73	(8.03)
Increase in loans	(0.04)	(1.54)
Cash generated from operations	987.87	890.65
Direct taxes paid (net)	(97.00)	(101.24)
Net cash flow from operating activities (A)	890.87	789.42
Cash flows from investing activities		
Purchase of property plant and equipment, including CWIP, capital advances and intangible assets under development	(293.19)	(42.66)
Proceeds from sale of property plant and equipment	0.16	0.03
Purchase of non-current investments	(20.00)	(72.90)
Share application money in subsidiary (Investment)	(5.00)	(12.00)
Loan to subsidiary companies	(64.50)	(31.50)
Repayment of loans by subsidiary / joint venture company	86.62	1.50
Purchase of current investments	(5,993.57)	(3,020.07)
Sale of current investments	5,570.69	2,891.20
Investments in margin money deposits	(27.89)	(20.00)
Dividend income	3.91	11.32
Interest received	34.38	10.18
Net cash flow used in investing activities (B)	(708.39)	(284.89)



GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Standalone Cash flow statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from financing activities		
Proceeds from long-term borrowings	2,273.74	50.00
Repayment of long-term borrowings	(1,761.46)	(89.09)
Dividend paid	(151.20)	-
Dividend distribution tax paid	(29.99)	-
Termination of interest rate swap	(55.32)	-
Senior Secured Notes Issuance cost paid	(49.15)	-
Interest paid	(125.14)	(194.89)
Net cash flow used in financing activities (C)	161.48	(233.97)
Net increase in cash and cash equivalents (A + B + C)	263.96	270.54
Cash and cash equivalents at the beginning of the period	287.32	16.78
Cash and cash equivalents at the end of the period	571.28	287.32
Components of cash and cash equivalents		
Cash on hand	0.04	0.03
Money in transit	-	0.21
With banks		
- on current account	262.85	37.08
- On cash credit/ overdraft accounts	-	-
- on deposit account	308.39	250.00
Total cash and cash equivalents (note 13)	571.28	287.32
During the year, the Company has written back liabilities amounting to Rs.2.95 Crore (March 31, 2017: Rs. Nil) and credited to fixed assets. The said transaction is considered as a non-cash transaction for the purpose of cash flow statement		

Changes in liabilities arising from financing activities

Particulars	
Opening Balance	2,083.66
Cash Flows	
Repayments	(1,761.46)
Proceeds	2,273.74
Non Cash Flows	
Foreign Exchange Movements	8.43
Fair Value Change	(37.00)
Closing Balance	2,567.36

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

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

per Shankar Srinivasan
Partner
Membership No.: 213271

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

per Hitesh Kumar P
Partner
Membership No.: 233734

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

Srinivas Bommidala
Managing Director
DIN: 00061464

Anup Kumar Saural
Company Secretary

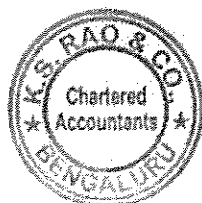
RSSLN Bhaskarudu
Director
DIN: 00058527

Rajesh Arora
Chief Financial Officer

Place: Hyderabad
Date: May 03, 2018

Place: Hyderabad
Date: May 03, 2018

Place: Hyderabad
Date: May 03, 2018



GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Standalone Statement of Changes in Equity for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

a. Equity Share Capital:		No.	Amount
As at April 1, 2016		378,000,000	378.00
Issue of shares		-	-
As at March 31, 2017		378,000,000	378.00
Issue of shares		-	-
As at March, 2018		378,000,000	378.00
b. Other Equity			
Retained earnings		March 31, 2018	March 31, 2017
As at April 1, 2017/April 1, 2016		201.46	(233.33)
Profit for the year		602.70	434.79
Less: Cash Dividends (note 14.1)		(151.20)	-
Less: Dividend Distribution Tax (note 14.1)		(29.99)	-
	A	622.97	201.46
Items recognised directly in Other Comprehensive income			
As at April 1, 2017/April 1, 2016		(0.47)	(0.03)
Items that will be reclassified to profit or loss			
Cash flow hedge reserve		14.74	-
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefits obligations	B	0.18	(0.45)
		14.45	(0.47)
Capital reserve*		107.00	107.00
Total other equity		744.42	307.99

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

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
 ICAI Firm registration
 number 101049W/E3000001
 Chartered Accountants

per Shankar Srinivas
 Partner
 Membership No.: 213271

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

per Hitesh Kumar P
 Partner
 Membership No.: 233734

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

Srinivas Bonumidala
 Managing Director
 DIN: 00061464

per Anup Kumar Samal
 Company Secretary

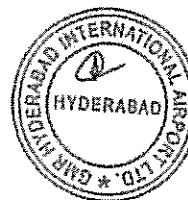
per RSSLN Bhaskarudu
 Director
 DIN: 00056527

per Rajesh Arora
 Chief Financial Officer

Place: Hyderabad
 Date: May 03, 2018

Place: Hyderabad
 Date: May 03, 2018

Place: Hyderabad
 Date: May 03, 2018



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

3 Property, Plant and Equipment

	Leasehold Improvements	Free hold land	Runways	Roads	Buildings on Leasehold Land	Buildings on freehold land	Electrical Installations	Plant and Equipments	Office Equipments	Computer Equipments	Furniture and Fixtures	Vehicles	Total	Capital Works in progress	Total including GMP
Cost															
As at April 1, 2016	91.55	16.13	344.29	100.29	897.31	62.31	141.76	379.56	1.20	14.31	26.22	2.18	2,077.11	22.03	2,099.14
Additions*	-	-	-	-	12.04	-	3.60	20.84	1.40	6.34	5.30	0.61	48.33	-	48.33
Adjustments*	-	-	(1.22)	(0.40)	(3.14)	(0.17)	(0.67)	(1.61)	(0.09)	(0.46)	(0.15)	-	(7.91)	(1.43)	(9.34)
Deposits	-	-	-	-	-	-	-	(1.01)	(0.45)	(0.39)	-	-	(1.85)	-	(1.85)
As at March 31, 2017	91.55	16.13	343.07	99.89	906.21	62.14	144.69	397.78	2.06	19.80	29.37	2.79	2,135.68	20.60	2,156.28
Additions*	-	-	-	-	21.57	-	4.51	20.66	2.10	9.04	7.31	2.44	67.73	27.46	99.19
Adjustments*	-	-	(0.77)	(0.26)	(2.01)	0.17	(0.42)	(1.06)	(0.05)	(0.30)	(0.10)	-	(4.80)	-	(4.80)
Deposits	-	-	-	-	-	-	(0.33)	-	(0.10)	(1.00)	(1.62)	(0.53)	(3.58)	-	(3.58)
As at March 31, 2018	91.55	16.13	342.30	99.63	925.77	62.31	148.75	417.38	4.01	27.54	34.96	4.70	2,175.03	29.06	2,204.09
Depreciation															
As at April 1, 2016	3.98	-	14.47	32.23	40.54	1.11	41.34	55.75	0.70	6.14	7.19	0.94	204.59	-	204.59
Charge for the year	3.99	-	15.03	32.59	39.59	1.40	44.47	52.88	0.28	3.50	8.25	0.75	203.41	-	203.41
Deposits	-	-	-	-	-	-	-	(0.69)	(0.45)	(0.39)	-	-	(1.53)	-	(1.53)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	7.97	-	29.50	64.82	80.13	2.51	85.81	107.94	0.98	9.25	15.44	1.69	406.47	-	406.47
Charge for the year	3.98	-	14.89	30.68	40.69	1.40	40.65	53.49	0.86	2.90	8.06	0.31	197.91	-	197.91
Deposits	-	-	-	-	-	-	-	-	(0.10)	-	-	(0.50)	(0.60)	-	(0.60)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	11.95	-	44.39	95.50	120.82	3.91	126.46	161.43	1.29	12.15	23.50	1.90	603.78	-	603.78
Net book value															
As at April 1, 2016	87.57	16.13	329.82	68.06	856.77	61.20	100.42	323.81	0.50	8.17	19.03	1.24	1,872.52	22.03	1,894.55
As at March 31, 2017	83.58	16.13	313.57	34.73	825.94	59.63	99.08	289.84	1.53	10.55	13.93	1.10	1,729.21	20.60	1,749.81
As at March 31, 2018	79.60	16.13	297.91	3.79	804.81	58.40	22.29	255.95	2.72	15.39	11.46	3.20	1,571.25	29.06	1,600.31

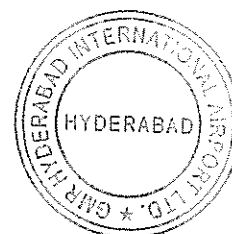
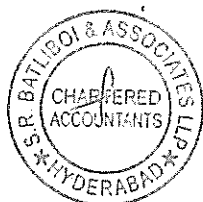
* Includes reversal of outstanding liabilities amounting to Rs. 2.95 Crore (March 31, 2017: Rs. Nil) pertaining to project construction which are no longer payable now and reversal for depreciation thereon amounting to Rs. 2.78 Crore (March 31, 2017: Rs. Nil) under depreciation charge of the year.



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

4 Intangible Assets

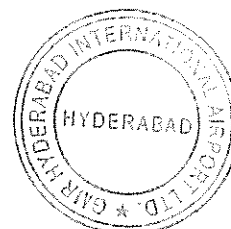
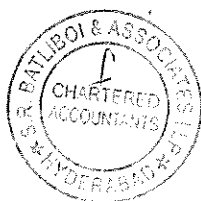
	Computer Software	Total
At Cost		
As at April 1, 2016	1.12	1.12
Additions	1.43	1.43
As at March 31, 2017	2.55	2.55
Additions	0.12	0.12
As at March 31, 2018	2.67	2.67
Amortisation		
As at April 1, 2016	0.38	0.38
Charge for the year	0.40	0.40
As at March 31, 2017	0.78	0.78
Charge for the year	0.48	0.48
As at March 31, 2018	1.26	1.26
Net book value		
As at March 31, 2017	1.77	1.77
As at March 31, 2018	1.41	1.41



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

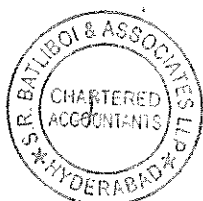
5.1 Investments	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Non-current investments: (At Cost)				
Investment in equity instruments (unquoted)				
Investment in subsidiaries				
Hyderabad Menzies Air Cargo Private Limited - Equity Shares	520,200	0.52	520,200	0.52
Hyderabad Menzies Air Cargo Private Limited - Preference Shares	18,735	0.02	18,735	0.02
GMR Hyderabad Aerotropolis Limited	57,500,000	57.50	57,500,000	57.50
Hyderabad Airport Security Services Limited#	12,500,000	12.50	12,500,000	12.50
GMR Hyderabad Aviation SEZ Limited	51,600,000	51.60	51,600,000	51.60
GMR Hospitality and Retail Limited#	126,608,916	126.61	126,608,916	126.61
GMR Hyderabad Airport Power Distribution Limited	50,000	0.05	50,000	0.05
GMR Aerospace Engineering Limited#	316,900,000	228.15	292,900,000	196.15
Asia Pacific Flight Training Academy Limited	8,892,423	3.56	3,556,969	3.56
GMR Hyderabad Multiproduct SEZ Limited	50,000	-	50,000	-
GMR Airport Handling Services Company Limited	50,000	-	50,000	-
Investment in Joint Venture				
Laqshya Hyderabad Airport Media Private Limited	9,800,000	9.80	9,800,000	9.80
		490.31		458.31
Other Investments				
On account of fair valuation of financial guarantees given to subsidiaries				
GMR Hyderabad Aviation SEZ Limited		1.82		0.89
GMR Hospitality and Retail Limited		4.00		1.98
GMR Aerospace Engineering Limited		5.66		4.27
GMR Aerotech Limited		2.27		-
GMR Hyderabad Aerotropolis Limited		0.57		-
		14.32		7.14
On account of fair valuation of loans given to subsidiaries/joint ventures below market rate				
GMR Hospitality and Retail Limited		11.86		11.86
Hyderabad Airport Security Services Limited		3.25		3.25
Laqshya Hyderabad Airport Media Private Limited		5.59		5.59
		20.70		20.70
Total Investments carried at Cost		525.33		486.15
Aggregate value of unquoted investments		525.33		486.15
Note : In all subsidiaries and joint venture, Face value of Equity and Preference shares is Rs.10 each and are fully paid-up.				
# Shares pledged with the bankers against the loan taken by the below subsidiaries			No. of Shares (March 31, 2018)	No. of Shares (March 31, 2017)
Hyderabad Airport Security Services Limited			-	3,750,000
GMR Hospitality and Retail Limited			37,982,675	37,982,675
GMR Aerospace Engineering Limited			135,864,000	135,864,000

5.2 Investments	As at March 31, 2018		As at March 31, 2017	
	No. of Units	Amount	No. of Units	Amount
Investments at FVTPL (Current-Investments)				
Investment in Mutual Funds (Unquoted)				
HDFC Liquid Fund Growth (Face value of Rs. 1000 each)	293,657.06	100.15	-	-
IDBI Liquid Fund - Regular plan Growth (Face value of Rs. 1000 each)	88,230.82	16.33	288,649.34	50.05
Invesco India Fund Regular Growth (Face value of Rs. 1000 each)	42,038.45	10.02	-	-
Birla Sunlife Cash Plus Institutional Premium - Growth (Face value of Rs. 100 each)	3,854,992.93	107.26	1,288,906.59	33.58
Axis Liquid Institutional - Growth Option (Face value of Rs. 1000 each)	2,701.77	0.52	50,229.81	9.04
ICICI Prudential Liquid Regular Plan - Growth (Face value of Rs. 100 each)	4,987,819.27	127.88	1,116,540.68	26.83
Birla Sun Life Savings Fund Instl. - Growth (Face value of Rs. 100 each)	819,910.58	28.03	819,910.58	26.13
Birla Sun Life Short Term fund-Regular Growth. (Face value of Rs. 10 each)	16,319,922.71	108.44	16,319,922.71	101.63
DHFL Pramerica Liquid Fund - Growth Option (Face value of Rs. 100 each)	1,023,730.92	23.03	1,948,073.56	41.05
Sundaram Money Fund Regular Growth (Face value of Rs. 10 each)	2,747,016.34	10.02	-	-
SBI Premier Liquid Fund - Regular Plan - Growth (Face value of Rs. 1000 each)	286,959.04	77.93	-	-
Kotak liquid fund Institutional premium - Growth (Face value of Rs. 1000 each)	-	-	52,616.23	17.31
		609.61		305.62
Investment in Commercial Paper (unquoted)				
SREI Infrastructure Finance Limited		216.61		48.81
		826.22		354.43



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

6	Loans		Non-current		Current	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Loans to employees		-	-	0.04	-
	Loans to related parties (refer details below)		7.44	102.55	71.43	1.19
			7.44	102.55	71.41	1.19
Break up of Loans to related parties						
Share Application Money			5.00	12.00	-	-
GMR Aerospace Engineering Limited						
Loans						
GMR Hospitality and Retail limited			-	65.99	68.72	-
GMR Hyderabad Aerotropolis Limited			2.44	19.80	-	0.20
Uapshya Hyderabad Airport Media Private Limited			-	4.76	2.65	0.69
			7.44	102.55	71.37	1.19
7	Bank balances other than cash and cash equivalents		Non-current		Current	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Margin money deposits with more than 12 months maturity*		1.53	24.10	50.46	-
			1.53	24.10	50.46	-
*Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Company.						
8	Other financial assets		Non-current		Current	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Unsecured, considered good					
	Security deposits		11.16	10.21	0.40	0.10
	Less: Provision for doubtful deposit		(0.20)	(0.31)	-	-
			10.96	9.90	0.40	0.10
	Non trade receivables		-	-	12.94	17.13
	Grant receivable from authorities		-	-	0.04	0.04
	Unbilled revenue		-	-	1.65	1.44
	Interest accrued on others		-	-	0.49	0.43
	Interest accrued on fixed deposits		-	-	2.91	0.60
	Derivative asset (refer note 40)		71.69	-	-	-
			82.65	9.90	18.43	19.74
9.1	Tax asset		Non current		Current	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Advance income tax (net of provision for current tax)		0.31	9.83	12.93	26.80
			0.31	9.83	12.93	26.80
9.2	Tax liability				Current	
					March 31, 2018	March 31, 2017
	Provision for tax (net of advance tax)				23.41	13.23
					23.41	13.23
10	Other assets		Non-current		Current	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Capital advances					
	Unsecured, considered good	(A)	44.43	4.26	-	-
			44.43	4.26	-	-
	Advances other than capital advances					
	Passenger service fee (Security component) (refer note 3e)(B)(C)(iv)		24.74	42.26	-	-
	Others		5.11	5.14	3.83	3.67
			29.85	47.40	3.83	3.67
	Less: Provision for doubtful advances		(0.04)	(0.04)	-	-
		(B)	29.81	47.36	3.83	3.67
	Prepaid expenses		0.67	0.65	1.26	2.67
	Balance with statutory / government Authorities (including deposits refer note 3eC)		12.41	12.40	1.97	2.93
		(C)	13.08	13.05	3.23	5.60
	Total (A+B+C)		57.32	64.67	7.06	9.27
11	Inventories (valued at lower of cost or net realizable value)				March 31, 2018	March 31, 2017
	Stores and spares				6.25	7.36
	Less: Provision for non moving spares				(0.17)	(0.17)
					6.08	7.19



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

12	Trade receivables	Current	
		March 31, 2018	March 31, 2017
	Unsecured, considered good		
	Related parties	21.22	3.77
	Others	86.21	87.53
	Unsecured, considered doubtful		
	Others	0.57	0.34
	Less: Allowances for doubtful receivables	(0.57)	(0.34)
		107.43	91.30

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are secured to the extent of security deposits received, are interest bearing and settlement occurs in cash. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

13	Cash and cash equivalents	March 31, 2018	March 31, 2017
	Cash and cash equivalents		
	-Cash on hand	0.04	0.03
	-Deposits with original maturity of less than three months	308.39	250.00
	-Balances with Banks		
	- In current accounts	262.85	37.08
	- On cash credit/ overdraft accounts	0.00	-
	Money in transit	-	0.21
		571.28	287.32

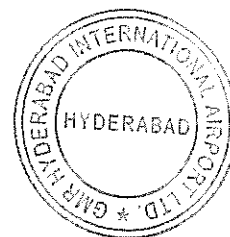
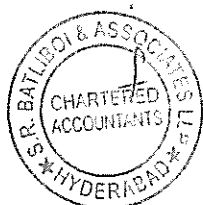
i) Cash balances in current accounts does not earn interest. Term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective term deposit rates.

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

Particulars	SBNs*	Other INR denomination notes	Total
Closing cash in hand as on 08.11.2016	0.27	0.02	0.29
(+) Permitted receipts**	0.43	7.21	7.64
(-) Permitted payments	-	(0.18)	(0.18)
(-) Amount deposited in Banks	(0.70)	(6.80)	(7.50)
Closing cash in hand as on 30.12.2016	0.00	0.25	0.25

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

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



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

14

Equity

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

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

Equity Shares	March 31, 2018		March 31, 2017	
	No.	Amount.	No.	Amount.
At the beginning of the year	378,000,000	378.00	378,000,000	378.00
Outstanding at the end of the year	378,000,000	378.00	378,000,000	378.00

(b) Terms/ rights attached to equity shares
The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Further all shareholders will have their representative in the board of directors of the company as per the terms of arrangement.

(c) Shares held by holding/ultimate holding company/holding company and/or their subsidiaries/associates.

Name of Shareholder	March 31, 2018		March 31, 2017	
	No.	Amount.	No.	Amount.
GMR Airports Limited (GAL), holding company	238,139,000	238.14	238,139,000	238.14
GMR Infrastructure Limited, GAL's holding company	1,000	0.00	1,000	0.00
	238,140,000	238.14	238,140,000	238.14

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

Name of Shareholder	March 31, 2018		March 31, 2017	
	No.	Amount.	Amount.	No.
Equity shares of Rs. 10 each fully paid				
GMR Airports Limited, holding company	238,139,000	63.00%	63.00%	238,139,000
Airports Authority of India	49,140,000	13.00%	13.00%	49,140,000
Government of Telangana	49,140,000	13.00%	13.00%	49,140,000
MAHB (Mauritius) Private Limited	41,573,540	11.00%	11.00%	41,573,540

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

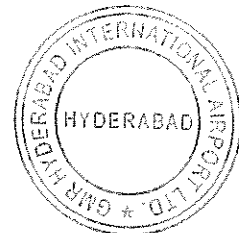
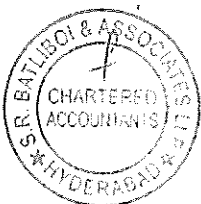
(e) No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

(f) Shares reserved for issue under options
There are no shares reserved for issue under options and contract/commitments for the sale of shares/disinvestment.

14.1

Other Equity

	March 31, 2018	March 31, 2017
Retained Earnings		
Opening Balance	200.99	(233.35)
Add: Profit for the year	602.70	434.79
Less: Appropriations		
Cash Dividends	(151.20)	-
Dividend Distribution Tax	(29.99)	-
Items recognised directly in Other Comprehensive Income		
Cash flow hedge reserve		
Gain / (losses) arising during the year on cross currency swap (refer note 40)	71.69	-
Reclassification adjustments included in the statement of profit and loss	(56.95)	-
Closing balance	14.74	-
Remeasurement of post-employment benefits obligations	0.18	(0.45)
Total Retained Earnings	637.42	290.99
Capital reserve	107.00	107.00
	744.42	397.99



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

15 Financial liabilities - Borrowings	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Bonds				
1,750 million 4.25% Senior Secured Notes of USD 200,200 each (secured)	2,239.35	-	-	-
Term Loans				
From Banks				
Indian rupee term loan from banks (secured)	-	1,228.92	-	46.93
Foreign currency loan from a bank (secured)	-	421.15	-	58.71
From Others				
Government of Telangana (unsecured)	315.05	315.05	-	-
Loans from related parties (unsecured)	-	-	12.97	12.90
	2,554.40	1,965.12	12.97	118.54
The above amount includes				
Secured borrowings	2,239.35	1,650.07	-	105.64
Unsecured borrowings	315.05	315.05	12.97	12.90
	2,554.40	1,965.12	12.97	118.54
Amount disclosed under the head "other current financial liabilities" (Refer note 16)	-	-	(12.97)	(118.54)
Net Amount	2,554.40	1,965.12	-	-

i) 4.25% Senior Secured Notes

a. During the year 4.25% senior secured notes are issued on October 27, 2017 to refinance secured Rupee Term Loans and Foreign Currency Loans and airport expansion project works. The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 10 years i.e. October 27, 2027 (bullet repayment).

b. 4.25% senior secured notes are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land (to an extent of 2136.455 acres), freehold land of 8.824 acres and first pari-passu charge on all movable and immovable assets, all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; all the rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Agreements (i.e. Concession Agreement, State Support Agreement, Land Lease Agreement and the CNS-ATS Agreement) as detailed in the Indenture to the maximum extent permitted under the Project Agreements; floating charge on all the operating revenues/receivables of the Company; and floating charge on all the Company's accounts and each of the other accounts required to be created by the Company pursuant to the Security Documents (excluding any Excluded Accounts) and, including in each case, all monies lying credited/deposited into such accounts. The Company has to follow Fixed Charge Coverage Ratio as provided under the Indenture for any additional indebtedness and other limitations. The Company has complied with the financial covenants prescribed in the Indenture. In case of any "Event of default" as defined under the Indenture, the Holders of the Notes are entitled to remedies as defined under the Indenture.

ii. Indian rupee term loans from banks (secured) carried interest at base rate plus agreed spread, which was subject to reset at the end of agreed interval. The interest rate during the year ranges from 10.25% to 10.70% p.a (2017: 10.20% to 10.70% p.a). The loans were repayable in 51 quarterly instalments beginning from October 31, 2016. However, during the current year, the same were repaid utilising the proceeds from the issue of SSN.

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

iv. Indian rupee loans, foreign currency loan including the IRS arrangement and loan from financial institution were secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land (to an extent of 2136.455 acres), freehold land of 8.824 acres and first pari-passu charge on all movable and immovable assets, operating cash flows, book debts, receivables, intangibles and revenues, both present and future, as well as assignment of all right, title, interest, benefits, claims and demands available under the concession agreement and other project documents, security interest in the Trust and Retention account, Debt service reserve account and further secured by pledge of Nil (2017: 164,123,514) and Nil (2017: 28,656,436) equity shares, both present and future, held or to be held, upto 51% of the paid up share capital of the Company, as the case may be, by both, the holding company and MAHB (Mauritius) Private Limited respectively. Pursuant to the repayment of the aforesaid loans in the current year, the respective lenders have released charge over the assets.

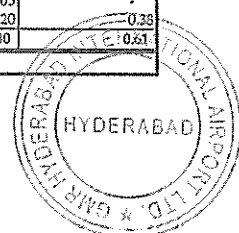
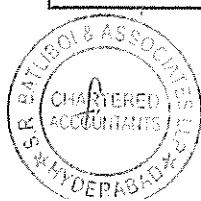
v. Interest free loan received from the Government of Telangana is repayable in five equal instalments commencing from 16th anniversary of the commercial operations date (March 23, 2008).

16 Other financial liabilities

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
At FVTPL				
Derivative not designated as hedge (Interest rate swap)*	-	67.24	-	-
Total other financial liabilities at FVTPL	-	67.24	-	-
At Amortised cost				
Retention money	8.82	0.95	4.71	8.51
Deposit from concessionaires	19.80	23.82	23.72	9.92
Concession fee payable	212.01	195.98	22.15	-
Current maturities of long term borrowings	-	-	12.97	118.54
Non trade payables	-	-	2.62	6.93
Capital creditors	-	-	87.21	14.50
Interest accrued but not due on borrowings	-	-	84.91	5.71
Total other financial liabilities at amortised cost	240.63	220.75	238.29	164.11
Financial guarantee contracts	5.75	4.38	0.80	0.61
Total other financial liabilities	246.38	292.37	239.09	164.72

* The Company had an Interest Rate Swap (IRS) arrangement to convert floating rate of interest into fixed rate of interest, as per the terms of the loan agreement. The effective weighted average interest rate is 8.295% p.a (2017: 8.295% p.a). The decrease in fair value of the interest rate swap has been recognised in finance income.

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial guarantee contracts				
GMR Hospitality and Retail Limited	1.63	1.03	0.15	0.09
GMR Hyderabad Aviation SEZ Ltd.	0.81	0.51	0.07	0.14
GMR Aerotechnic Ltd.	1.72	-	0.33	-
GMR Hyderabad Aerotropolis Ltd.	0.49	-	0.03	-
GMR Aerospace Engineering Ltd.	1.10	2.82	0.20	0.38
Total financial guarantee contracts	5.75	4.38	0.80	0.61



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

17	Government grants	March 31, 2018	March 31, 2017
	Opening Balance	33.23	13.20
	Grant during the year	22.28	22.11
	Less: Recognised in the statement of profit and loss	(4.11)	(2.08)
		51.40	33.23
	Non Current	46.13	32.10
	Current	5.27	1.13
Concession fee is payable to Ministry of Civil Aviation in respect of first 10 years in 20 equal half yearly instalments commencing from the 11th anniversary of the commercial operations date (March 23, 2008). Concession fee from the 11th year is payable on a half yearly basis. The difference between the fair value and carrying value of such fee payable has been treated as a government grant as per Ind AS 20.			

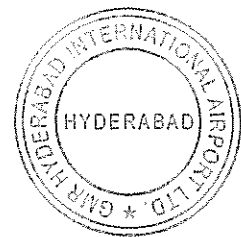
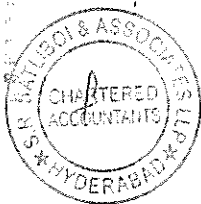
18	Other liabilities				
		Non-current		Current	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Unearned revenue	6.21	8.72	2.08	3.99
	Deferred income	21.10	20.70	4.16	3.35
	Service tax payable	-	-	0.01	0.05
	Goods and service tax payable	-	-	9.85	-
	Tax deducted at source	-	-	6.44	4.84
	Other statutory dues	-	-	0.51	0.46
	27.31	29.42	23.05	12.69	

19	Trade payables	March 31, 2018	March 31, 2017
	Trade Payables		
	- Related parties	25.33	15.58
	- Others	64.41	56.60
		89.74	72.18

Terms and conditions of the above financial liabilities:

- i) Trade payables are non-interest bearing and are normally settled on 30 days terms.
- ii) The dues to related party are unsecured and are normally payable within 30 days from the date of receipt of demand.
- iii) For explanations on the Company's credit risk management processes, refer Note 40.

20	Provisions	Short term	
		March 31, 2018	March 31, 2017
	Provision for employee benefits		
	Provision for compensated absences	8.50	7.16
	Provision for superannuation fund	0.14	0.13
	Provision for gratuity (note 32)	0.93	0.15
		9.57	7.44

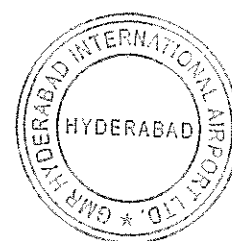


GMR Hyderabad International Airport Limited
Notes to the Standalone financial statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

21	Revenue from operations	For the year ended March 31, 2018	For the year ended March 31, 2017
	Income from services		
	Aeronautical	805.55	708.27
	Non Aeronautical		
	Duty free	33.77	30.04
	Retail	32.07	31.01
	Advertisement	40.41	35.98
	Food and beverages	32.96	23.95
	Cargo	18.13	16.14
	Ground handling	10.68	9.90
	Parking	49.21	40.08
	Land and space – Rentals	69.67	65.68
	Others	154.04	139.14
	Revenue from sale of services(A)	1,246.49	1,100.20
	Revenue from commercial property development	5.55	5.20
	Revenue from commercial property development(B)	5.55	5.20
	Revenue from operations(A+B)	1,252.04	1,105.40

22	Other income	For the year ended March 31, 2018	For the year ended March 31, 2017
	Exchange differences (net)	0.56	0.36
	Exchange difference on restatement of senior secured notes	43.72	-
	Amortisation of deferred income	0.78	0.69
	Income from Government grant	4.11	2.08
	Provisions no longer required, written back	0.20	0.79
	Other non-operating income	2.18	3.61
	Profit on sale of assets	0.13	-
	Income arising from fair valuation of financial guarantee	5.63	0.62
	Dividend from subsidiary	3.91	11.32
		61.22	19.47

23	Finance Income	For the year ended March 31, 2018	For the year ended March 31, 2017
	Interest on:		
	Bank deposits	22.59	1.37
	Loan to subsidiaries/ joint venture	11.07	8.04
	Others	17.89	4.86
	Profit on sale of current investments (other than trade)	16.97	26.05
	Gain on account of fair valuation of interest rate swap	11.92	40.19
	Income arising from fair valuation of investment in debt oriented mutual fund	8.62	2.69
		89.06	83.20



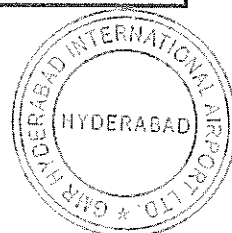
GMR Hyderabad International Airport Limited
Notes to the Standalone financial statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

24	Employee benefit expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
	Salaries, wages and bonus	60.67	50.01
	Contribution to provident and other funds (note 32)	4.40	3.82
	Gratuity expense(note 32)	1.37	0.53
	Staff welfare expenses	4.09	3.80
	Recruitment and training expenses	1.88	1.49
		72.41	59.65

25	Other expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
	Operator fee	1.29	1.23
	Operating and maintenance expenses	14.25	12.65
	Power and fuel	16.33	17.49
	Manpower outsourcing charges	27.95	22.79
	House keeping charges	12.45	11.37
	Consumption of stores & spares	5.87	11.47
	Repairs and maintenance		
	Buildings	6.19	6.45
	Plant and Machinery	18.19	15.20
	IT Services	14.34	11.72
	Other	4.02	3.56
	Insurance	2.44	1.85
	Security expenses	16.98	10.99
	Bus hire charges	0.50	0.48
	Health & safety expenses	0.12	0.25
	Rent	5.51	4.43
	Rates and taxes	5.93	5.68
	Advertising and business promotion	8.87	3.53
	Collection charges	4.95	4.20
	Travelling and conveyance	11.17	8.92
	Communication costs	3.14	3.21
	Office Maintenance	3.32	2.79
	Legal and professional fees	15.98	8.40
	Management fees	31.52	22.58
	Printing and stationery	0.31	0.29
	Donation	2.80	-
	CSR expenditure (refer details below)	3.88	2.46
	Directors' sitting fees (refer Note 33)	0.19	0.18
	Payment to auditors (refer details below)	0.70	1.02
	Loss on sale of assets (net)	-	0.28
	Provision for bad and doubtful debts	0.40	-
	Provision for non moving inventories of stores and spares	-	0.17
	Bad debts written off	-	0.04
	Miscellaneous expenses	3.22	1.70
		242.81	197.38

Payment to Auditors	For the year ended March 31, 2018	For the year ended March 31, 2017
As Auditor		
Audit Fee	0.29	0.36
Tax Audit Fee	-	0.03
Other Services	1.40	0.57
Reimbursement expenses	0.09	0.06
	1.78	1.02
Less: SSN issuance cost considered as an adjustment to borrowings*	(1.08)	-
	0.70	1.02

* The amount is paid to one of the joint auditors in connection with issue of senior secured notes.

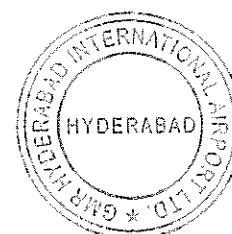
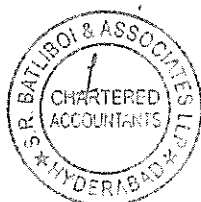


GMR Hyderabad International Airport Limited
Notes to the Standalone financial statements for the year ended March 31, 2018
(All amounts in Rupees Crores, except otherwise stated)

Details of CSR expenditure:	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Gross amount required to be spent by the Company during the year	3.88	2.46
(b) Amount spent in cash during the year		
i) Construction/acquisition of any asset	1.50	-
ii) On purposes other than (i) above	2.38	2.46
(c) Total amount spent during the year		
i) Construction/acquisition of any asset	1.50	-
ii) On purposes other than (i) above	2.38	2.46

26	Finance costs	For the year ended March 31, 2018	For the year ended March 31, 2017
	Interest on debt and borrowings	143.70	185.81
	Net interest on cross currency swap	31.36	-
	Other borrowing cost	16.87	11.50
	Interest-others	5.69	3.00
	Bank charges	0.65	0.75
		198.27	201.06

27	Depreciation and amortisation expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
	Depreciation of property, plant and equipment (note 3)	197.91	203.41
	Amortisation of intangible assets (note 4)	0.48	0.40
		198.39	203.81



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

28 Income Tax

A. The major components of income tax expenses are:

Statement of profit and loss:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax:		
Current income tax charge	29.43	-
Deferred tax:		
Relating to origination and reversal of temporary differences	5.35	(150.96)
Income tax expense reported in the statement of profit or loss	34.79	(150.96)

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Accounting profit	637.49	585.36
Tax at the applicable tax rate of 31.61% (March 31, 2017: 30.90%)	229.64	180.94
Tax effect of income that are not taxable in determining taxable profit / allowable expenditure that are not part of book profit:		
1) Dividend Income exempt U/s 80(3)	(1.35)	(3.50)
2) Amount disallowed u/s 44B	-	(0.02)
3) Gain on recognition of MTM on interest rate swap	(4.13)	(12.42)
4) Others - Ind AS adjustments	(2.46)	(4.22)
5) Reversal of deferred tax during tax holiday period u/s 80IA	(23.39)	(21.05)
6) Income claimed as deduction u/s 80IA	(190.63)	-
8) Effect of depreciation relating to Capital Reserve	(1.78)	-
9) Others	(0.68)	-
Tax effect of expenses that are not deductible in determining taxable profit:		
1) Amount disallowed u/s 43B	-	0.79
2) Amount of disallowances U/s 14A	0.02	1.13
3) Donations & CSR Expenditure	2.31	0.76
4) Interest on delayed payment of income tax	0.53	0.41
5) Effect of depreciation relating to unrealised forex loss	-	5.46
6) Effect of depreciation relating to Capital Reserve	-	2.01
7) DTA reversal on h/t losses	15.73	-
8) Effect of change in tax rate	15.50	-
9) Income from capex fund	4.40	-
11) Others	-	0.68
Income tax expense reported in the statement of profit and loss	34.79	(150.96)

C. Deferred tax:

	Statement of profit or loss		Balance sheet	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred tax liability				
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	9.15	35.35	126.73	132.35
Gross deferred tax liability	9.15	35.35	126.73	132.35
Deferred tax asset				
Unabsorbed depreciation	-	(159.27)	-	14.05
On account of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	-	-	-	0.44
On account of income reduced from capital work in progress	(3.80)	-	3.80	-
On account of provision for doubtful trade, advances and diminution in value of investment	-	(27.04)	-	0.28
	(3.80)	(186.31)	3.80	14.77
Charge / (credit) during the year	5.35	(150.96)		
Net deferred tax (liability)/Asset (net)			(122.93)	(117.58)
MAF credit entitlement			269.10	167.95
Deferred tax asset (unutilised tax credit)			269.10	167.95

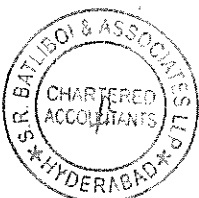
D. Reconciliations of deferred tax liabilities/assets (net):

	March 31, 2018	March 31, 2017
Opening balance	(117.58)	33.39
Tax expense during the period recognised in profit or loss	(5.35)	(150.96)
Closing balance	(122.93)	(117.58)

n) Deferred tax on adjustments recognised on account of adoption of Ind AS are not considered as these adjustments get reversed in the subsequent periods and have no impact on the accounting or tax profit.

m) The Company sets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

nn) The Company has tax losses which arose in India of Rs. Nil crore (March 31, 2017: Rs. 45.45 Crore) that are available for offsetting against future taxable profits of the Company.



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29 Components of Other comprehensive income

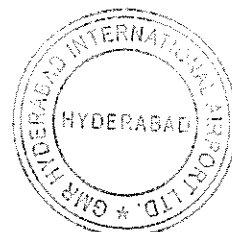
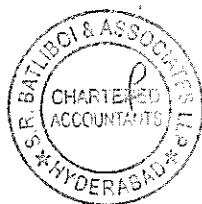
The disaggregation of changes to OCI by each type of reserve in equity is shown below:

For the year ended March 31, 2018

	Cash Flow Hedge Reserve	FVTOCI reserve	Total
Cash flow hedge reserve	14.74	-	14.74
Re-measurement gain on defined benefit plans	-	0.18	0.18
Closing balance	14.74	0.18	14.92

For the year ended March 31, 2017

	Cash Flow Hedge Reserve	FVTOCI reserve	Total
Cash flow hedge reserve	-	-	-
Re-measurement (loss) on defined benefit plans	-	(0.45)	(0.45)
Closing balance	-	(0.45)	(0.45)



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1. Corporate information

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

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

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

The financial statements were authorized for issue in accordance with a resolution of the directors passed in the Board meeting held on May 3, 2018.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

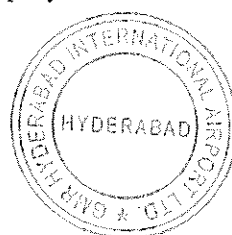
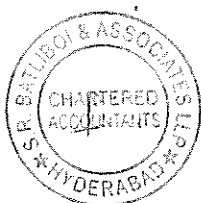
The financial statements are presented in Indian Rupees ("Rs.") and all the values are rounded to the nearest Crore, except when otherwise indicated.

2.1 Significant Accounting Policies

a) Use of estimates

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

The 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



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assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

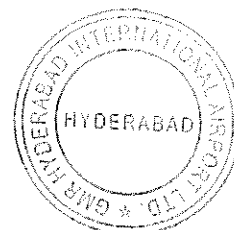
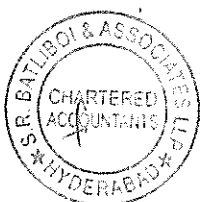
c) Property, plant and equipment

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

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

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

On transition to Ind AS, the Company has availed the optional exemption on "Long term Foreign currency Monetary items" and has accordingly continued with the policy to adjust the exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of



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a depreciable asset recognised in the financial statements for the year ended March 31, 2016 (as per previous GAAP) to the cost of the property, plant and equipment and depreciates the same over the remaining life. In accordance with the Ministry of Corporate Affairs ('MCA') circular dated August 09, 2012, exchange differences adjusted to the cost of property, plant and equipment are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

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

Spares parts that can only be used in connection with a particular item of plant, property and equipment, and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

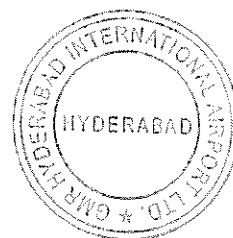
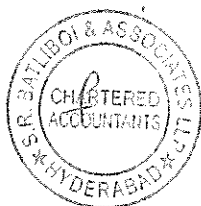
All spare parts, stand-by and servicing equipment qualify as plant, property and equipment (PPE) if they meet the definition of PPE i.e. if the company intends to use these during more than a period of 12 months. The spare parts capitalized in this manner are depreciated as per useful life period, not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

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

d) Depreciation on property, plant and equipment

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

The components identified by the Company are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.



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

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

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

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

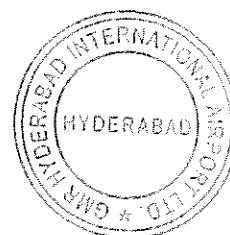
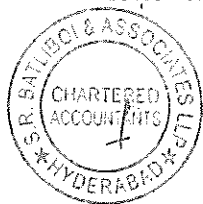
* The useful lives of modifications to buildings on leasehold land are estimated as 10 years.

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

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

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

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



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e) Intangible assets

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

f) Amortisation of intangible assets

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

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

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

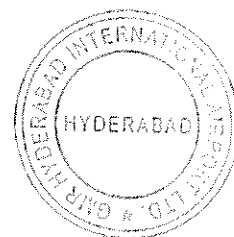
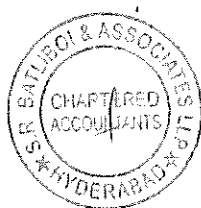
g) Impairment of non-financial assets

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

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

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

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



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h) Inventories

Stores and spares, consumables are valued at lower of cost and net realisable value. However, stores and spare items held for use in providing the service are not written down below cost if the services are expected to be provided at or above cost. Cost is determined on a weighted average basis and includes all applicable costs in bringing goods to their present locations and condition. Net realizable value is the estimated current procurement price in the ordinary course of business.

i) Borrowing cost

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

j) Leases

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

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

(a) Company as a lessee :

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

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

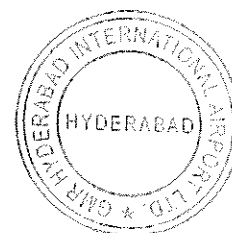
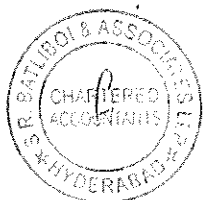
- i) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- ii) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary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

(b) Company as a lessor :

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

k) Provisions, contingent liabilities and commitments

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



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

Contingent liability is disclosed in the case of:

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

The Company does not recognize a contingent liability but discloses its existence in the financials statements.

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

1) 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 prepayment will lead to, for example, a reduction in future payment or a cash refund.

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

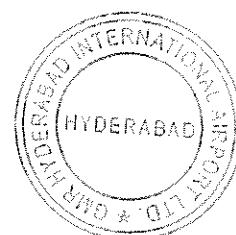
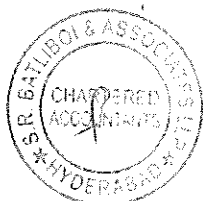
The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

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

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

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

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



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

Short term employee benefits

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

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

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

m) Financial Instruments

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

A. Financial assets

i. Initial recognition and measurement:

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

ii. Subsequent measurement:

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

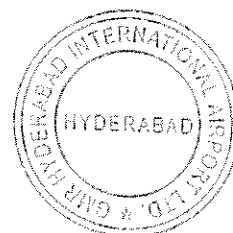
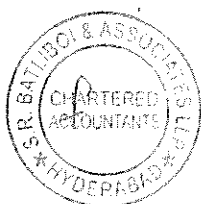
- Debt instruments at amortised cost
 - Debt instruments at fair value through other comprehensive income (FVTOCI)
 - Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost:

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

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

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



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

Debt instrument at FVTOCI:

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

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

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

Debt instrument at FVTPL:

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

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

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

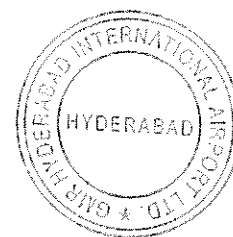
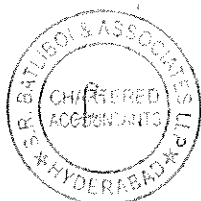
iii. Derecognition:

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

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

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

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



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iv. Impairment of financial assets:

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

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

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

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

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

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other



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expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

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

v. Equity Investments:

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

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

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

B. Financial liabilities

i. Initial recognition and measurement:

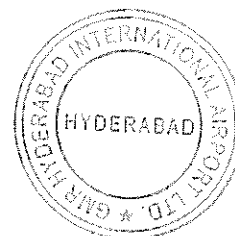
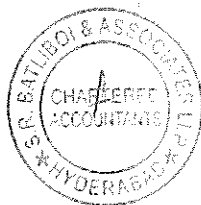
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

ii. Subsequent measurement:

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



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Financial liabilities at fair value through profit or loss:

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

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

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

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

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

iii. Loans and borrowings:

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

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

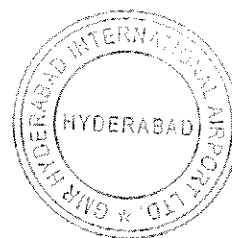
iv. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

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

v. Derecognition:

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



C. Reclassification of financial assets:

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

D. Offsetting of financial instruments

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

E. Derivative financial instruments and hedge accounting

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

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

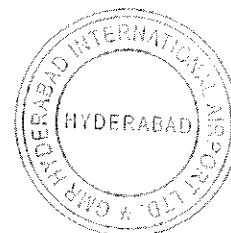
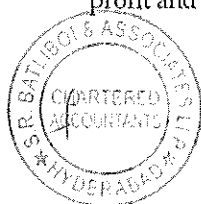
For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
- Hedges of a net investment in a foreign operation.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

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



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

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

Cash flow hedges

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

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

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

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

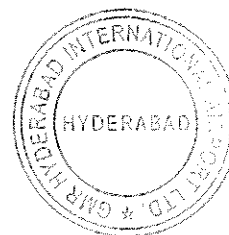
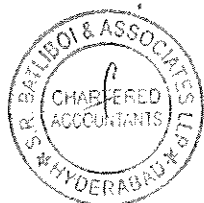
Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

n) Cash and cash equivalents

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

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



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o) Cash dividend to equity holders

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

p) Foreign currency transactions:

Functional and presentation currency

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

Transactions and balances

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

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

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

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

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

q) Fair value measurement

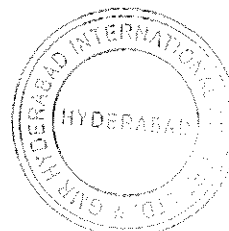
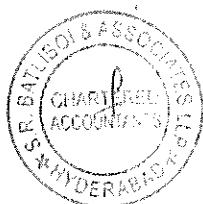
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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



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

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

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

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

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

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

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

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

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

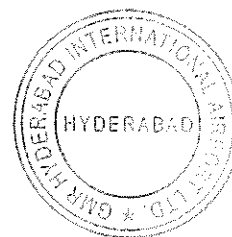
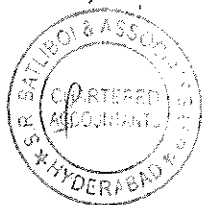
At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the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

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

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

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

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



r) Revenue recognition

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

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

1) Income from service:

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

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

2) Interest income:

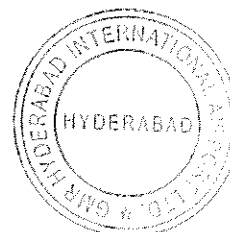
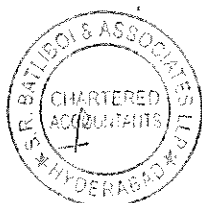
- i. Interest on all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life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

3) Dividends:

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

s) Concession fee:

As per the Concession Agreement (CA) entered into with Ministry of Civil Aviation (MoCA) in December, 2004, the Company is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to mean all pre-tax revenue of GHIAL with certain specified exclusions.



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

t) Government grants

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

The Company has deferred payment arrangement on the concession fee payable to Ministry of Civil Aviation (MoCA) without interest. The effect of this assistance is treated as a government grant. The assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the assistance and the fair value. The grant is subsequently measured as per the accounting policy applicable to financial liabilities.

u) Taxes on income

Tax expense comprises current and deferred tax.

1) Current income tax

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

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

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

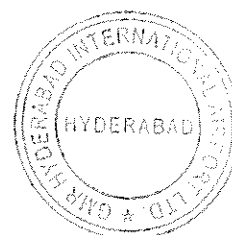
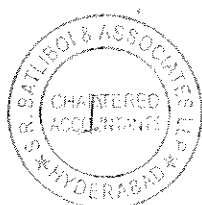
Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2) Deferred tax

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

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

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



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

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

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

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

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

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

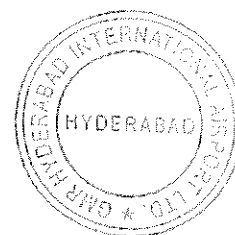
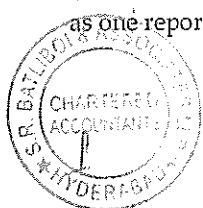
Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

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

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

v) Segment information:

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



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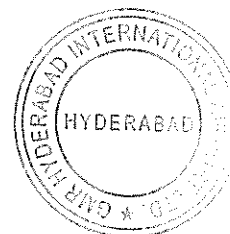
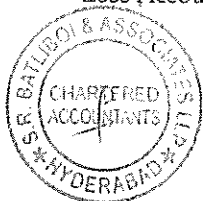
w) Earnings per share

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

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

x) Corporate social responsibility

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



30. Earnings Per Share (EPS)

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

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

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

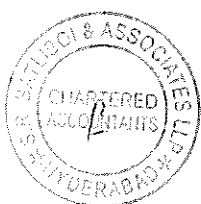
Particulars	31-Mar-18	31-Mar-17
Profit attributable to equity holders of the parent for basic and diluted earning	602.70	434.79
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted) (in crores)	37.80	37.80
Earnings Per Share (Basic and diluted) (Rs.)	15.94	11.49
Face value per share (Rs.)	10	10

31. Capital Work in progress

During the year, the Company has capitalized the following expenses of revenue nature to the cost of property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	March 31 2018	March 31 2017
Capital expenditure incurred on property, plant and equipment	240.60	14.38
Legal and professional	44.14	6.23
Employee benefits expense	0.76	-
Senior secured notes issue costs amortised	0.47	-
Finance costs*	18.92	-
Total (i)	304.89	20.61
Less:- Other income		
Interest income from bank deposit	(0.49)	-
Net gain on sale of current investments	(11.51)	-
Gain on restatement of SSN on trade date of Hedge*	(9.74)	-
Total (ii)	(21.74)	-
Net Capital work in progress (i-ii)	283.15	20.61

*Considered to the extent of SSN proceeds earmarked for airport expansion project i.e. USD 78 million out of total proceeds of USD 350 million.



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32. Retirement and other employee benefits:

a) Defined contribution plan:

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to provident fund	2.69	2.35
Contribution to ESI and labour welfare fund	0.11	0.03
Contribution to superannuation fund	1.60	1.44
Total	4.40	3.82

b) Defined benefit plans:

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

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

Net employee benefit expense (recognized in Employee Cost):

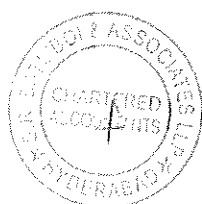
	31-Mar-18	31-Mar-17
Current service cost	1.39	0.58
Interest cost on benefit obligation	(0.02)	(0.05)
Net benefit expense (note 24)	1.37	0.53

Amount recognized in other comprehensive income:

Particulars	2017-18	2016-17
Actuarial (gain)/loss due to DBO experience	0.15	0.10
Actuarial (gain)/loss due to DBO assumption changes	(0.25)	0.31
Actuarial (gain)/loss arising during period	(0.11)	0.41
Return on plan assets (greater)/less than discount rate	(0.07)	0.04
Actuarial (gains)/ losses recognized in OCI	(0.18)	0.45

Balance sheet:

	March 31, 2018	March 31, 2017
Fair value of plan assets	6.06	5.18
Defined benefit obligation	(6.99)	(5.33)
Plan (liability)/ asset	(0.93)	(0.15)



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

	March 31, 2018	March 31, 2017
Opening defined benefit obligation	5.34	4.37
Interest cost	0.36	0.33
Current service cost	0.63	0.58
Benefits paid	(0.45)	(0.40)
Past service cost -Plan amendments	0.76	-
Actuarial losses /(gains) on obligation	0.11	0.41
Actuarial loss/gain on financial assumptions	-	-
Actuarial loss/gain on experience	-	-
Acquisition cost	0.46	0.04
Closing defined benefit obligation	6.99	5.33

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

	31-Mar-18	31-Mar-17
Opening fair value of plan assets	5.18	4.79
Expected return on plan assets	0.38	0.38
Contributions by employer	0.88	0.43
Return on plan assets greater/(lesser) than discount rate	0.07	(0.04)
Acquisition adjustment	-	0.01
Benefits paid (including transfer)	(0.45)	(0.39)
Closing fair value of plan assets	6.06	5.18

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

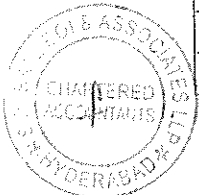
	31-Mar-18	31-Mar-17
Investments with insurer	100%	100%

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

	31-Mar-18	31-Mar-17
Discount rate	7.60%	7.10%
Rate of compensation increase	6.00%	6.00%
Employee turnover	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption is shown below:

	31-Mar-18	31-Mar-17
Discount rate		
Effect due to 1% increase in discount rate	(0.51)	(0.44)
Effect due to 1% decrease in discount rate	0.58	0.51
Attrition rate		
Effect due to 1% increase in attrition rate	0.07	0.06
Effect due to 1% decrease in attrition rate	(0.07)	(0.07)
Salary escalation rate		
Effect due to 1% increase in salary increase rate	0.53	0.39
Effect due to 1% decrease in salary increase rate	(0.49)	(0.37)



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

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

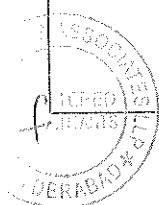
	31-Mar-18
31-Mar-19	0.50
31-Mar-20	0.68
31-Mar-21	0.77
31-Mar-22	0.75
31-Mar-23	1.09
March 31, 2024 to March 31, 2028	5.96

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

33. Details of transactions with Related parties:

A. Name of related parties and description of relationship:

Sl. No.	Relationship	Related party Name
(i)	Holding company	GMR Airports Limited (GAL)
(ii)	GAL's holding company	GMR Infrastructure Limited (GIL)
(iii)	Ultimate holding company	GMR Enterprises Private Limited (GEPL) (Formerly known as GMR Holdings Private Limited)
(iv)	Subsidiary Companies	Hyderabad Menzies Air Cargo Private Limited
		GMR Hyderabad Aerotropolis Limited
		Hyderabad Airport Security Services Limited
		GMR Hyderabad Aviation SEZ Limited
		GMR Hospitality and Retail Limited*
		GMR Aerospace Engineering Limited
		GMR Hyderabad Airport Power Distribution Limited
		GMR Aero Technic Limited
		Asia Pacific Flight Training Academy Limited@
(v)	Fellow Subsidiary Companies	GMR Aviation Private Limited
		GMR Aero structure Services Limited \$
		GMR Energy Limited
		GMR Tambaram-Tindivanam Expressways Private Limited
		GMR Tuni-Anakapalli Expressways Private Limited
		Delhi International Airport Limited
		GMR Pochanpalli Expressways Limited
		GMR Corporate Center Limited
		GMR Infrastructure (Mauritius) Limited
		GMR Energy Trading Limited
		GMR SEZ and Port Holdings Limited
		GMR Highways Limited
		GMR Corporate Affairs Private Limited
		GMR Hyderabad Vijayawada Expressways Private Limited
		GMR Vemagiri Power Generation Limited



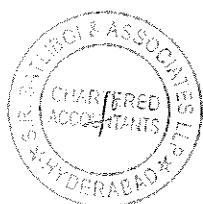
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Notes to the Standalone financial statements for the year ended March 31, 2018

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Sl. No.	Relationship	Related party Name
		GMR Rajahmundry Energy Limited**
		GMR Warora Energy Limited
		GMR Chhattisgarh Energy Limited**
		GMR Kamalanga Energy Limited
		GMR Airport Developers Limited
		GMR Power Corporation Limited
		GMR Male International Airport Private Limited
		GADL International Limited
		Kakinada SEZ Limited
		GMR Business Process & Services Private limited
		Raxa Security Services Limited
		GMR Sports Private Limited
		Geokno India Private Limited
		GMR Infrastructure (Singapore) Pte Limited
(vi)	Shareholders having significant influence	Government of Telangana
		Airports Authority of India
		MAHB (Mauritius) Private Limited
(vii)	Key management personnel	Mr. Srinivas Bommidala - Managing Director
		Mr. SGK Kishore - Chief Executive Officer
		Mr. Rajesh Arora- Chief Financial Officer
		Mr. Anup Kumar Samal - Company Secretary
		Mr. G M Rao - Chairman
		Mr. C Prasanna - Director
		Mr. Grandhi Kiran Kumar-Director
		Mr. HJ Dora - Director
		Mr. VR Hegde - Director
		Mr. Jayesh Ranjan IAS - Director
		Mr. IN Murthy - Director
		Mr. Ramakrishna Rao IAS - Director
		Datuk Badlisham Bin Ghazali - Director
		Mr. RSSLN Bhaskarudu- Independent Director
		Mr. NC Sarabeswaran- Independent Director
		Mrs. Vissa SivaKameswari -Independent Director
		Mr. P. Vijay Bhaskar- Independent Director
		Mr. S. Samanta - Director (Resigned with effect from March 14, 2017)
		Mr. Arvind Kumar IAS - Director (Resigned with effect from January 20, 2017)
(viii)	Joint Venture	Laqshya Hyderabad Airport Media Private Limited
(ix)	Enterprises where key Directors and their relatives exercise significant influence	GMR Varalakshmi Foundation
(x)	Other entities in which Directors are interested	GMR Family Fund Trust Sri VaraLakshmi Jute Twine Mills Private Limited



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B. Remuneration paid to Key Managerial Remuneration:

Details of Key Managerial Personnel	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Short Term Employee benefits	Sitting Fees	Short Term Employee benefits	Sitting Fees
Remuneration to KMP	5.90	-	5.43	-
Mr. G M Rao - Chairman	-	0.01	-	0.01
Mr. HJ Dora - Director	-	0.01	-	0.01
Mr. VR Hegde - Director	-	0.01	-	0.01
Mr. S. Samanta - Director	-	-	-	0.02
Mr. Arvind Kumar IAS - Director	-	-	-	0.01
Mr. Ramakrishna Rao IAS - Director	-	0.01	-	0.00
Mr. Datuk Badlisham Bin Ghazali - Director	-	0.00	-	0.00
Mr. RSSLN Bhaskarudu- Independent Director	-	0.04	-	0.05
Mr. NC Sarabeswaran- Independent Director	-	0.04	-	0.04
Mrs. Vissa Siva Kameswari -Independent Director	-	0.03	-	0.03
Mr. P. Vijay Bhaskar - Independent Director	-	0.02	-	0.01
Mr. Jayesh Ranjan IAS - Director	-	0.01	-	-
Mr. IN Murthy - Director	-	0.01	-	-

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

Related Party Transactions	March 31, 2018	March 31, 2017
<i>Services received:</i>		
Raxa Security Services Limited	16.43	12.30
GMR Hospitality and Retail Limited	0.40	0.29
Airports Authority of India	0.13	0.05
GMR Aviation Private Limited	4.29	3.81
GMR Airport Developers Limited	19.58	16.40
GMR Infrastructure Limited	12.64	12.75
GMR Airports Limited	19.56	10.52
Laqshya Hyderabad Airport Media Private Limited	0.53	0.23
GMR Corporate Affairs Private Limited	0.44	0.39
GMR Family Fund Trust	0.31	0.10
Geokno India Private Limited	0.00	0.33
Sri Varalakshmi Jute Twine Mills Private Limited	0.18	-
Government of Telangana	3.42	3.29
<i>Investment during the year:</i>		
GMR Aerospace Engineering Limited	32.00	49.00



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Related Party Transactions	March 31, 2018	March 31, 2017
Asia Pacific Flight Training Academy Limited	-	0.03
GMR Hyderabad Aerotropolis Limited	-	23.87
<i>Investment made in subsidiary during the year on account of amortization of Loans given:</i>		
GMR Hospitality and Retail Limited	-	5.73
<i>Advance/(Advance return) towards share application money:</i>		
GMR Aerospace Engineering Limited	36.50	12.00
GMR Aerospace Engineering Limited	(11.50)	-
<i>Security Deposit (paid) /received:</i>		
Hyderabad Menzies Air Cargo Private Limited	(0.10)	(0.10)
GMR Aero technic Limited	0.00	-
GMR Infrastructure Limited	0.00	-
GMR Varalakshmi Foundation	(0.00)	-
Asia Pacific Flight Training Academy Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	(0.00)	0.02
GMR Family Fund Trust	0.00	0.39
GMR Hospitality and Retail Limited	0.01	-
Sri VaraLakshmi Jute Twine Mills Private Limited	(0.10)	-
GMR Airport Developers Limited	0.07	-
Raxa Security Services Limited	0.00	-
<i>Income from operations:</i>		
Hyderabad Menzies Air Cargo Private Limited	24.12	23.52
GMR Hospitality and Retail Limited	37.42	33.40
Airports Authority of India	3.20	3.01
GMR Aviation Private Limited	0.01	0.02
GMR Infrastructure Limited	0.01	0.04
GMR Hyderabad Aviation SEZ Limited	2.50	2.38
Laqshya Hyderabad Airport Media Private Limited	38.15	33.67
Kakinada SEZ Private Limited	0.36	0.35
GMR Aero Technic Limited	0.35	0.26
GMR Airport Developers Limited	0.14	0.21
GMR Hyderabad Aerotropolis Limited	0.43	0.37
GMR Airports Limited	0.35	0.42
Asia Pacific Flight Training Academy Limited	1.04	1.36
Raxa Security Services Limited	0.01	0.01
Geokno India Private Limited	0.37	0.27
GMR Energy Trading Limited	0.01	0.01
GMR Highways Limited	0.28	0.26



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Related Party Transactions	March 31, 2018	March 31, 2017
GMR Varalakshmi Foundation	0.35	0.34
GMR Business Process & Services Private limited	0.38	-
<i>Dividend income received from subsidiary Company:</i>		
Hyderabad Menzies Air Cargo Private Limited	3.91	1.15
GMR Hospitality and Retail Limited	-	10.17
<i>Unsecured loan repaid during the year:</i>		
Hyderabad Airport Security Services Limited	(0.07)	12.57
<i>Unsecured loan given :</i>		
GMR Hospitality and Retail Limited	-	11.50
GMR Hyderabad Aerotropolis Limited	17.00	20.00
GMR Hyderabad Aviation SEZ Limited	47.50	-
<i>Unsecured loan received back:</i>		
Laqshya Hyderabad Airport Media Private Limited	4.56	1.50
GMR Hyderabad Aviation SEZ Limited	47.50	-
GMR Hyderabad Aerotropolis Limited	34.56	-
<i>Interest on unsecured loan given:</i>		
GMR Hospitality and Retail Limited	4.34	3.90
GMR Hyderabad Aerotropolis Limited	2.39	0.37
GMR Hyderabad Aviation SEZ Limited	0.16	-
<i>Interest on amortization of interest free unsecured loan given:</i>		
Laqshya Hyderabad Airport Media Private Limited	1.46	0.74
GMR Hospitality and Retail Limited	2.71	3.03
<i>Interest on Delayed payments from customers</i>		
Asia pacific Flight Training Academy Limited	-	0.20
GMR Hyderabad Aerotropolis Limited	-	0.00
GMR Highways Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.04	0.02
GMR Energy Trading Limited	-	0.00
GMR Aviation Private Limited	0.00	-
<i>Sale of Asset:</i>		
Kakinada SEZ Private Limited	-	0.01
<i>Purchase of Asset / Services for Capital Work in Progress :</i>		
GMR Hospitality and Retail Limited	0.47	-
GMR Airport Developers Limited	22.34	2.35
<i>Pledge of equity shares by the Company with banks against the loan taken by the Subsidiary Companies:</i>		
GMR-Aerospace Engineering Limited	0.00	14.53
GMR Hospitality and Retail Limited	(5.09)	37.98



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Related Party Transactions	March 31, 2018	March 31, 2017
Hyderabad Airport Security Services Limited	(3.75)	-
<i>(Release of)/Pledge of equity shares by the shareholders having significant influence in GHIAL, with banks against the loan taken:</i>		
GMR Airports Limited	(164.12)	-
MAHB (Mauritius) Private Limited	(28.66)	-
<i>Corporate guarantee given by the Company on behalf of its subsidiaries companies with banks against the loan taken:</i>		
GMR Hyderabad Aviation SEZ Limited	(0.92)	5.42
GMR Hospitality and Retail Limited	(1.88)	(0.40)
GMR Aerospace Engineering Limited	(3.38)	(3.60)
GMR Hyderabad Aerotropolis Ltd	43.55	-
<i>Corporate guarantee availed/(released) from the intermediate holding company against loan taken from banks:</i>		
GMR Infrastructure Limited	-	37.14
GMR Airports Limited	(41.00)	-
<i>Bank guarantee given by the Company on behalf of its subsidiaries companies with banks:</i>		
GMR Hospitality and Retail Limited	(3.00)	1.65
GMR Hyderabad Aviation SEZ Limited	(0.31)	0.05
GMR Aero Technic Limited	(0.76)	0.76
GMR Aerospace Engineering Limited	(8.56)	8.56
GMR Hyderabad Aerotropolis Ltd.	1.53	-
<i>CSR Expenditure</i>		
GMR Varalakshmi Foundation	3.75	2.46
<i>Reimbursement of expenses claimed by the Company during the year from its related parties:</i>		
GMR Infrastructure Limited	0.02	0.03
Laqshya Hyderabad Airport Media Private Limited	1.36	1.17
Kakinada SEZ Limited	0.09	0.09
Delhi International Airport Limited	0.07	-
GMR Hyderabad Aviation SEZ Limited	3.46	3.17
GMR Airports Limited	0.47	0.15
GMR Hospitality and Retail Limited	7.26	6.72
Hyderabad Menzies Air Cargo Private Limited	3.10	2.99
Airports Authority of India	2.98	3.18
GMR Hyderabad Aerotropolis Limited	5.83	0.16
Asia Pacific Flight Training Academy Limited	0.28	0.21
GMR Airport Developers Limited	0.90	0.45



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

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Related Party Transactions	March 31, 2018	March 31, 2017
GMR Highways Limited	0.06	0.05
Raxa Security Services Limited	0.00	0.00
GMR Energy Trading Limited	0.00	0.00
GMR Varalakshmi Foundation	0.08	0.07
Geokno India Private Limited	0.15	0.11
GMR Aero Technic Limited	1.60	1.46
GMR Business Process & Services Private limited	0.04	-
GMR Aerospace Engineering Limited	-	0.06
<i>Reimbursement of expenses claimed from the Company during the year by its related parties:</i>		
GMR Hospitality and Retail Limited	0.03	0.03
GMR Infrastructure Limited	-	0.00
GMR Airports Limited	0.48	0.00
Delhi International Airport Limited	0.37	0.25
GMR Varalakshmi Foundation	-	0.00
Laqshya Hyderabad Airport Media Private Limited	0.03	-
GMR Airport Developers Limited	0.00	-
<i>Reversal of Provision for Impairment in value of Investment</i>		
GMR Hospitality and Retail Limited	-	80.68
<i>Reversal of Provision for impairment in value of additional investment made on account of amortization of interest free loan and fair valuation of financial guarantee</i>		
GMR Hospitality and Retail Limited	-	5.09
<i>Corporate Guarantee commission income on account of Ind-As Adjustments:</i>		
GMR Hospitality and Retail Limited	1.32	0.14
GMR Aerospace Engineering Limited	3.31	0.38
GMR Aero Technic Limited	0.22	-
GMR Hyderabad Aerotropolis Limited	0.03	-
GMR Hyderabad Aviation SEZ Limited	0.76	0.09
<i>Income on amortization of deposit received:</i>		
Hyderabad Menzies Air Cargo Private Limited	0.05	0.05
Asia Pacific Flight Training Academy Limited	0.04	0.01
GMR Infrastructure Limited	-	0.00
GMR Hospitality and Retail Limited	-	0.00
Laqshya Hyderabad Airport Media Private Limited	0.04	0.01
GMR Aero Technic Limited	-	0.01
GMR Varalakshmi Foundation	0.01	0.01
<i>Interest expense on amortization of deposit received:</i>		



GMR Hyderabad International Airport Limited

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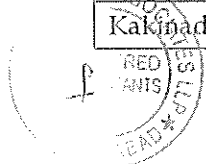
Notes to the Standalone financial statements for the year ended March 31, 2018

(All amounts in Rupees Crores unless otherwise stated)

Related Party Transactions	March 31, 2018	March 31, 2017
Hyderabad Menzies Air Cargo Private Limited	0.05	0.05
Asia Pacific Flight Training Academy Limited	0.04	0.01
GMR Infrastructure Limited	-	0.00
GMR Hospitality and Retail Limited	-	0.00
Laqshya Hyderabad Airport Media Private Limited	0.04	0.01
GMR Aero Technic Limited	-	0.01
GMR Varalakshmi Foundation	0.01	0.01
<i>Dividend Paid</i>		
GMR Airport Limited	95.26	-
GMR Infrastructure Limited	0.00	-
MAHB (Mauritius) Private Limited	16.62	-
Government of Telangana	19.66	-
Airports Authority of India	19.66	-

D. Outstanding balances at the end of the year:

Particulars	March 31, 2018		March 31, 2017	
	Non-Current	Current	Non-Current	Current
<i>Balance Recoverable / (Payable):</i>				
Hyderabad Menzies Air Cargo Private Limited	-	2.83	-	1.88
GMR Aerostructure Services Limited	-	0.03	-	0.01
Raxa Security Services Limited	-	(2.24)	-	(1.73)
Airports Authority of India	-	5.90	-	4.30
GMR Infrastructure Limited	-	(1.78)	-	(3.07)
Delhi International Airport Limited	-	(0.01)	-	(0.17)
GMR Rajahmundry Energy Limited	-	0.04	-	0.04
GMR Airports Limited	-	(7.18)	-	(2.42)
GMR Hospitality and Retail Limited	-	2.35	-	2.69
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	(0.74)	-	(0.07)
GMR Hyderabad Aviation SEZ Limited	2.13	5.21	-	5.41
Asia Pacific Flight Training Academy Limited	2.14	1.22	-	2.49
GMR Airport Developers Limited	-	(8.49)	-	(2.85)
Laqshya Hyderabad Airport Media Private Limited	-	0.96	-	4.79
Kakinada SEZ Private Limited	-	0.40	-	0.34



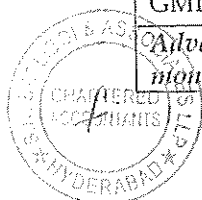
GMR Hyderabad International Airport Limited

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

(All amounts in Rupees Crores unless otherwise stated)

GMR Aero Technic Limited	-	1.62	-	0.86
GMR Energy Trading Limited	-	0.02	-	0.01
GMR Power Corporation Limited	-	-	-	-
GMR Hyderabad Aerotropolis Limited	-	0.73	-	0.16
GMR Varalakshmi Foundation	-	(0.90)	-	(0.04)
Government of Telangana	-	(3.52)	-	(3.37)
GMR Vemagiri Power Generation Ltd.	-	0.00	-	0.00
GMR Highways Limited	-	(0.00)	-	0.00
GMR Corporate Affairs Private Limited	-	(0.10)	-	(0.11)
Geokno India Private Limited	0.41	0.61	-	0.38
GMR Aerospace Engineering Limited	-	-	-	0.07
GMR Family Fund Trust	-	-	-	(0.09)
GMR Kamalanga Energy Limited	-	0.00	-	-
GMR Holdings PVT Ltd	-	0.01	-	-
GMR Business Process & Services Private limited	-	0.49	-	-
Sri Varalakshmi Jute Twine Mills Private Limited	-	-	-	-
<i>Security deposit received from / (paid) to related parties recognised at amortised cost:</i>				
Hyderabad Menzies Air Cargo Private Limited	0.37	-	0.37	0.05
Asia Pacific Flight Training Academy Limited	-	0.15	0.14	-
GMR Infrastructure Limited	-	0.03	-	0.02
GMR Hospitality and Retail Limited	-	0.01	-	-
Laqshya Hyderabad Airport Media Private Limited	0.27	0.05	0.30	-
GMR Varalakshmi Foundation	0.13	-	0.12	-
Raxa Security Services Limited	(1.75)	-	(1.75)	-
Sri Varalakshmi Jute Twine Mills	-	(0.10)	-	-
GMR Family Fund trust	(0.39)	-	(0.39)	-
<i>Deferred income on deposits received recognized at amortised cost:</i>				
Hyderabad Menzies Air Cargo Private Limited	0.22	0.05	0.28	0.05
Asia Pacific Flight Training Academy Limited	-	0.01	0.01	-
GMR Hospitality and Retail Limited	0.00	0.00	-	-
Laqshya Hyderabad Airport Media Private Limited	0.01	0.03	0.03	0.03
GMR Varalakshmi Foundation	-	0.01	0.01	0.01
<i>Advance towards share application money:</i>				



GMR Hyderabad International Airport Limited

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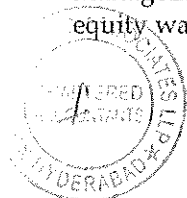
Notes to the Standalone financial statements for the year ended March 31, 2018

(All amounts in Rupees Crores unless otherwise stated)

GMR Aerospace Engineering Limited	5.00	-	-	12.00
<i>Investments in subsidiaries:</i>				
Hyderabad Menzies Air Cargo Private Limited	0.54	-	0.54	-
GMR Hyderabad Aerotropolis Limited	57.50	-	57.50	-
Hyderabad Airport Security Services Limited	12.50	-	12.50	-
GMR Hyderabad Aviation SEZ Limited	51.60	-	51.60	-
GMR Hospitality and Retail Limited	126.61	-	126.61	-
GMR Hyderabad Airport Power Distribution Limited	0.05	-	0.05	-
GMR Aerospace Engineering Limited	228.15	-	196.15	-
Asia Pacific Flight Training Academy Limited	3.56	-	-	-
<i>Investment in joint venture company:</i>				
Asia Pacific Flight Training Academy Limited	-	-	3.56	
Laqshya Hyderabad Airport Media Private Limited	9.80	-	9.80	
<i>Investment in Subsidiaries and Joint venture on account of amortization of Loans given and Fair valuation of Financial guarantees:</i>				
GMR Hospitality and Retail Limited	11.86	4.00	11.86	1.98
Laqshya Hyderabad Airport Media Private Limited	5.59	-	5.58	-
Hyderabad Airport Security services Limited	3.25	-	3.25	-
GMR Aerospace Engineering Limited	5.66	-	4.27	-
GMR Aerotechnic Limited	2.27	-	-	-
GMR Hyderabad Aerotropolis Limited	0.57	-	-	-
GMR Hyderabad Aviation SEZ Limited	1.82	-	0.88	-
<i>Loans given :</i>				
GMR Hospitality and Retail Limited	-	71.72	66.00	-
GMR Hyderabad Aerotropolis Limited	2.44	-	19.80	0.20
Laqshya Hyderabad Airport Media Private Limited	-	2.87	4.76	0.99
<i>Borrowings:</i>				
Hyderabad Airport Security Services Limited	-	(12.97)	-	(12.90)

* Hyderabad Duty Free Retail has been merged with GMR Hospitality and Retail Limited with appointed date as 01st April 2016 effective from April 27, 2017.

\$During the year ended March 31, 2017, entire equity share capital of GMR Hyderabad Airport Resource Management Limited was sold to GMR Infrastructure limited for a nominal sum of Rs. 1 and the loss on sale of equity was booked for Rs. 0.005 crore.



GMR Hyderabad International Airport Limited

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

(All amounts in Rupees Crores unless otherwise stated)

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

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

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

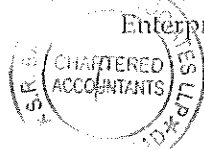
Note: The Company has provided certain corporate group support services such as internal audit services, software and IT support etc. to its subsidiaries, which are free of charge.

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

Related Party Transactions	March 31, 2018	March 31, 2017
<i>Pledge of equity shares by the shareholders having significant influence in the Company, with banks against the loan taken:</i>		
GMR Airports Limited	-	164.12
MAHB (Mauritius) Private Limited	-	28.66
<i>Pledge of equity shares by the Company with banks against the loan taken by the subsidiary companies:</i>		
Hyderabad Airport Security Services Limited	-	3.75
GMR Aerospace Engineering Limited	135.86	135.86
GMR Hospitality and Retail Limited	37.98	43.07
<i>Corporate guarantee given by the Company on behalf of its subsidiaries companies with banks against the loan taken:</i>		
GMR Hospitality and Retail Limited	122.50	124.38
GMR Aerospace Engineering Limited	275.00	278.38
GMR Hyderabad Aviation SEZ Limited	59.70	60.62
GMR Hyderabad Aerotropolis Ltd	43.55	-
<i>Bank guarantee given by the Company on behalf of its subsidiaries companies with banks, as required under the loan covenants:</i>		
GMR Hospitality and Retail Limited	7.38	10.38
GMR Hyderabad Aerotropolis Ltd.	1.53	-
GMR Hyderabad Aviation SEZ Limited	-	0.31
GMR Aero Technic Limited	-	0.76
GMR Aerospace Engineering Limited	-	8.56
<i>Corporate guarantee availed from the intermediary holding company against loan taken from banks:</i>		
GMR Airport Limited	-	41.00

34. The Company has only one reportable operating segment, which is operation of airport and providing allied services at Hyderabad. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

35. The Company has not dealt with any party as defined under the provisions of Micro, Small and Medium Enterprises Development Act, 2006 during the year.



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

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

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

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

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

Company as lessor:

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

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

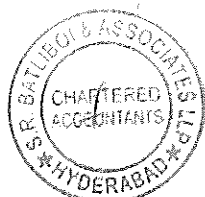
	March 31, 2018	March 31, 2017
Within one year	40.06	34.31
After one year but not more than five years	63.33	66.41
More than five years	88.65	60.32

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

- i) Matters related to various service tax notices / orders referred in note (d) of paragraph (B) below on contingent liabilities for which an amount of Rs. 0.81 crore (March 31, 2017: Rs. 0.81 crore) have been provided for in the books of account.

ii) Direct taxes:

- a) A search operation under section 132 of the Income Tax Act, 1961 was carried out at the premises of the Company by the Income Tax authorities on October 11, 2012 followed by another search closure visit on November 10, 2012, to check the compliance with the provisions of the Income Tax Act, 1961. Block Assessment in respect of A.Y 2007-2008 to 2012-2013 was completed and



the Company received the assessment orders, which disallowed certain expenses and made few additions to the income resulting in reduction of carried forward loss amounting to Rs. 109.44 crore and no additional tax liability was assessed to be payable by the Company. The Company had filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru against the said block assessment orders and the disallowances got reduced from Rs. 109.44 Crore to Rs. 31.17 crore against which the Company had filed an appeal with Income Tax Appellate Tribunal, Bengaluru.

- b) The Company received an assessment order for A.Y. 2013-14 disallowing expenses amounting to Rs. 23.68 crore against which the Company had filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru (CIT) and the disallowance of expenditure got reduced from Rs. 23.68 crore to Rs. 3.76 crore against which the Company had filed an appeal with Income Tax Appellate Tribunal, Bengaluru.
- c) The Company received assessment orders for the A.Y. 2014-15 and 2015-16 disallowing expenses aggregating to Rs. 23.79 Crore and Rs. 19.82 crore respectively against which, the Company had filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru.
- d) During the year, the Company received an assessment order for the A.Y. 2016-17 disallowing expenses amounting to Rs. 22.78 crore against which the Company filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru.

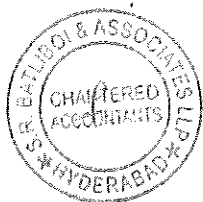
B. Guarantees excluding Financial Guarantees:

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

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

C. Matters under dispute are as follows:

- i. The Company had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated January 29, 2010 on irregular availment of the Cenvat amounting to Rs. 24.54 crore (March 31, 2017: Rs. 24.54 crore). The order also includes penalty of Rs. 31.11 crore (March 31, 2017: Rs. 31.11 crore). The Company had received stay order from CESTAT modified by High Court of Andhra Pradesh against the above said order subject to pre-deposit of Rs. 12.20 crore and accordingly, the Company had deposited the same with the service tax department within the stipulated time.
- ii. The Company had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated October 28, 2009, as per which the Company is liable to pay an amount of Rs. 7.43 crore (March 31, 2017: Rs. 7.43 crore) towards penalty on delay in payment of service tax on the UDF. The Company has got the stay order against the above said order in the earlier years.
- iii. The Company had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated November 25, 2013 on non-payment of service tax on recovery of electricity and water charges from its concessionaires and irregular availment of Cenvat amounting to Rs. 1.53 crore (March 31, 2017: Rs. 1.53 crore). The order also includes penalty of Rs 1.67 crore (March 31, 2017: Rs. 1.67 crore). The Company had received a stay subject to pre-deposit of Rs. 0.15 crore and accordingly, the Company had deposited same with the service tax department within the stipulated time



GMR Hyderabad International Airport Limited

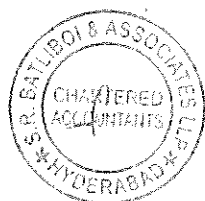
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Notes to the Standalone financial statements for the year ended March 31, 2018

(All amounts in Rupees Crores unless otherwise stated)

- iv. The Company has received an order dated December 27, 2017 (Show cause note dated June 17, 2013) from the Office of Assistant Commissioner of Central Tax on non-payment of service tax on import of service amounting to Rs. 0.25 crore (March 31, 2017: Rs. 0.33 crore). The order also includes the interest payable thereon and penalty of Rs. 0.26 crore (March 31, 2017: Rs. 0.41 crore). Subsequent to the year end, the Company has filed an appeal before the office of Commissioner (Appeals) and deposited an amount of Rs. 0.001 crore with the service tax department as required to file the appeal.
- v. The Company had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated June 11, 2015 on Irregular availment of Cenvat credit amounting to Rs. 0.62 crore (March 31, 2017: Rs. 0.62 crore). The order also includes the interest thereon and penalty of Rs. 0.62 crore (March 31, 2017: Rs. 0.62 crore). The Company has filed the appeal before the Customs, Excise and Service Tax Appellate Tribunal and deposited an amount of Rs. 0.05 crore with the service tax department as required to file the appeal.
- vi. The Company has received an order dated March 23, 2018 from the officer of commissioner of Central Tax whereby the demand of service tax on irregular availment of exemption on sale of space for advertisement, Undervaluation of security services received from CISF, irregular availment of cenvat credit on capital goods & inputs and non-payment of service tax on notice pay amounting to Rs. 2.39 crore. The order also includes penalty of Rs. 1.80 crore and interest as applicable. The Company is in the process of filing the appeal before the Customs, Excise and Service Tax Appellate Tribunal.
- vii. The Company had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction workers' Welfare Cess @ 1% of the cost of construction of Airport amounting to Rs. 25.20 crore (March 31, 2017: Rs. 25.20 crore). The Company had received the stay order against the said order in the earlier years.
- viii. The Company has received notice dated January 19, 2013, from Hyderabad Metropolitan Water Supply & Sewerage Board for disconnection of water connection for non-payment of sewerage cess arrears. The Company has filed the writ petition against the notice and received stay order from the Hon'ble High Court of Andhra Pradesh on February 5, 2013. The sewerage cess outstanding including interest as on March 31, 2018 amounted to Rs. 4.28 crore (March 31, 2017: Rs. 3.94 crore).
- ix. Recovery from PSF (SC) Escrow account:
- a) The Ministry of Civil Aviation (MoCA) had issued the order vide order no. AV 13024 /03/2011-AS (Pt. I) dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred, since inception till date, towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of PSF (SC) escrow account opened and maintained by the Airport Operator in a fiduciary capacity. The Company had incurred Rs. 94.48 crore (March 31, 2017: Rs. 93.83 crore) towards capital expenditure (including the construction cost and cost of land mentioned in note b and excluding related maintenance expense and interest thereon) till March 31, 2018 out of PSF (SC) escrow account as per SOPs, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

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



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

- b) As per the advice from the Ministry of Home Affairs and the SOP issued by the MoCA on March 06, 2002, the Company, through its wholly owned subsidiary, Hyderabad Airport Security Services Limited (HASSL) constructed the residential quarters for Central Industrial Security Force (CISF) deployed at the airport. After completion of such construction, the total construction cost including the cost of land amounting to Rs. 69.92 crore (March 31, 2017: Rs. 69.92 crore) was debited to the Passenger Service Fee (Security Component) Fund [PSF (SC) Fund] with intimation to the MoCA. The Comptroller & Auditor General, during their audits of PSF (SC) Fund, observed that, the Company had not obtained prior approval from the MoCA for incurring such cost from the PSF (SC) Fund as required by the guidelines dated January 8, 2010 and April 16, 2010 issued by the MoCA. However, Management of the Company is of the opinion that these guidelines were issued subsequent to the construction of the said residential quarters and approached the MoCA for approval of such debit notes to the PSF (SC) Fund account and also, made an application for an increase in PSF (SC) tariff to recover these dues and to meet the shortfall in discharging other liabilities from PSF (SC) fund. In the earlier years, the MoCA responded that, it is not in a position to consider the request for enhancement in the PSF (SC) tariff. As a result, the Company had requested the MoCA to advise the Airport Economic Regulatory Authority (AERA) for considering the cost of construction, land and other related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the airport. Pending final instructions from the MoCA, residential quarters continue to be accounted under the PSF (SC) Fund and no adjustment has been made to these financial statements.
- x. Fuel surcharge adjustments (FSA) for the period from April 2008 to March 2010 amounting to Rs. 2.05 crore (March 31, 2017: Rs. 2.05 crore).

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

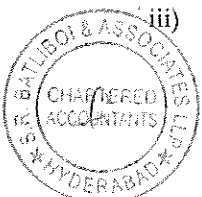
III. Capital and other commitments:

a) Capital commitment:

Estimated value of contracts remaining to be executed on capital account not provided for (net of advances) amount to Rs. 178.28 crore (March 31, 2017: Rs. 53.58 crore)

b) Other commitments:

- i) As per the terms of Concession Agreement, the Company is required to pay concession fees to the Ministry of Civil Aviation (MoCA) @ 4% on all its gross revenue (as defined in Concession Agreement) of the Company for an initial term of 30 years starting from March 23, 2008 which can be extended by another 30 years at the option of the Company which has been exercised and the same is calculated as per provision of Ind AS.
- ii) The Company has committed to provide financial support as necessary, to enable its wholly owned subsidiary company i.e., GMR Aerospace Engineering Limited to meet its operational requirements as they arise and to meet their liabilities as and when they fall due.
- iii) For commitment relating to lease arrangement refer clause I of note 36.



37. Summary of significant judgements, estimates and assumptions

A. Judgements

In the process of applying the company's accounting policies, management has made the below judgements, which has the effect on the amounts recognized in the financial statements:

Discounting rate

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

Non applicability of Service Concession Agreement (SCA):

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

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

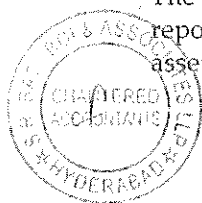
GHIAL management conducted detailed analysis to determine applicability of Appendix A of Ind AS 11. The concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from GHIAL, MoCA and users/passengers perspective. Further, the regulated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

Leases: Whether an arrangement contains a lease

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

B. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its



assumptions and estimates on parameters available when the Special Purpose Standalone Interim Condensed Ind AS Financial Information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

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

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

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

Contingent liabilities

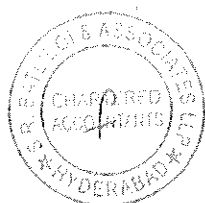
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment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

Fair value measurement of financial instruments

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

Tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management 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. See Note 28 and 43 for further disclosures.



38. Fair values

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

Break up of financial assets

	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets				
At Fair Value through Profit or loss				
Investments	826.22	354.43	826.22	354.43
At Fair Value through Other Comprehensive Income				
Cross Currency Swap (Derivative designed as cash flow hedge)*	71.69	-	71.69	-
Financial liabilities				
Financial liabilities carried at Fair Value through Profit or loss				
Interest Rate Swap (Derivative not designed as hedge)	-	67.24	-	67.24

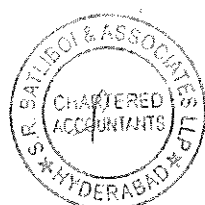
* Excluding accrued net interest payable of Rs. 40.36 crore.

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

Assumption used in estimating the fair values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

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



39. Fair Value Hierarchy:

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
At FVTPL					
Investment in Mutual fund	March 31, 2018	826.22	826.22*	-	-
	March 31, 2017	354.43	354.43*		
At FVTOCI					
Derivative designed as cash flow hedge (Cross Currency Swap)	March 31, 2018	71.69	-	71.69*	-
	March 31, 2017	-	-	-	-
Liabilities measured at fair value					
Derivative not designated as hedge (Interest rate swap)	March 31, 2018	-	-	-	-
	March 31, 2017	67.24	-	67.24*	-

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

*Valuation Techniques used to determine the Fair Value:

Specific valuation techniques used to value financial instruments include:

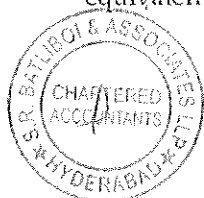
- The use of quoted market price of Mutual funds
- The Fair value of Interest rate swaps is calculated as the present value of estimated future cash flows based on observable interest yield curves
- The fair value of cross currency swaps is calculated as the present value of the estimated future cash flows based on observable yield curve

40. Financial risk management objectives and policies:

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

Financial risk

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



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

Market risk

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

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

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

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

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The analysis for the contingent consideration liability is provided in Note 37 B.

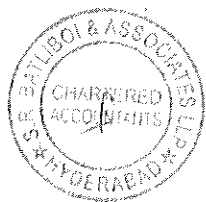
The following assumptions have been made in calculating the sensitivity analyses:

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to the risk of changes in market interest rates as the Company's long-term debt obligations are in the form of Senior secured notes with fixed interest rate of 4.25% p.a. on total amount of USD 350 million which has been swapped for 8.65% p.a. (weighted average of all CCS contracts) on INR notional of Rs. 2,229.95 crore (total of all CCS contracts)

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to convert variable rate loan to fixed rate loan if the perceived uncertainty of such variable market rates is for a long term. As on March 31, 2018, approximately 100% (March 31, 2017: 39% after taking into account the effect of interest rate swaps) of the Company's borrowings are at a fixed rate of interest.



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

Particulars	March 31, 2018	March 31, 2017
Rupee term loan	-	1,286.40
ECB loan borrowings	-	479.86
Total	-	1,766.26

Interest rate sensitivity

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

	Movement in basis points	Impact on profit before tax
March 31, 2018		
INR	50	-
USD		
4.25% Senior Secured Notes	50	-
March 31, 2017		
INR	50	6.43
USD		
External Commercial Borrowing (ECB)	50	(0.04)
Interest rate swap on ECB	50	0.04

Foreign currency risk:

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

Cash flow hedges

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

The effectiveness testing has established that the movement in the value of the Hedging Instrument (i.e. CCS) and the value of Hedged Item are correlated with each other to offset the volatility in the cash flow throughout the period of the said Hedging Instrument prospectively. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss. Accordingly, an amount of Rs. 56.95 crores has been



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released from Cash flow hedge reserve to Statement of Profit and Loss to nullify the impact of Foreign exchange losses on restatement of SSN included in Statement of Profit and Loss.

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

Payable on	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
Foreign Currency	Foreign Currency	(Rs. In Crore)	Foreign Currency	(Rs. In Crore)
EUR	(1,24,236)	(1.01)	(93,136)	(0.65)
AED	-	-	(1,40,737)	(0.25)
GBP	(2,27,866)	(2.12)	-	-
USD	(5,52,204)	(3.61)	(15,27,104)	(10.02)
USD-Loan	-	-	(73,150,000)	(479.86)
CAD	(31,718)	(0.16)	-	-
Grand Total		(6.90)		(490.78)

Foreign currency sensitivity

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

Foreign Currency	Nature of transaction	Change in Rate	March 31, 2018 Rs.	March 31, 2017 Rs.
USD	Change in fair valuation of financial liabilities	5%	0.18	0.50
USD	Change in depreciation on account of Capitalization of foreign exchange gain or loss on ECB	5%	-	1.71

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

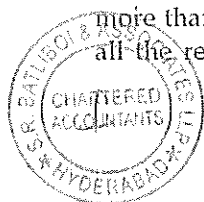
Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

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

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



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greater than 5% each accounting for approximately 74.69% (March 31, 2017: 52%) of the total amounts receivable.

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

Financial instruments (security deposits) and cash deposits

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

Liquidity risk

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities and bank loans. The Company's policy is to ensure that the repayments of borrowings are in sync with the cash flows generated from the operations. Approximately, 0.51% of the Company's debt will mature in less than one year at March 31, 2018 (March 31, 2017: 6%) based on the outstanding amount of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders, if required.

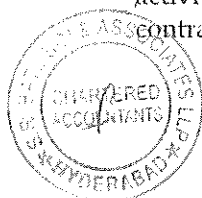
The table below summarizes the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

(INR in crores)

	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2018						
Borrowings	-	-	12.97	-	2601.95	2614.92
Trade & Other payables	-	89.68	9.57	-	-	99.25
Other financial liabilities	3.10	89.82	133.94	132.47	135.11	494.43
Corporate Guarantee	500.75	-	-	-	-	500.75
	502.86	94.71	231.68	138.09	2,683.64	3,650.98
Year ended March 31, 2017						
Borrowings	-	26.89	93.58	636.52	1,337.22	2,094.22
Trade & Other payables	-	72.23	7.44	-	-	79.67
Other financial liabilities	2.12	8.84	34.50	116.24	165.95	327.65
Corporate Guarantee	462.41	-	-	-	-	462.41
	464.53	107.96	135.52	752.76	1,503.17	2,963.95

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.



Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

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

41. Capital management

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

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

Gearing Ratio:

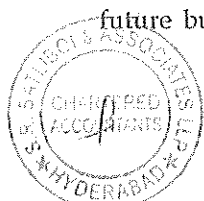
Particulars	March 31, 2018	March 31, 2017
Borrowings	2567.37	2083.65
Borrowings	2567.37	2083.65
Share Capital	378.00	378.00
Reserves & Surplus	727.91	307.99*
Total Capital	1,105.91	685.99
Capital and borrowings	3673.28	2769.64
Gearing ratio	70%	75%

*The above is inclusive of final dividend of Rs. 2.50 per fully paid equity share (March 31, 2017 -- Rs.2.50) recommended by the Board of Directors in its meeting held on May 4, 2017. The proposed dividend involved total outflow of Rs. 113.74 Crores inclusive of dividend distribution tax thereon. The proposed dividend was subject to the approval of shareholders in the annual general meeting.

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

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

42. The financial statement as at March 31, 2018 include investment and share application money totaling to Rs. 238.81 crore (March 31, 2017: Rs. 212.42 crore) made in wholly owned subsidiary company, GMR Aerospace Engineering Limited (GAEL) and investment of Rs. 2.27 crore (March 31, 2017: Nil) in GMR Aero Technic Limited (GATL), which is a wholly owned subsidiary of GAEL. GATL has incurred a net loss of Rs. 57.47 crore for the year ended March 31, 2018 (March 31, 2017: Rs. 39.18 crore) and has accumulated losses of Rs. 421.51 crore as at March 31, 2018 (March 31, 2017: Rs. 363.92 crore), which exceeds its net worth based on the audited financial statements. Also, GATL has incurred cash losses in the current year. The recovery of such investments is dependent upon the ability of the aforesaid wholly owned subsidiary to scale up its operations in future and achieve sustained profitability. Based on the future business plan and projections approved by the Board of Directors of subsidiary company and

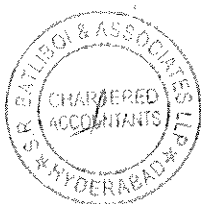


valuation assessment done, the Management is of the view that there is no permanent diminution in the value of such investments. Accordingly, these financial statement do not include any adjustments relating to the recoverability of the aforesaid investments.

43. The Company has recognized, Minimum alternate tax (MAT) credit entitlement of Rs. 269.10 crore (March 31, 2017: Rs. 167.95 crore), as the Company based on estimates expects to adjust this amount after expiry of the tax holiday period (i.e. AY 2022-23) u/s 80IA of the Income Tax Act, 1961. Management is confident that in view of the anticipated tariff orders for the control periods which will be effective from financial year 2018-19, the Company's normal tax liability will be more than the MAT payable after considering the deduction under section 80IA of the Income Tax, Act, 1961.
44. The Airport Economic Regulatory Authority ('AERA'), passed an Aeronautical tariff order No. 38 dated February 24, 2014, in respect of control period from April 1, 2011 to March 31, 2016. The Company had filed an appeal, challenging the disallowance of pre - control period losses, foreign exchange loss on ECB and other issues for determination of its tariff with the AERA Appellate Tribunal (AERAAT) against the aforesaid order. Due to non-constitution of AERAAT Bench, the Company had filed a writ petition with the Honorable High Court at Hyderabad for the State of Telangana and for the State of Andhra Pradesh, which is yet to be heard.
45. The Company filed an application with AERA for determination of Aeronautical Tariff in respect of Second Control period from April 1, 2016 to March 31, 2021 including True up for shortfall of receipt vis a vis entitlement for the first control period. Pending determination of Aeronautical Tariff, AERA vide its order no. 43 dated March 28, 2018 has allowed to continue to charge the Aeronautical tariff as prevailed on 31.03.2018 for a period of 6 months w.e.f. April 1, 2018 or till determination of tariff for the aforesaid period whichever is earlier.
46. On December 19, 2017, AERA issued a Consultation Paper inviting comments from all stakeholders in connection with determination of Tariff of the Hyderabad Airport for the Second Control Period. However, as the aforesaid Consultation Paper does not address the existing issues arising out of the Tariff Order for the first control period, the Company filed a writ petition against the aforesaid Consultation Paper before the Honorable High Court at Hyderabad for the State of Telangana and for the State of Andhra Pradesh on February 6, 2018. Pending the disposal of the existing matters of the Tariff Order for the first control period, the Honorable High Court issued a stay order dated February 7, 2018 in respect of further proceedings in determination of Tariff order for the second control period.
47. As per the Concession Agreement (CA), the Company is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to include all pre-tax revenue of GHIAL with certain specified exclusions.

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

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



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Description	Incomes forming part of	For the year ended March 31, 2018	For the year ended March 31, 2017
Reversal of Fair value of financial instruments Interest Rate Swap	Finance income	11.92	40.19
Discounting of Interest free loan given to subsidiaries	Finance income	4.17	3.78
Income arising from fair valuation of financial guarantee	Other income	5.63	0.62
Discounting on fair valuation of deposit received from concessionaries	Income from commercial property development	0.78	2.36
Income from government grant	Other income	4.11	2.08
Amortisation of deferred income	Other income	3.78	0.69
Provision for impairment in investments in subsidiary written back	Exceptional item	-	85.78
Gain on reinstatement of 4.25% Senior Secured Notes	Other income	43.72	-

48. Exceptional Item - Reversal of provision for diminution in the value of investment

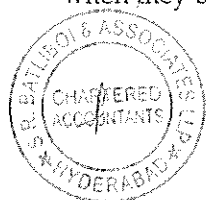
During the previous year, Owing to the merger of Hyderabad Duty Free Retail Limited into GMR Hotels and Resorts Limited (GHRL) and based on the independent valuation obtained by the Company for the merged entity, the provision for impairment in value of investments in GHRL made in the earlier years amounting to Rs.85.78 cr was reversed. Further, management is of the view that reversal of provision for impairment in the value of investment in GHRL recognised as an exceptional item does not represent receipts from business operation and the same is not considered for computation of Concession fee to MoCA.

49. Reimbursement of expenses claimed by the Company have been reduced from the respective expense head as mentioned in the table below:

Expense Head	For the year ended March 31, 2018	For the year ended March 31, 2017
Electricity and water charges	40.30	32.35
Salaries, wages and bonus	3.30	2.96
Staff welfare expenses	0.81	0.65
Insurance	0.02	0.01
Rates and taxes	0.21	0.21
Bank charges	0.14	0.29
Miscellaneous expenses	0.07	-
Advertising and business promotion	0.02	-
Travelling and conveyance	0.02	0.03
Office Maintenance	0.03	0.03

50. Amendment to Indian Accounting Standards (Ind AS) issued but not yet effective

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



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

a. Ind AS 115- Revenue from Contract with Customers

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

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

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

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

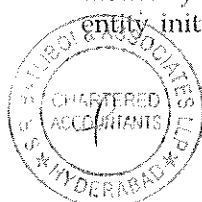
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable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

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

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

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

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance



consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

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

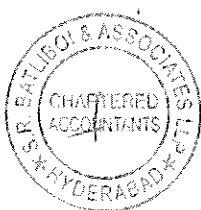
- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

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

51. In accordance with the provisions of the amended and restated Joint Venture Agreement (JVA) dated November 16, 2010 executed by the Company with Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) Limited (MACL), Menzies Aviation (India) Private Limited and Hyderabad Menzies Air Cargo Private Limited (HMACPL), the Company exercised its Buy Back Rights to buy the shares held by MACL in HMACPL. MACL disputed Company's position as regards exercising the buyback rights. In view of the above dispute, GHIAL invoked Arbitration and post conclusion of proceedings the Arbitral Tribunal issued the final award on January 29, 2018 dismissing the claims of the Company with costs stating that the fair market value was not determined as per the requirement of JVA, The Company has thus not exercised its buy back rights validly and hence dismissed the claims of the Company with costs.
52. The financial statements of the Company do not include Accounts for Passenger Service Fee- Security Component [PSF- (SC)] as the same are maintained separately in the fiduciary capacity by the Company on behalf of the Government of India and are governed by Standard Operating Procedure vide letter number AV/13024/047/2003-SS/AD dated January 19, 2009 issued by the Ministry of Civil Aviation, Government of India.
53. Utilisation of money raised through issue of Senior Secured Notes (SSN)

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

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



GMR Hyderabad International Airport Limited
CIN: U62100TG2002PLC040118
Notes to the Standalone financial statements for the year ended March 31, 2018
(All amounts in Rupees Crores unless otherwise stated)

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

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

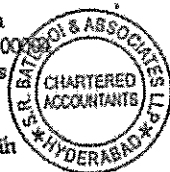
Details of temporary cash investment made from unutilized portion of Senior Secured Notes raised during the year ended as at March 31, 2018:

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

54. The Company has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the domestic transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements.

For S.R. BATLIBOI & ASSOCIATES
 LLP
 ICAI Firm Registration
 Number: 101049W/E3000784
 Chartered Accountants

per Shankar Srinivasan
 Partner
 Membership No.: 213271



For K S Rao & Co.,
 ICAI Firm Registration
 Number: 0005156
 Chartered Accountants

per Hitesh Kumar P
 Partner
 Membership No.: 233734



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

Srinivas Bommidala
 Director
 DIN.: 00061464

Anup Kumar Samal
 Company Secretary

RSSLN Bhaskarudu
 Director
 DIN.: 00058527

Rajesh Arora
 Chief Financial Officer



Place: Hyderabad
 Date: May 3, 2018

Place: Hyderabad
 Date: May 3, 2018

Place: Hyderabad
 Date: May 3, 2018